Remgro Limited

INTERIM REPORT

UNAUDITED RESULTS FOR THE SIX MONTHS ENDED **31 DECEMBER 2012** AND CASH DIVIDEND DECLARATION

SALIENT FEATURES

> Interim dividend per share: **+15.1%**

> Headline earnings per share: **-35.1%**

> Headline earnings per share, excluding Mediclinic refinancing cost: **+18.6%**

> Intrinsic value per share at 31 December 2012, when compared to 30 June 2012: **+19.6%**

www.remgro.com / Registration number 1968/006415/06 ISIN ZAE000026480 Share code REM

ABRIDGED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31 December 2012 R'm	31 December 2011 R'm	30 June 2012 R'm
ASSETS			
Non-current assets			
Property, plant and equipment	**3 646**	3 169	3 485
Biological agricultural assets	**99**	131	99
Investment properties	**38**	40	37
Intangible assets	**363**	327	356
Investments – Associated companies	**42 490**	37 112	38 321
– Joint ventures	**153**	267	130
– Other	**1 996**	5 886	1 587
Retirement benefits	**171**	154	164
Loans	**199**	112	115
Deferred taxation	**6**	7	6
	49 161	47 205	44 300
Current assets	**10 955**	13 036	13 727
Inventories	**2 147**	1 984	2 002
Biological agricultural assets	**497**	431	476
Debtors and short-term loans	**2 682**	2 596	2 071
Investments in money market funds	**2 448**	2 335	2 344
Cash and cash equivalents	**2 767**	5 367	6 484
Other current assets	**174**	146	136
	10 715	12 859	13 513
Assets held for sale	**240**	177	214
Total assets	**60 116**	60 241	58 027
EQUITY AND LIABILITIES			
Stated and issued capital	**3 605**	3 605	3 605
Reserves	**52 061**	52 318	50 018
Treasury shares	**(485)**	(176)	(169)
Shareholders' equity	**55 181**	55 747	53 454
Non-controlling interest	**786**	784	799
Total equity	**55 967**	56 531	54 253
Non-current liabilities	**1 027**	1 339	981
Retirement benefits	**210**	187	203
Long-term loans	**137**	155	105
Deferred taxation	**680**	997	673
Current liabilities	**3 122**	2 371	2 793
Trade and other payables	**2 550**	1 956	2 493
Short-term loans	**505**	211	279
Other current liabilities	**67**	204	21
Total equity and liabilities	**60 116**	60 241	58 027
Net asset value per share (Rand)			
– At book value	**R107.62**	R108.41	R103.93
– At intrinsic value	**R182.54**	R142.99	R152.61

ABRIDGED CONSOLIDATED INCOME STATEMENT

	Six months ended		Year ended
	31 December 2012 R'm	31 December 2011 R'm	30 June 2012 R'm
Sales	**7 860**	6 883	13 532
Inventory expenses	**(5 209)**	(4 221)	(8 517)
Personnel costs	**(1 214)**	(1 126)	(2 405)
Depreciation	**(187)**	(166)	(354)
Other net operating expenses	**(890)**	(817)	(1 484)
Trading profit	**360**	553	772
Dividend income	**14**	123	175
Interest received	**105**	99	243
Finance costs	**(15)**	(7)	(21)
Negative goodwill	**196**	–	–
Net impairment of investments, loans, assets and goodwill	**–**	(28)	(295)
Profit on sale and unbundling of investments	**12**	1 247	4 421
Consolidated profit before tax	**672**	1 987	5 295
Taxation	**(138)**	(373)	(462)
Consolidated profit after tax	**534**	1 614	4 833
Share of after-tax profit of associated companies and joint ventures	**1 373**	2 385	4 532
Net profit for the period	**1 907**	3 999	9 365
Attributable to:			
Equity holders	**1 891**	3 944	9 284
Non-controlling interest	**16**	55	81
	1 907	3 999	9 365

ASSOCIATED COMPANIES AND JOINT VENTURES

Share of after-tax profit of associated companies and joint ventures			
Profit before taking into account impairments, non-recurring and capital items	**2 304**	3 012	6 094
Net impairment of investments, assets and goodwill	**(94)**	(9)	(197)
Profit on the sale of investments	**45**	307	381
Other non-recurring and capital items	**(5)**	1	38
Profit before tax and non-controlling interest	**2 250**	3 311	6 316
Taxation	**(768)**	(744)	(1 405)
Non-controlling interest	**(109)**	(182)	(379)
	1 373	2 385	4 532

RECONCILIATION OF HEADLINE EARNINGS

	Six months ended 31 December 2012 R'm	Six months ended 31 December 2011 R'm	Year ended 30 June 2012 R'm
Net profit for the period attributable to equity holders	**1 891**	3 944	9 284
Plus/(minus):			
– Negative goodwill	**(196)**	–	–
– Net impairment of associates and joint ventures	**–**	11	26
– Impairment of other investments	**–**	–	239
– Impairment of property, plant and equipment	**–**	–	3
– Recycling of foreign currency translation reserves	**–**	59	94
– (Profit)/loss on sale of associates and joint ventures	**1**	(1 305)	(1 056)
– Profit on sale of other investments	**(13)**	(1)	(3 455)
– Net surplus on disposal of property, plant and equipment	**(8)**	(2)	(79)
– Non-headline earnings items included in equity accounted earnings of associated companies and joint ventures	**49**	(299)	(241)
– Net surplus on disposal of property, plant and equipment	**(5)**	–	(19)
– Profit on the sale of investments	**(45)**	(307)	(381)
– Net impairment of investments, assets and goodwill	**94**	9	197
– Other non-recurring and capital items	**5**	(1)	(38)
– Taxation effect of adjustments	**(5)**	180	181
– Non-controlling interest	**–**	62	117
Headline earnings	**1 719**	2 649	5 113

