

**Final Results Press Release for Remgro Limited**  
**(Remgro or the Group)**

**REMGRO DELIVERS SOLID PERFORMANCE IN FACE OF TOUGH ECONOMIC CONDITIONS**

- Total dividend per share for the year increased by 10% to 209 cents (2009: 190 cents)
- Headline earnings from continuing operations increased by 5.9% to R3.4 billion
- Headline earnings per share from continuing operations increased by 2.8% to 690 cents
- Intrinsic value per share up 22.7% from R99.15 (31 March 2009) to R121.64 at 31 March 2010
- Successful completion of the VenFin acquisition on 23 November 2009

**Overview**

The global and local recession continued to impact each of the markets in which the Group has investments. Despite these continued tough economic conditions, Thys Visser, Chief Executive Officer of Remgro, said that they are satisfied with the performance of the Group's continuing investments and where necessary, have taken action to either increase or exit Remgro's interest in certain new or existing investments. The VenFin acquisition, completed on 23 November 2009, had an immaterial effect on Remgro's results. This was as a result of only including the 3-month results of those investments with March or September year ends into Remgro's year end results.

For the year ended, headline earnings from continuing operations increased by 5.9% from R3 168 million to R3 355 million, while headline earnings per share from continuing operations increased by only 2.8% from 671.5 cents to 690.1 cents. This was due to the dilutive effect of issuing 41.6 million ordinary shares for the acquisition of VenFin on 23 November 2009.

|  | <b>Contribution</b> | <b>31 March 2010</b> | <b>Change</b> | <b>31 March 2009</b> |
|--|---------------------|----------------------|---------------|----------------------|
| <b>Contribution to continuing headline earnings:</b> | <b>%</b>            | <b>(R'million)</b>   | <b>%</b>      | <b>(R'million)</b>   |
| Financial services                                   | 40.4                | 1 355                | (14.0)        | 1 576                |
| Industrial interests                                 | 59.1                | 1 982                | 50.4          | 1 318                |
| Media interests                                      | 0.5                 | 17                   | -             | -                    |
| Mining interests                                     | 2.9                 | 96                   | (41.5)        | 164                  |
| Technology interests                                 | 0.4                 | 13                   | -             | -                    |
| Other investments                                    | (1.9)               | (64)                 | 20.0          | (80)                 |
| Central treasury                                     | 1.7                 | 57                   | (79.5)        | 278                  |
| Other net corporate costs                            | (3.1)               | (101)                | (14.8)        | (88)                 |
| <b>Headline earnings from continuing operations</b>  | <b>100.0</b>        | <b>3 355</b>         | <b>5.9</b>    | <b>3 168</b>         |

A total dividend of 209 cents per share, made up of an interim dividend of 84 cents per share and a final dividend of 125 cents per share, has been declared for the year ended 31 March 2010, this equates to a 10% increase from the total dividend of 190 cents per share paid in the previous year.

Cash at the centre decreased by R1 305 million to R4 662 million at 31 March 2010 due mainly to negative exchange translation differences on foreign cash of nearly R1.2 billion resulting from the strength of the rand throughout the year. The largest investment activities included the acquisition of Capevin Investments and Capevin Holdings shares to the amount of R389 million, R180 million for the acquisition of Illovo's Pongola sugar mill by Tsb Sugar and the participation by Remgro in the PGSI rights offers totaling R185 million.

### ***Investment review***

The decline of 14.0% in the combined contribution of FirstRand and RMB Holdings to Remgro's headline earnings from R1 576 million to R1 355 million was mainly as a result of increased bad debts in the retail lending business of the banking division and equity trading losses.

