

Remgro
Limited

ANNUAL REPORT

2008

CONTENTS

INVESTMENT PHILOSOPHY	1
Remgro's investment philosophy	
GROUP PROFILE	1
Summary of the Company's business and its principal investments	
GROUP STRUCTURE	2
Schematic presentation of the Group's principal investments	
SALIENT FEATURES	6
Headline earnings per share	
Dividends per share	
Net asset value per share	
Exchange rates	
Stock exchange prices	
SHARE STATISTICS	7
Information regarding transactions on the JSE Limited	
CONSOLIDATED FINANCIAL STATISTICS	
SEVEN-YEAR CONSOLIDATED INCOME STATEMENTS	8
SEVEN-YEAR CONSOLIDATED BALANCE SHEETS AND CASH FLOW STATEMENTS	9
DIRECTORATE	10
Non-executive and executive directors	
GENERAL REPORT	
FINANCIAL REVIEW	12
Commentary on the Group's results	
INVESTMENT REVIEW	17
Short review of the results of individual investments	
INTRINSIC NET ASSET VALUE	29
Composition of the intrinsic net asset value	
CORPORATE GOVERNANCE	30
SUSTAINABILITY REPORT	38
Stakeholder relations	
Group ethics	
Safety and environment	
HIV/Aids policy	
Employees	
Pandemics	
Employment equity	
BBBEE – broad-based black economic empowerment	
Social investment	
FINANCIAL REPORT 2008	
STATUTORY CONSOLIDATED ANNUAL FINANCIAL STATEMENTS OF THE GROUP WITH CONTENTS	48
COMPANY INFORMATION	114
SHAREHOLDERS' INFORMATION	114
NOTICE TO SHAREHOLDERS	118
EXPLANATORY NOTES TO THE NOTICE TO SHAREHOLDERS	122
FORM OF PROXY	<i>attached</i>

Remgro *Limited*

INVESTMENT PHILOSOPHY

REMGRO invests in businesses that can deliver superior growth in earnings and dividends over the long term. This involves the acquisition of meaningful interests in companies that have sound management and have the ability to generate strong cash returns and growth. Remgro forges strategic alliances on a partnership basis and endeavours to add value where possible. The purpose is to ensure excellent returns to shareholders by way of dividend and capital growth.

GROUP PROFILE

REMGRO LIMITED is an investment holding company established with effect from 1 April 2000, after the restructuring of the former Rembrandt Group Limited. The Group's interests consist of investments in tobacco products, banking and financial services, printing and packaging, motor components, glass products, medical services, mining, petroleum products, food, wine and spirits and various other trade mark products.

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

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

GROUP STRUCTURE

AT 31 MARCH 2008



ASSOCIATED COMPANIES AND OTHER

TOBACCO INTERESTS

- ♦ British American Tobacco 10.6%

FINANCIAL SERVICES

- ♦ RMB Holdings 25.0%
- ♦ FirstRand 9.3%

INDUSTRIAL INTERESTS

- ♦ Air Products SA 50.0%
- ♦ Distell 29.4%
- ♦ Dorbyl 41.4%
- ♦ Kagiso Trust Investments 41.8%
- ♦ Medi-Clinic 45.9%
- ♦ Nampak 13.3%
- ♦ PGSI 28.5%
- ♦ Total South Africa 24.9%
- ♦ Unilever South Africa Holdings 25.8%

MINING INTERESTS

- ♦ Trans Hex 28.5%
- ♦ Implats 4.4%

OTHER INTERESTS

- ♦ Business Partners 21.1%
- ♦ Xiocom 44.4%

SUBSIDIARY COMPANIES

INDUSTRIAL INTERESTS

- ♦ Tsb Sugar 100.0%
- ♦ Wispeco 100.0%
- ♦ Rainbow 74.0%

CORPORATE AND OTHER INTERESTS

- ♦ Remgro Finance Corporation 100.0%
- ♦ M&I Group Services 100.0%
- ♦ Remgro Investments – Jersey 100.0%

Percentages represent the direct interests held.

Annexures A and B provide further information of subsidiary companies and investments.