EARNINGS AND DIVIDENDS

	Six months ended 31 December 2012 Cents	Six months ended 31 December 2011 Cents	Year ended 30 June 2012 Cents
Headline earnings per share			
– Basic	**334.4**	515.5	994.6
– Diluted	**328.7**	508.2	974.3
Earnings per share			
– Basic	**367.8**	767.5	1 805.9
– Diluted	**362.4**	758.6	1 783.7
Dividends per share			
Ordinary	**145.00**	126.00	314.00
– Interim	**145.00**	126.00	126.00
– Final			188.00

ABRIDGED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended 31 December 2012 R'm	31 December 2011 R'm	Year ended 30 June 2012 R'm
Net profit for the period	**1 907**	3 999	9 365
Other comprehensive income, net of tax	**1 177**	1 318	(1 827)
Items that may be reclassified subsequently to the income statement:			
Exchange rate adjustments	**233**	762	792
Fair value adjustments for the period	**(162)**	(350)	(866)
Deferred taxation on fair value adjustments	**(5)**	47	199
Reclassification of reserves to the income statement	**(25)**	(6)	(3 000)
Change in reserves of associated companies and joint ventures	**1 769**	611	412
Items that will not be reclassified to the income statement:			
Change in reserves of associated companies and joint ventures	**(633)**	254	636
Total comprehensive income for the period	**3 084**	5 317	7 538
Total comprehensive income attributable to:			
Equity holders	**3 068**	5 262	7 457
Non-controlling interest	**16**	55	81
	3 084	5 317	7 538

ABRIDGED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Six months ended 31 December 2012 R'm	31 December 2011 R'm	Year ended 30 June 2012 R'm
Balance at the beginning of the period	**54 253**	52 330	52 330
Total comprehensive income for the period	**3 084**	5 317	7 538
Dividends paid	**(999)**	(1 139)	(1 809)
Capital invested by minorities	**–**	1	6
Other movements	**2**	(1)	1
Purchase of treasury shares by wholly owned subsidiary	**(405)**	–	–
Long-term share incentive scheme reserve	**32**	23	84
Unbundling of investment	**–**	–	(3 897)
Balance at the end of the period	**55 967**	56 531	54 253

ABRIDGED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended 31 December 2012 R'm	Six months ended 31 December 2011 R'm	Year ended 30 June 2012 R'm
Cash generated/(utilised) from/(by) operations	**(89)**	(515)	949
Taxation paid	**(103)**	(213)	(431)
Dividends received	**1 526**	1 719	3 150
Cash available from operating activities	**1 334**	991	3 668
Dividends paid	**(999)**	(1 139)	(1 819)
Net cash inflow/(outflow) from operating activities	**335**	(148)	1 849
Investing activities	**(4 394)**	1 032	124
Financing activities	**47**	16	139
Net increase/(decrease) in cash and cash equivalents	**(4 012)**	900	2 112
Increase in money market funds	**(104)**	(610)	(619)
Exchange rate profit on foreign cash	**188**	567	586
Cash and cash equivalents at the beginning of the period	**6 394**	4 315	4 315
Cash and cash equivalents at the end of the period	**2 466**	5 172	6 394
Cash and cash equivalents – per statement of financial position	**2 767**	5 367	6 484
Bank overdraft	**(301)**	(195)	(90)

ADDITIONAL INFORMATION

	31 December 2012	31 December 2011	30 June 2012
Number of shares in issue			
– Ordinary shares of no par value			
(31 December 2011: 1 cent each)	**481 106 370**	481 106 370	481 106 370
– Unlisted B ordinary shares of no par value			
(31 December 2011: 10 cents each)	**35 506 352**	35 506 352	35 506 352
Total number of shares in issue	**516 612 722**	516 612 722	516 612 722
Number of shares held in treasury			
– Ordinary shares repurchased and held in treasury	**(3 862 662)**	(2 378 920)	(2 279 155)
	512 750 060	514 233 802	514 333 567
Weighted number of shares	**514 106 204**	513 901 431	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 period 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)

	31 December 2012 R'm	31 December 2011 R'm	30 June 2012 R'm
Listed investments			
Associated			
– Book value	**28 573**	24 474	25 713
– Market value	**55 358**	33 335	40 601
Other			
– Book value	**710**	5 172	768
– Market value	**710**	5 172	768
Unlisted investments			
Associated			
– Book value	**13 917**	12 638	12 608
– Directors' valuation	**26 516**	21 116	23 464
Joint ventures			
– Book value	**153**	267	130
– Directors' valuation	**153**	264	130
Other			
– Book value	**1 286**	714	819
– Directors' valuation	**1 286**	714	819
Additions to and replacement of property, plant and equipment	**351**	246	771
Capital and investment commitments	**4 715**	2 630	5 678
(Including amounts authorised, but not yet contracted for)			
Guarantees and contingent liabilities*	**2 232**	2 313	2 420
Dividends received from associated companies and joint ventures set off against investments	**1 495**	1 606	2 942