The total contribution of the various industrial interests of Remgro increased by 50.4% to R1 982 million (2009: R1 318 million). Headline earnings from the listed investments increased by 17.3% from R891 million (2009) to R1 045 million mainly as a result of improved headline earnings posted by both Rainbow and Medi-Clinic, contributing R259 million (2009: R235 million) and R460 million (2009: R288 million), respectively, to Remgro's headline earnings. The headline earnings from the unlisted investments rose by 119.4% from R427 million (2009) to R937 million. The largest contributor to the unlisted investments' performance was Kagiso Trust Investment's (KTI) contribution to headline earnings amounting to R128 million from a prior year headline loss of R139 million. KTI's results were impacted by favourable fair value adjustments amounting to R20 million compared to an unfavourable fair value adjustment in 2009 of R368 million relating to its shareholding in Metropolitan Holdings Limited. Total South Africa's contribution to headline earnings also moved from a loss of R25 million to a profit of R42 million. The increase in Total South Africa's results is mainly due to a more stable oil price than in 2008, resulting in lower stock revaluation losses. The contributions to headline earnings by Unilever was R279 million (up 20.8% on 2009) and Tsb Sugar R227 million (up 20.7% on the previous year).

Remgro's Media interests consist primarily of the interest in Sabido whose most significant interest is e.tv, the only free-to-air television broadcaster in South Africa. The contribution to headline earnings by Sabido for the three months to 31 March 2010 was R11 million.

Mining interest's contribution to headline earnings decreased by 41.5% to R96 million (2009: R164 million). Dividends received from Implats amounted to R85 million (2009: R346 million). Trans Hex's contribution to Remgro's headline earnings amounted to R11 million (2009: a loss of R182 million).

The Technology interest's contribution to Remgro's headline earnings totaled R13 million for the three months to 31 March 2010, mainly from the CIV group. The largest investments in this sector of Remgro's portfolio are SEACOM (provides high-capacity international fibre optic bandwidth for Southern and Eastern Africa), Tracker (the vehicle tracking and recovery company) and the CIV group, which includes Dark Fibre Africa, which is involved in the building, owning, maintaining and monitoring of fibre optic networks.

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

Central treasury's 79.5% decrease is mainly due to lower interest rates on a lower average cash balance and foreign currency profits amounting to R50 million that were realised in 2009 on the repatriation of R&R dividends.

The increase in other net corporate costs is mainly due to the inclusion of VenFin's corporate costs.

### ***Post year end events***

On 31 March 2010, FirstRand announced that it has reached an agreement with Metropolitan Holdings Limited (Metropolitan) to dispose of all of FirstRand's ordinary shares in its wholly-owned subsidiary, Momentum Group

Limited, in consideration for Metropolitan ordinary shares. It is anticipated that FirstRand will hold approximately 59.5% of the issued share capital of the merged entity, which it intends to unbundle to its ordinary shareholders. These transactions are subject, prior to 31 October 2010, to the fulfilment of a number of conditions precedent.

At the same time, RMBH announced that it is exploring a number of restructuring steps to realign its investment portfolio and to enhance shareholder value.

On 21 June 2010, the Remgro Board approved the unbundling of the investment in Trans Hex to shareholders. Subject to conditions precedent being fulfilled, Remgro shareholders will receive 5.85 Trans Hex shares for every 100 Remgro shares held.

A further equity investment of R77.7 million was made in Business Partners and as a result, Remgro's interest, on a fully diluted basis, is now 28.7%.

Remgro invested an additional amount of R74.7 million in Kagiso Infrastructure Empowerment Fund, thereby increasing the amount already invested to R168.9 million of the R350 million committed.

During May 2010, Remgro increased its effective interest in Dark Fibre Africa to 32.0% by making an equity investment of R9.7 million as well as granting them a loan facility amounting to R85.1 million, in terms of which R53.1 million has already been advanced.

Remgro also acquired additional Capevin Holdings shares in the open market for a total consideration of R19.1 million, which increased Remgro's indirect interest in Distell from 33.3% at 31 March 2010 to 33.4%.

### **Conclusion**

Visser concludes: "This has been a busy year for Remgro in bedding down the VenFin acquisition as well as ensuring that our overall portfolio is managed in the best interest of our shareholders. As at 31 March 2010, Remgro's intrinsic value was R121.64 per share, 22.7% higher than the previous year's R99.15 per share. We also saw the share price improving by 45.2% to R98.00 per share at 31 March 2010 and as a result, the trading discount has reduced year-on-year from 31.9% to 19.4%."

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