GROUP STRUCTURE

INFORMATION ON THE COMPANIES IN WHICH INVESTMENTS ARE HELD

ASSOCIATED COMPANIES AND OTHER

TOBACCO INTERESTS



EFFECTIVE INTEREST: 10.6%

- Listed on the London Stock Exchange.
- Chief Executive Officer: P Adams
- Produces high-quality tobacco products for a diverse, worldwide market. The company is involved from the planting and growing of tobacco crops to the marketing of the products.
- Interest is represented by a one-third shareholding in the ordinary shares and a 100% shareholding in the "2005" participating securities of R&R Holdings SA (R&R). The other two-thirds shareholding in R&R is held by Compagnie Financière Richemont SA.
- R&R holds a 30% share in BAT.
- Market capitalisation at 31 March 2008: £38 126 million
- Website: www.bat.com

FINANCIAL SERVICES



EFFECTIVE INTEREST: 25.0%

- Listed on the JSE Limited.
- Chief Operating Officer: P Cooper
- RMBH's interests are:
 - FirstRand Limited (33%)
 - RMB Structured Insurance Limited (81%)
 - OUTsurance Limited (62%)
 - Glenrand M.I.B Limited (16%)
 - Discovery Holdings Limited (27%)
- Market capitalisation at 31 March 2008: R29 623 million
- Website: www.rmbh.co.za



EFFECTIVE INTEREST: 9.3%

(excluding indirect interest held through RMB Holdings)

- Listed on the JSE Limited.
- Chief Executive Officer: P K Harris
- The FirstRand group of companies is involved in the financial service activities, including retail, corporate, investment and merchant banking, short-term insurance, life insurance, employee benefits and asset management.
- The banking and insurance activities are represented by the wholly owned subsidiaries FirstRand Bank Holdings Limited and Momentum Group Limited respectively.
- Market capitalisation at 31 March 2008: R90 192 million
- Website: www.firststrand.co.za

MINING INTERESTS



EFFECTIVE INTEREST: 28.5%

- Listed on the JSE Limited.
- Chief Executive Officer: L Delpont
- Exploration for, and mining and marketing of land and marine diamonds.
- Market capitalisation at 31 March 2008: R1 113 million
- Website: www.transhex.co.za



EFFECTIVE INTEREST: 4.4%

- Listed on the JSE Limited.
- Chief Executive Officer: D H Brown
- Implats is a fully integrated mining and metallurgical organisation, which markets refined platinum group metals for global markets and is one of the world's largest platinum recyclers.
- Market capitalisation at 31 March 2008: R197 684 million
- Website: www.implats.co.za