** The guarantees and contingent liabilities relate primarily to three unresolved tax disputes with SARS. Two of the disputes (amounting together to R1 158 million) relate to the buy-back and cancellation of treasury shares, while the third dispute (amounting to R755 million) is in connection with the disposal of investments. Both amounts include interest. Based on legal opinion received, all the assessments are in dispute.*

The appeal of the assessment to the Tax Court relating to the first treasury share dispute was successful with judgement in Remgro's favour. SARS has appealed the Tax Court judgement in part only, thus decreasing the contingent liability in this dispute by R211 million (including interest). The remaining issues will now be addressed before the Supreme Court of Appeal.

COMMENTS

1. ACCOUNTING POLICIES

The interim report is prepared in accordance with the recognition and measurement principles of 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 are consistent with those of the previous financial periods, 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 periods.

2. COMPARISON WITH PRIOR PERIOD

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 CHF418 million (no tax relief has been recognised since the tax position has not been finalised);
- accelerated amortisation charges of Swiss capitalised financing expenses of CHF18 million;
- breakage charges of R55 million relating to existing South African debts; and
- a realised gain of R574 million on foreign exchange forward contracts.

Due to the fact that Mediclinic has a March year-end, Remgro would normally only have accounted for Mediclinic's results for the six months ended 30 September 2012 (without making any adjustments) when preparing its interim results for the six months ended 31 December 2012. However, due to the materiality of the amounts involved, the results of Mediclinic for the six months ended 30 September 2012 were adjusted with the items referred to above before being accounted for in Remgro's interim results for the six months ended 31 December 2012.

Remgro's share of these adjustments amounted to a loss of R1 423 million.

3. RESULTS

Headline earnings

For the period under review headline earnings decreased by 35.1% from R2 649 million to R1 719 million, while headline earnings per share also decreased by 35.1% from 515.5 cents to 334.4 cents.

However, excluding the effect of the once-off items relating to Mediclinic's refinancing transaction referred to in 2 above, headline earnings increased by 18.6% from R2 649 million to R3 142 million, while headline earnings per share also increased by 18.6% from 515.5 cents to 611.2 cents, as presented in the table below.

Contribution to headline earnings

	Six months ended			Year ended
	31 Dec 2012 R'm	% *Change*	31 Dec 2011 R'm	30 June 2012 R'm
Financial services	**1 315**	*15.8*	1 136	2 538
Industrial interests	**216**	*(83.8)*	1 334	2 236
Media interests	**52**	*33.3*	39	93
Mining interests	**–**	*(100.0)*	112	148
Technology interests	**33**	*6.5*	31	77
Other investments	**17**	*30.8*	13	22
Central treasury	**120**	*100.0*	60	140
Other net corporate costs	**(34)**	*55.3*	(76)	(141)
Headline earnings	**1 719**	*(35.1)*	2 649	5 113
Mediclinic refinancing cost	**1 423**	–	–	–
Headline earnings, excluding Mediclinic refinancing cost	**3 142**	*18.6*	2 649	5 113

Refer to Annexures A and B for segmental information.

Financial services

The contribution from financial services to Remgro's headline earnings amounted to R1 315 million (2011: R1 136 million), representing an increase of 15.8%. It should be noted that Remgro's effective interests in RMBH and RMI changed materially since December 2011 due to Remgro selling a portion of its interest in these entities to Royal Bafokeng Holdings (Pty) Limited. Both FirstRand and RMBH reported good results for the six months ended 31 December 2012, mainly due to strong operational performances by FNB, WesBank and RMB. RMI reported good results with an 18.0% growth in headline earnings, with good earnings growth by Discovery (20.4%) and MMI Holdings (68.3%), being offset by 13.7% lower earnings in OUTsurance.

Industrial interests

The contribution of the industrial interests to headline earnings for the period under review decreased by 83.8% to R216 million (2011: R1 334 million), mainly due to the effect of the once-off items relating to Mediclinic's refinancing transaction referred to earlier. Excluding these once-off items, the contribution of the industrial interests to headline earnings increased by 22.9% to R1 639 million. Unilever's contribution to Remgro's headline earnings increased by 27.1% to R277 million (2011: R218 million). This increase is mainly due to an increase in sales volumes, as well as improved margins. Distell's contribution to headline earnings, which includes the investments in Capevin Holdings and Capevin Investments, amounted to R295 million (2011: R261 million). This improved performance is mainly due to an increase in sales volumes. Rainbow's contribution to headline earnings for the period under review amounted to R39 million (2011: R149 million). Rainbow is currently experiencing difficult trading conditions, with its results being significantly impacted by record levels of cheap imports and high input costs. Tsb Sugar's contribution to Remgro's headline earnings amounted to R258 million (2011: R308 million). This decrease is mainly due to a lower cane throughput at Tsb Sugar's mills resulting from the transport industrial action and adverse climatic conditions. Air Products produced lower earnings with a contribution to headline earnings of R91 million (2011: R96 million). Grindrod contributed R57 million to headline earnings for the period under review (2011: R13 million for the two months since acquisition). Remgro's share of the results of KTH for the period under review amounted to R123 million (2011: R37 million loss). It should be noted that in the comparative period, KTH's results were negatively impacted by unfavourable fair value adjustments relating to certain investee companies. Total South Africa's contribution to Remgro's headline earnings amounted to R146 million (2011: R117 million). As in the comparative period, Total South Africa's results for the period under review were again impacted by substantial favourable stock revaluations.

Media interests

Media interests consist primarily of the interests in Sabido, MARC and Premier Team Holdings (PTH). Sabido's contribution to Remgro's headline earnings amounted to R78 million (2011: R72 million). PTH's contribution to headline earnings amounted to a loss of R20 million (2011: loss of R18 million). In the comparative period a loss of R16 million was accounted from the investment in One Digital Media, which investment was sold during April 2012.

Mining interests

Until the unbundling of Implats to Remgro shareholders during June 2012, Implats was the only remaining investment being reported under mining interests. In the comparative period dividends received from Implats amounted to R112 million.

Technology interests

Technology interests primarily represent the interests in the CIV group of companies and the investment in SEACOM. For the period under review the CIV group contributed R34 million to Remgro's headline earnings (2011: R37 million). SEACOM reported a headline loss of R30 million for the period under review (2011: R75 million loss), with Remgro's share of this loss amounting to R7 million (2011: R19 million loss).

Other investments

The contribution of other investments to headline earnings amounted to R17 million (2011: R13 million), of which Business Partners' contribution was R13 million (2011: R8 million).

Central treasury and other net corporate costs

The contribution from the central treasury division amounted to R120 million (2011: R60 million). This increase mainly resulted from unrealised foreign exchange profits of R59 million on the hedging of the repatriation of a portion of Remgro's offshore cash balances in anticipation of the planned Rainbow rights offer early in March 2013. Other net corporate costs amounted to R34 million (2011: R76 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 52.1% to R1 891 million (2011: R3 944 million), mainly as a result of the losses relating to Mediclinic's refinancing transaction amounting to R1 423 million accounted for during the period under review, as well as capital gains amounting to R1 099 million accounted for in the comparative period on the disposal of RMBH shares and RMI shares to Royal Bafokeng Holdings (Pty) Limited, the disposal of Tracker and the KTI and Tiso merger.

4. INTRINSIC VALUE

Remgro's intrinsic value per share increased by 19.6% from R152.61 at 30 June 2012 to R182.54 at 31 December 2012. Refer to Annexure B for full details.

5. INVESTMENT ACTIVITIES

The most important investment activities during the period 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 31 December 2012 Remgro's effective interest in Mediclinic was 44.5% (30 June 2012: 45.0%).

Rainbow Chicken Limited (Rainbow)
On 14 November 2012, Rainbow announced its acquisition of an effective 64.2% interest in New Foodcorp Holdings (Pty) Limited (Foodcorp) for a total consideration of R1 037 million. The transaction is subject to Competition Commission approval which is anticipated in March 2013. Foodcorp brings a strong portfolio of brands into the Rainbow stable and will help to diversify Rainbow's earnings stream into different products and markets.

On 4 February 2013, it was also announced that Rainbow concluded an agreement for the purchase of 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 intended transaction is aligned to Rainbow's strategy to expand into sub-Saharan Africa and is subject to regulatory approval in both Zambia and South Africa.

Rainbow will fund 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 Rainbow shares for a total consideration of R3 118.6 million, thereby increasing its effective interest in Rainbow to 76.2% (30 June 2012: 73.4%).

Pembani Remgro Infrastructure Fund (PRIF)
PRIF has been established as a joint initiative between Remgro and Phuthuma Nhleko and focuses on investments in infrastructure companies and projects (and related industries) within Africa. 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 (Pty) Limited (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%.

Grindrod Limited (Grindrod)
During the period 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 period 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 41.1% (30 June 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.

The transaction did not affect Remgro's indirect interest in Distell Group Limited, which remained unchanged at 33.5%.

MARC Group Limited (MARC)
During November 2012, it was announced that the intended transaction between Kagiso Media Limited (Kagiso Media) and Remgro in terms of which Kagiso Media would have acquired 100% of the shares in Trinergy Brand Connectors (Pty) Limited, Experiential Marketing (Pty) Limited and EXP Momentum Limited, as well as the 50% indirect interest in Blue Bulls Company (Pty) Limited held by MARC, was unsuccessful.

Other smaller investments, amounting to R362 million, were made during the period under review in, inter alia, the Milestone China Funds and Premier Team Holdings Limited.

6. INFORMATION REGARDING UNLISTED INVESTMENTS

Unilever South Africa Holdings (Pty) Limited (Unilever South Africa)
Unilever South Africa's contribution to Remgro's headline earnings for the six months to 31 December 2012 increased by 27.1% to R277 million (2011: R218 million), mainly due to turnover growth and higher margins. Included in Remgro's share of Unilever's earnings are restructuring costs amounting to R31 million (2011: R15 million), increasing mainly as a result of dual running and transition costs incurred on the commissioning of a new Savoury factory.

Unilever South Africa's turnover for the six months to 31 December 2012 increased by 11.5% to R8 563 million (2011: R7 680 million), primarily driven by increased volumes in the Home Care, Beauty, Ice

Cream and Savoury & Dressings categories coupled with the recovery of price increases in commodities and new innovations. The acquisition of *Sara Lee* and *Oral Care* brands also had a positive contribution to the increase in turnover.