GROUP STRUCTURE

INFORMATION ON THE COMPANIES IN WHICH INVESTMENTS ARE HELD

ASSOCIATED COMPANIES AND OTHER

INDUSTRIAL INTERESTS

 <p>EFFECTIVE INTEREST: 50.0%</p> <ul style="list-style-type: none"> • Unlisted • Chief Executive Officer: M Hellyar • Air Products SA produces oxygen, nitrogen, argon, hydrogen and carbon dioxide for sale in gaseous form by pipeline under long-term contracts to major industrial users, as well as the distribution of industrial gases and chemicals for sale, together with ancillary equipment, to the merchant market. • The other 50% of the ordinary shares is held by Air Products and Chemicals Incorporated, a USA company. • Website: www.airproducts.co.za 	 <p>EFFECTIVE INTEREST: 29.4%</p> <ul style="list-style-type: none"> • Listed on the JSE Limited. • Chief Executive Officer: J J Scannell • Distell produces and markets fine wines, spirits and flavoured alcoholic beverages, in South Africa with an increasing international profile. • Interest is represented by a 50% shareholding in Remgro-KWV Investments Limited, which held a 59% share in Distell at 31 March 2008. • Market capitalisation at 31 March 2008: R10 234 million • Website: www.distell.co.za 	 <p>EFFECTIVE INTEREST: 13.3%</p> <ul style="list-style-type: none"> • Listed on the JSE Limited. • Chief Executive Officer: G E Bortolan • Nampak is Africa's largest and most diversified packaging manufacturer, with operations in the United Kingdom and Europe. It produces a wide variety of packaging products from metals, paper, plastic and glass and is the largest manufacturer and distributor of tissue paper products. • Market capitalisation at 31 March 2008: R10 785 million • Website: www.nampak.com
 <p>EFFECTIVE INTEREST: 45.9%</p> <ul style="list-style-type: none"> • Listed on the JSE Limited. • Chief Executive Officer: L J Alberts • Medi-Clinic's business consists of the provision of comprehensive, high-quality hospital services on a cost-effective basis in Southern Africa, the United Arab Emirates and Switzerland. • Market capitalisation at 31 March 2008: R11 682 million • Website: www.mediclinic.co.za 	 <p>EFFECTIVE INTEREST: 41.8%</p> <ul style="list-style-type: none"> • Unlisted • Chief Executive Officer: J J Njike • Kagiso Trust Investments ("Kagiso") is an established black economic controlled company with a focus on investment banking services, media and strategic investments. Kagiso has an investment portfolio and strategy that is complementary to that of Remgro. • Website: www.kagiso.com 	 <p>EFFECTIVE INTEREST: 25.8%</p> <ul style="list-style-type: none"> • Unlisted • Chief Executive Officer: Mrs G A Klintworth • The Unilever venture manufactures and markets an extensive range of food and home and personal care products, while enjoying market leadership in most of its major categories. Well-known brands include <i>Robertsons, Rama, Flora, Lipton, Joko, Mrs Ball's, Sunlight, Omo, Surf, Vaseline</i> and <i>Lux</i>. • Website: www.unilever.co.za
 <p>EFFECTIVE INTEREST: 41.4%</p> <ul style="list-style-type: none"> • Listed on the JSE Limited. • Chief Executive Officer: R F Röhrs • Dorbyl is an industrial group in the automotive engineering industry. The company specialises in the production and assembly of a wide range of vehicle components. • Market capitalisation at 31 March 2008: R273 million • Website: www.dorbyl.co.za 	 <p>EFFECTIVE INTEREST: 24.9%</p> <ul style="list-style-type: none"> • Unlisted • Chief Executive Officer: J Royére • Subsidiary of Total (France). Total South Africa's business is the refining and marketing of petroleum and petroleum products in South Africa. It distributes to neighbouring NBS countries. It has a 36% interest in National Petroleum Refiners of S.A. (Pty) Limited (Natref). • Website: www.total.co.za 	 <p>EFFECTIVE INTEREST: 28.5%</p> <ul style="list-style-type: none"> • Unlisted • Chief Executive Officer: S Jennings • PGSI holds an interest of 100% in PG Group. • The PG Group is South Africa's leading integrated glass business that manufactures, distributes and installs high-performance automotive and building glass. • Website: www.pggroup.co.za

GROUP STRUCTURE
INFORMATION ON THE COMPANIES IN WHICH INVESTMENTS ARE HELD

ASSOCIATED COMPANIES AND OTHER

SUBSIDIARY COMPANIES

OTHER INTERESTS



EFFECTIVE INTEREST: 21.1%

- Unlisted
- Chief Executive Officer: J Schwenke
- Business Partners is a specialist investment company providing customised and integrated investments, mentorship and property management services for small and medium enterprises in South Africa.
- Website: www.businesspartners.co.za



EFFECTIVE INTEREST: 44.4%

- Unlisted
- Chief Executive Officer: J D Spence
- Xicom is a newly established USA company that specialises in the deployment and operation of wireless broadband networks.
- Website: www.xicom.com

INDUSTRIAL INTERESTS



EFFECTIVE INTEREST: 100.0%

- Unlisted
- Chief Executive Officer: H Snyman
- Tsb Sugar is involved in cane growing and the production, transport and marketing of sugar and animal feed. Citrus is also grown on the company's estates.
- Website: www.tsb.co.za



EFFECTIVE INTEREST: 100.0%

- Unlisted
- Managing Director: H Rolfes
- Wispeco's main business is the extrusion of aluminium profiles used mainly in the building, engineering and durable goods sectors.
- Website: www.wispeco.co.za



EFFECTIVE INTEREST: 74.0%

- Listed on the JSE Limited.
- Chief Executive Officer: M Dally
- Rainbow is the holding company of one principal operating subsidiary, which is a vertically integrated chicken producer.
- Market capitalisation at 31 March 2008: R4 234 million
- Website: www.rainbowchicken.co.za

CORPORATE AND OTHER INTERESTS

REMGR0 FINANCE CORPORATION LIMITED, M&I GROUP SERVICES LIMITED and REMGR0 INVESTMENTS LIMITED – JERSEY

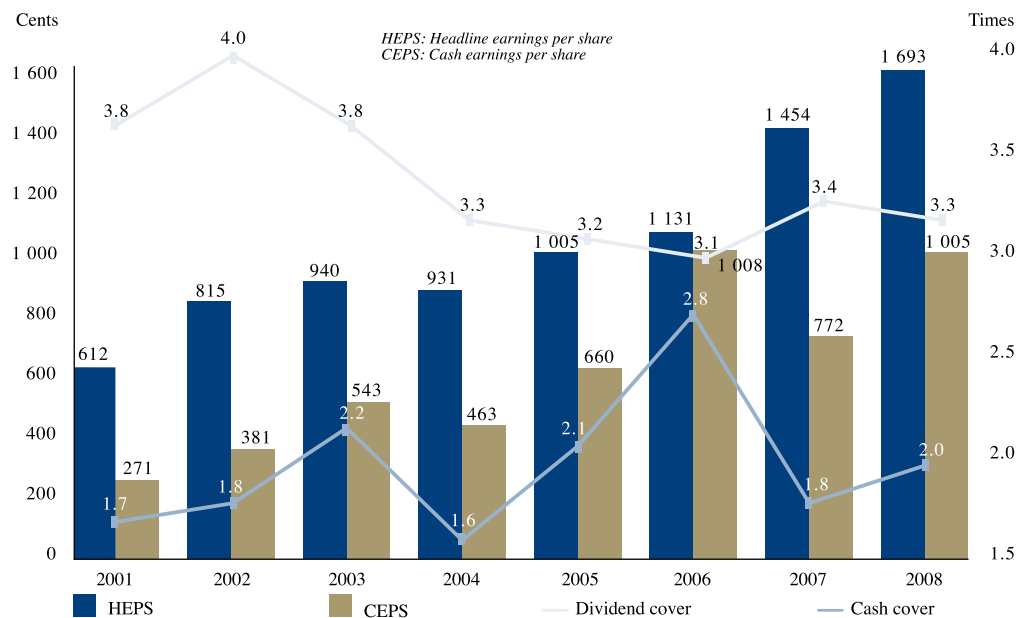
EFFECTIVE INTEREST: 100.0%

- Unlisted companies
- Responsible for Remgro's central treasury function as well as management and support services.

SALIENT FEATURES

	2008	2007	%
			change
HEADLINE EARNINGS PER SHARE – excluding non-recurring portion of BEE costs	1 700.7c	1 453.6c	17.0
HEADLINE EARNINGS PER SHARE	1 692.8c	1 453.6c	16.5
EARNINGS PER SHARE	2 095.7c	1 464.2c	43.1
HEADLINE EARNINGS – excluding non-recurring portion of BEE costs	R8 028m	R6 892m	16.5
HEADLINE EARNINGS	R7 991m	R6 892m	15.9
EARNINGS – net profit for the year	R9 893m	R6 942m	42.5
Dividends per share			
Ordinary	510.00c	434.00c	17.5
– Interim	180.00c	153.00c	17.6
– Final	330.00c	281.00c	17.4
Net asset value per share (attributable to own members)			
– at intrinsic value	R253.67	R221.00	14.8
– Tobacco interests	R146.07	R110.56	32.1
– Other investments	R107.60	R110.44	(2.6)
Exchange rates			
SA rand/pound sterling exchange rate			
– weighted average for the financial year	14.2882	13.2898	
– at 31 March	16.0290	14.3449	
Stock exchange prices			
Closing price per share at 31 March	R195.93	R181.00	8.2