The company's profit after tax for the six-month period under review decreased by 3.9% to R1 063 million (2011: R1 106 million) mainly due to an after-tax profit of R267 million on the sale of the *Sanex* and *Status* brands included in the prior period's earnings.

Tsb Sugar Holdings (Pty) Limited (Tsb Sugar)
Tsb Sugar's contribution to Remgro's headline earnings for the period under review amounted to R258 million (2011: R308 million). This decrease was mainly due to a lower cane throughput at Tsb Sugar's mills, due to the transport industrial action and adverse climatic conditions.

Turnover increased by 13.1% for the period under review from R2 441 million to R2 761 million. 15.4% of turnover is represented by exports. The increase is mainly attributable to increased sugar prices and an increase in export volumes.

Tsb Sugar's raw sugar production for the period under review decreased by 20% to 339 975 tons (2011: 424 863 tons) while the South African Sugar industry's production for the same period decreased by 8.4%. The decrease in Tsb Sugar's production is mainly attributed to the countrywide transport strike and unfavourable climatic conditions which led to the under-utilisation of milling capacity. The planned extension in the length of the new season should significantly reduce the current cane backlog.

The Royal Swaziland Sugar Corporation's contribution to Tsb Sugar's headline earnings for the period was R107 million (2011: R85 million). The increase was mainly due to increased production and better sugar and ethanol prices.

Air Products South Africa (Pty) Limited (Air Products)
Air Products has a September year-end and therefore its results for the six months ended 30 September 2012 have been included in Remgro's results for the period under review. Air Products' contribution to Remgro's headline earnings for the period under review decreased by 5.2% to R91 million (2011: R96 million).

Turnover for Air Products' six months ended 30 September 2012 increased by 11.2% to R875 million (2011: R787 million), while the company's operating profit for the same period decreased by 4.2% to R277 million (2011: R289 million). Operating profit for the prior period was positively impacted by mark-to-market profits of R30 million on forward exchange contracts to cover imports of capital equipment.

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.

Demand for large tonnage industrial gases has shown little sign of recovery as steel output and resources demand remain muted. The outlook for volumes in these sectors remains uncertain, but bulk liquid and packaged gases volume remains steady and has shown year-on-year growth.

Sabido Investments (Pty) Limited (Sabido)
Remgro has an effective interest of 31.6% in Sabido which has a range of media interests, which includes South Africa's only private free-to-air television channel, e.tv, its sister news service, eNews Channel Africa (eNCA), Gauteng-based radio station, Yfm and various studio and facilities businesses.

Sabido has a March year-end and therefore its results for the six months ended 30 September 2012 have been included in Remgro's results for the period under review. Sabido's contribution to Remgro's headline earnings for the period under review amounted to R78 million (2011: R72 million). This amount includes a charge of R5 million (2011: R5 million) relating to the amortisation of intangible assets, identified as part of the acquisition of VenFin Limited during November 2009.

Despite aggressive growth in pay television, which is impacting on audience share for free-to-air services, e.tv has managed to hold its own against the increasing competition. All Media Products Survey (AMPS) figures for June 2012 showed a 2.6% growth for e.tv, ahead of the industry's 1.2% growth, taking its reach to 16.5 million viewers. However, audience and advertising share are increasingly under pressure from pay-TV as the continued delays in the launch of digital terrestrial television prevent free-to-air services from providing multi-channel offerings. The future of free-to-air television in South Africa, including e.tv, is critically dependent on the availability of a free-to-air platform which can compete effectively with the dominant pay-TV player.

e.sat tv's primary operating business, eNCA, benefited from subscriber growth in the DStv Compact platform and retained its position as the premier news service on DStv. eNCA launched on the Sky digital platform in the United Kingdom during August 2012, making it available to 10 million UK households and the service is now available internationally on online platform Livestation. eNCA continues to provide syndicated services to e.tv, e.tv Africa, The Africa Channel (UK) and KykNET (via its eNuus brand).

Advertising sales on e.tv, eNCA and Yfm were under pressure during the period under review but programming and operating costs remained stable. The studios and facilities businesses performed as expected with the exception of post-production business, The Refinery, which is experiencing difficult market conditions.

The focus of the group for the forthcoming months is the ongoing development of a multi-channel strategy to enhance its competitiveness across a multiplicity of platforms and provide opportunities for new revenue streams. This includes the launch of e.tv Online and eNCA Online in the first half of 2013.

Kagiso Tiso Holdings (Pty) Limited (KTH)
KTH is a leading black-owned investment company with in excess of R15 billion in assets and a net asset value of R9 billion. KTH has a strong and diversified asset portfolio covering the resources, industrial, media, financial services, healthcare, property and information technology sectors.

KTH has a June year-end and therefore its results for the six months ended 31 December 2012 have been included in Remgro's results for the period under review. KTH's contribution to Remgro's headline earnings for the period under review amounted to R123 million (2011: loss of R37 million). It should be noted that in the comparative period, KTH's results were negatively impacted by unfavourable fair value adjustments relating to investments in Exxaro Resources Limited and Aveng Limited. Results for the period under review were impacted by positive fair value adjustments on investments in MMI Holdings Limited (R463 million) and Emira Property Fund (R72 million), partially offset by negative fair value adjustments on investments in Exxaro Resources Limited (R353 million) and Adcock Ingram Holdings Limited (R97 million).

Income from equity accounted investments amounted to R184 million (2011: R166 million), with major contributions from its investments in XK Platinum Partnership and Actom Investment Holdings (Pty) Limited. A special dividend of R55 million has also been received from MMI Holdings Limited during the period under review.

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

Total South Africa (Pty) Limited (Total)
Total has a December year-end and therefore its results for the six months ended 31 December 2012 have been included in Remgro's results for the period under review. Total's contribution to Remgro's headline earnings for the period under review amounted to R146 million (2011: R117 million).

Total's turnover for the six months to 31 December 2012 increased by 12.9% from R15 378 million to R17 365 million, while operating profit increased to R780 million (2011: R630 million). The improved performance results mainly from stock revaluation gains of R463 million (2011: gains of R300 million), as the international oil price increased from US$94 per barrel, at 30 June 2012, to US$112 per barrel at 31 December 2012.

Retail sales of petroleum products achieved lower levels than during 2011. The demand for petroleum products in the retail business has decreased due to petrol pump prices above the R11 per litre level and consumer reaction thereto. Market share of Total's main fuels is deemed to have slightly decreased between 2011 and 2012, also due to focus on higher margin sales in the general trade business.

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

Natref (in which Total has an interest of 36.4%) experienced a planned global shutdown of the refinery during October 2012, which negatively impacted production during the period. Refining margins have continued to recover, due to favourable market prices for gasoline and jet fuel, and have reached higher levels during 2012.

SEACOM Capital Limited (SEACOM)
Remgro has an effective interest of 25.0% in SEACOM which launched the first undersea fibre-optic cable to connect Southern and Eastern Africa with Europe and Asia in July 2009. The cable connects South Africa, Mozambique, Tanzania, Kenya and Djibouti with the rest of the world via landing points in France (and onwards to London) and India. Landlocked countries (Uganda, Rwanda, Ethiopia, etc.) are connected by terrestrial backhaul.

SEACOM has a December year-end and therefore its results for the six months ended 31 December 2012 have been included in Remgro's results for the period under review. SEACOM's contribution to Remgro's headline earnings for the period under review amounted to a loss of R7 million (2011: loss of R19 million). SEACOM is however cash flow positive and Remgro has received dividends of R59 million from SEACOM during the period under review, bringing the cumulative dividends received since the acquisition of VenFin Limited to R239 million.

SEACOM provides high-capacity international fibre-optic bandwidth to customers in the form of indefeasible rights of use (IRUs), leases and maintenance charges, where most of the revenue is accounted for over 20 years. Delays with the implementation of the cable through Egypt, have resulted in additional unforeseen operational costs which are not expected to recur in future. SEACOM maintains a proactive approach to ensuring profitability, by implementing various initiatives to cut back on costs.

With the arrival of WACS (the West African Cable System), a competitor to SEACOM in sub-Saharan Africa, and recent upgrades to the EASSy system, its East coast competitor, increased supply continues to drive regular price declines into the market.

Fortunately with affordability improving, demand elasticity is playing its part positively ensuring that demand grows above expectations. Furthermore, ongoing reductions in terrestrial costs (mobile operator deals and other operators such as Dark Fibre Africa and FibreCo) and increased need for reliable protected routes around Africa are also leading to increased demand. SEACOM's ability to change with the rapidly evolving market and respond to demand faster than others is critical to maintain its ongoing competitive positioning.

Community Investment Ventures Holdings (Pty) Limited (CIV)

Remgro has an effective interest of 43.8% in the CIV group which is active in the telecommunications and information technology sectors. The group has decided to focus on the Telecommunications Infrastructure market and as a consequence the company is in the process of disposing of companies that are not directly aligned with this market. All of the power industry investments (CIV Power) have already been sold. The balance of the non-core operating assets in the Telecommunications (CIE Telecommunications) portfolio is at various stages in the disposal process. The key operating company is Dark Fibre Africa (DFA) which constructs and owns fibre-optic networks.

The CIV group has a March year-end and therefore its results for the six months ended 30 September 2012 have been included in Remgro's results for the period under review. The CIV group's contribution to Remgro's headline earnings for the period under review amounted to R34 million (2011: R37 million), of which the major contributors were CIE Telecommunications (R18 million) and DFA (R10 million).

It is anticipated that CIV group's future growth will be DFA and other potential aligned investment opportunities. DFA's revenue for the period under review increased by 41.1% to R302 million (2011: R214 million) underpinned by solid growth in annuity revenue. One of the main operating challenges that DFA faces is the slower than anticipated customer site build that affects DFA's ability to link the sites to the fibre network. Another challenge is the delay in way leave approvals from municipalities and road authorities which prevent DFA from completing fibre rings on time. Both these challenges delay revenue income generation to offset increasing depreciation and finance charges incurred on network rollout costs, resulting in lower earnings for the period under review.

DFA has embarked on an aggressive rollout of the network. Once a section of network is completed, the asset is recognised and then depreciation on the full infrastructure cost and finance charges incurred. The current value of the fibre-optic network is in excess of R3 billion.