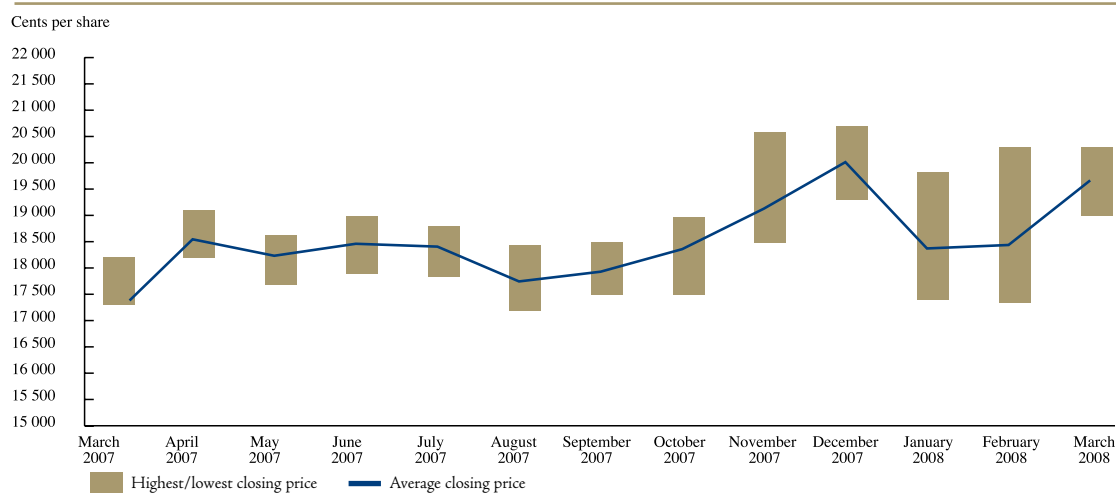
DIVIDEND COVER



SHARE STATISTICS

JSE Limited	2008	2007	2006	2005	2004	2003
Weighted number of Remgro ordinary shares in issue – excluding the unlisted B ordinary shares ('000)	436 547	438 617	447 648	461 786	467 774	481 011
Market capitalisation at 31 March (R million) – Ordinary shares only	87 973	81 233	60 588	45 633	35 028	25 030
Price (cents per share)						
– 31 March	19 593	18 100	13 500	9 380	7 200	5 145
– Highest	20 700	18 294	13 800	9 701	7 495	7 399
– Lowest	17 200	12 200	9 150	6 980	5 150	5 145
Number of shares traded ('000)	289 937	236 577	284 396	187 389	187 231	216 082
Value of shares traded (R million)	53 841	35 509	32 732	15 553	11 785	14 105
Shares traded/weighted number of ordinary shares (%)	66.4	53.9	63.5	40.6	40.0	44.9
Number of transactions	201 515	126 747	100 309	64 707	54 055	58 873