DFA has fibre network rings in Johannesburg, Cape Town, Durban (expanding to Pietermaritzburg), Midrand, Centurion and Pretoria. During the past year, the network has been expanded to a further 15 smaller towns. The Johannesburg ring is regarded as one of the most important communication rings in Africa. At 31 December 2012, a total distance of 6 915 km has been completed in the major metropolitan areas and on long-haul routes. Long-haul routes include Durban to the SEACOM landing station in Mtunzini, which route was extended through Empangeni to Gauteng. DFA also completed building a long-haul route to link Cape Town to the WACS undersea cable landing station in Yzerfontein. WACS has the largest capacity of all the undersea cables to South Africa. In 2010 DFA commenced with the fibre-to-tower project linking mobile phone operators' base stations to the core communication rings, and the project will continue through 2013 and beyond as demand for mobile backhaul increases due to, amongst others, a strong growth in data demand by smart phones. Mobile backhaul is a major growth driver for DFA due to the increased demand for mobile broadband. DFA has 4 069 base transceiver station sites on the network that cover three of the four mobile operators.

DFA has signed commercial lease agreements with 41 customers that have Electronic Communication

Network Licences ranging from the largest incumbents to small niche operators. The revenue model is flexible to adapt to the customers' needs and is to either sell an IRU which is a lump sum in advance or on an annuity basis with multi-year contracts. Presently approximately 63% of revenue is annuity which ensures good visibility for the foreseeable future.

PGSI Limited (PGSI)

PGSI's contribution to Remgro's headline earnings for the six months to 31 December 2012 amounted to R10 million (2011: R3 million), which includes a negative fair value adjustment of R5 million (2011: R5 million) on the conversion right attached to PGSI preference shares.

PGSI's turnover for the period under review increased by 4.2% from R1 607 million to R1 675 million, while its operating profit before depreciation and amortisation (EBITDA) amounted to R194 million (2011: R133 million). The increase in EBITDA was driven by an improvement in the economic climate both domestically and internationally, and a weakening in the rand currency. While the economic climate is showing some improvements it still appears fragile and uncertain. The fall-out of some domestic players and the closure of float lines in Europe and USA have, however, resulted in reduced overall supply.

The main operating subsidiary in South Africa, PG Group, has been affected by the global and local recession of the past few years, particularly in the domestic building sector. While the low-cost housing sectors have shown some positive growth, commercial buildings and the middle and upper-class home sectors are lagging and continue to experience slow glass demand. Excess global and local manufacturing capacity has resulted in reduced margins on a number of product lines. The lower domestic demand also led to increased capacity which was exported and resulted in an adverse domestic/export sales mix. Growth in new car sales was positive which assisted sales from the Shatterprufe division. However, the export vehicle build was lower than in the prior period due to the weaker export demand for local Original Equipment Manufacturers.

The difficult market conditions for manufacturing in South Africa over the past few years have been further exacerbated by a very volatile rand, but the current levels of the rand will have a positive impact on the business, as the group will benefit from increased export earnings and reduced import volumes. The PG Group has embarked on a number of initiatives to improve profitability in this difficult trading environment, including the reorganisation of management structures to focus on opportunities as well as efficiency, cost reduction and increasing yields at all manufacturing facilities, which are all starting to show positive impacts on earnings.

Wispeco Holdings Limited (Wispeco)

Turnover for the six months ended 31 December 2012 increased by 11.2% to R598 million (2011: R538 million). This growth in turnover was primarily driven by increased sales volumes, while prices only started to increase towards the end of the period. Headline earnings for the period under review increased by 20.8% to R29 million (2011: R24 million), mainly due to the higher turnover, containment of costs and protection of gross margins in a period of continued intense competition amongst local extruders and importers.

The increasing importance of the processing of recycled aluminium supports Wispeco's initiatives to reduce its carbon footprint. Wispeco is continuously focusing on productivity and efficiency improvements in its main manufacturing divisions to enhance competitiveness against local and foreign competitors.

Wispeco's range of architectural products under the *Crealco* brand is increasing and more products and software support programmes directed towards the development of energy-efficient buildings are being introduced.

The emerging renewable energy market, in particular demand from the proposed solar power generation plants (both photovoltaic and concentrated solar power), started slower than expected, but the first orders for locally manufactured aluminium extrusions have now been received and should create a steady stream for the next few years.

MARC Group Limited (MARC)

MARC is a pan-African investment company that focuses on marketing, communication and rights commercialisation in the sport and entertainment industry. This includes various strategic subsidiary and equity investments in activations marketing, sponsorships management, events management, ticketing and rugby. The group operates in 16 different African countries of which South Africa, Nigeria and Kenya are the biggest markets.

The investment in MARC has been classified as a non-current asset held for sale with effect from 30 June 2012 and therefore its results have not been included in Remgro's results for the period under review.

MARC's net profit of R10 million (2011: R2 million) for the six months to 31 December 2012 was positively impacted by the solid growth in its operations in Nigeria, Kenya and South Africa.

MARC has disposed of its investments in Griffons Rugby (Pty) Limited and House of the Brave (Pty) Limited during the period under review. MARC also unbundled its BEE shareholding vehicle which now results in Remgro owning 78.3% of MARC.

7. 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 period 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 R405.3 million, while 1 126 493 Remgro ordinary shares were utilised to settle Remgro's obligation towards scheme participants who exercised the rights granted to them.

At 31 December 2012, 3 862 662 Remgro ordinary shares (0.8%) were held as treasury shares.

DIRECTORATE

Mr P E Beyers has retired as a non-executive director from the Board of Remgro with effect from 31 January 2013. Mrs M A Ramphele has resigned as an independent non-executive director from the Board of Remgro with effect from 31 January 2013. The Board of Remgro also approved the retirement of Mrs J A Preller 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.

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. 25
Notice is hereby given that an interim gross dividend of 145 cents (2011: 126 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 half-year to 31 December 2012.

The Company will be utilising STC credits amounting to 145 cents per ordinary share and 145 cents per unlisted B ordinary share. As a result there will be no dividend tax deducted from the interim 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 interim dividend	Friday, 12 April 2013
Shares trade ex dividend	Monday, 15 April 2013
Record date	Friday, 19 April 2013
Payment date	Monday, 22 April 2013

Share certificates may not be dematerialised or rematerialised between Monday, 15 April 2013, and Friday, 19 April 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.

Signed on behalf of the Board of Directors.

Johann Rupert
Chairman

Jannie Durand
Chief Executive Officer

Stellenbosch
19 March 2013

ANNEXURE A
COMPOSITION OF HEADLINE EARNINGS

	Six months ended 31 December 2012 R'm	31 December 2011 R'm
Financial services		
RMBH	**686**	594
FirstRand	**289**	227
RMI Holdings	**340**	315
Industrial interests		
Mediclinic	**(1 109)**	191
Unilever SA Holdings	**277**	218
Distell Group[1]	**295**	261
Rainbow Chicken	**39**	149
Tsb Sugar	**258**	308
Air Products South Africa	**91**	96
Grindrod	**57**	13
KTH	**123**	(37)
Total South Africa	**146**	117
PGSI	**10**	3
Wispeco	**29**	24
Other industrial interests	**–**	(9)
Media interests		
Sabido	**78**	72
MARC	**–**	1
Other media interests	**(26)**	(34)
Mining interests		
Implats	**–**	112
Technology interests		
CIV group[2]	**34**	37
SEACOM	**(7)**	(19)
Other technology interests	**6**	13
Other investments	**17**	13
Central treasury	**120**	60
Other net corporate costs	**(34)**	(76)
Headline earnings	**1 719**	2 649
Weighted number of shares (million)	**514.1**	513.9
Headline earnings per share (cents)	**334.4**	515.5

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 (Pty) Limited, CIV Power (Pty) Limited, Central Lake Trading No. 77 (Pty) Limited and Dark Fibre Africa (Pty) Limited.

ANNEXURE B
COMPOSITION OF INTRINSIC NET ASSET VALUE

	31 December 2012		30 June 2012	
	Book value R'm	**Intrinsic value R'm**	Book value R'm	Intrinsic value R'm
Financial services				
RMBH	**9 808**	**16 053**	9 438	13 758
FirstRand	**3 408**	**6 814**	3 258	5 801
RMI Holdings	**5 451**	**9 254**	5 530	7 810
Industrial interests				
Mediclinic	**6 572**	**19 684**	4 622	10 601
Unilever SA Holdings	**3 145**	**8 187**	3 051	7 026
Distell Group[1]	**2 473**	**7 086**	2 258	5 935
Rainbow Chicken	**2 114**	**3 183**	2 139	3 140
Tsb Sugar	**1 979**	**3 820**	1 910	3 372
Air Products South Africa	**669**	**2 829**	642	2 774
Grindrod	**2 482**	**2 342**	2 315	1 871
KTH	**2 432**	**2 328**	1 765	1 667
Total South Africa	**1 085**	**1 192**	941	1 217
PGSI	**567**	**577**	581	585
Wispeco	**438**	**353**	409	350
Other industrial interests	**942**	**942**	425	424
Media interests				
Sabido	**900**	**1 987**	845	1 768
MARC	**234**	**222**	168	168
Other media interests	**125**	**141**	56	56
Technology interests				
CIV group[2]	**1 465**	**1 629**	1 428	1 550
SEACOM	**551**	**946**	586	926
Other technology interests	**145**	**154**	228	226
Other investments	**1 562**	**1 021**	1 200	839
Central treasury – cash at the centre[3]	**5 212**	**5 212**	8 327	8 327
Other net corporate assets	**1 422**	**1 665**	1 332	1 622
Net asset value (NAV)	**55 181**	**97 621**	53 454	81 813
Potential CGT liability[4]		**(4 023)**		(3 319)
NAV after tax	**55 181**	**93 598**	53 454	78 494
Issued shares after deduction of shares repurchased (million)	**512.8**	**512.8**	514.3	514.3
NAV after tax per share (Rand)	**107.62**	**182.54**	103.93	152.61

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 (Pty) Limited, CIV Power (Pty) Limited, Central Lake Trading No. 77 (Pty) Limited and Dark Fibre Africa (Pty) Limited.
3. Cash at the centre excludes cash held by subsidiaries that are separately valued above (mainly Rainbow Chicken, Tsb Sugar and Wispeco).
4. 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.
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.

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, J A Preller

CORPORATE INFORMATION

Secretary
M Lubbe

Listing
JSE Limited
Sector: Industrials – Diversified Industrials

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Transfer Secretaries
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Johannesburg 2001
(PO Box 61051, Marshalltown 2107)

Auditors
PricewaterhouseCoopers Inc.
Stellenbosch

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

www.remgro.com