REMGRO SHARE PRICE



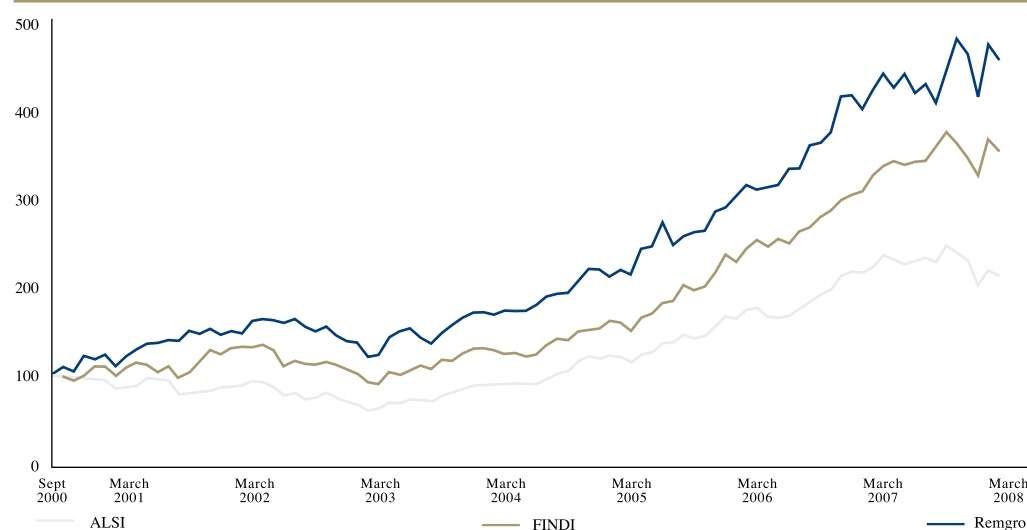
SEVEN-YEAR CONSOLIDATED INCOME STATEMENTS

<i>R million</i>	2008	2007	2006	2005	2004	2003	2002
Profit before taking into account the following Non-recurring and capital items and impairments	1 578	1 476	1 938	1 384	1 292	1 209	734
	1 684	51	3 165	2 216	(132)	1 055	(158)
Consolidated profit before tax	3 262	1 527	5 103	3 600	1 160	2 264	576
Taxation	(419)	(403)	(857)	(417)	(397)	(394)	(173)
Consolidated profit after tax	2 843	1 124	4 246	3 183	763	1 870	403
Share in after-tax profit of associated companies and joint ventures	7 210	6 003	4 354	5 742	3 177	7 262	3 255
Profit before taking into account the following Non-recurring and capital items and impairments	7 086	5 995	4 428	4 514	4 164	4 421	3 881
	124	8	(74)	1 228	(987)	2 841	(626)
Net profit after tax	10 053	7 127	8 600	8 925	3 940	9 132	3 658
Minority interest	(160)	(185)	(398)	(407)	(335)	(446)	(151)
Attributable net profit for the year	9 893	6 942	8 202	8 518	3 605	8 686	3 507
Headline earnings	7 991	6 892	5 084	4 998	4 687	4 856	4 252
Headline earnings per share (cents)	1 692.8	1 453.6	1 052.3	1 005.0	931.3	940.1	814.5
Headline earnings per share – excluding non-recurring portion of BEE costs (cents)*	1 700.7	1 453.6	1 130.9	1 005.0	931.3	940.1	814.5
Earnings per share (cents)	2 095.7	1 464.2	1 697.6	1 712.9	716.3	1 681.6	671.8
Dividends per share (cents)							
– Ordinary	510.00	434.00	361.00	314.00	285.00	248.00	206.00
– Special			400.00	600.00	200.00		100.00

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

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

REMGRO'S RELATIVE SHARE PERFORMANCE (BASED ON INDEX OF 100 AS ON 26 SEPTEMBER 2000)



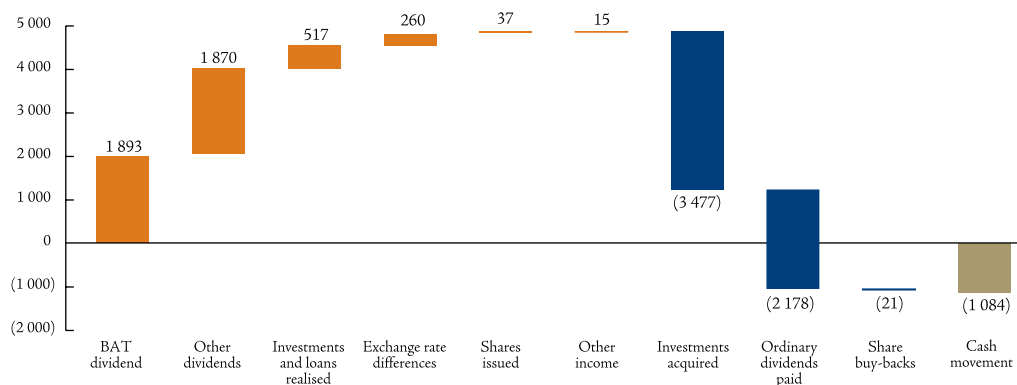
SEVEN-YEAR

CONSOLIDATED BALANCE SHEETS AND CASH FLOW STATEMENTS

R million	2008	2007	2006	2005	2004	2003	2002
BALANCE SHEETS							
Property, plant and equipment	2 668	2 564	2 444	4 120	3 515	3 253	2 083
Investments – Associated companies	43 175	33 033	26 098	28 201	22 737	19 844	16 984
Other non-current assets	9 039	6 802	4 584	2 645	2 106	3 607	2 831
Current assets	6 945	7 460	8 210	4 773	5 372	4 079	4 435
Total assets	61 827	49 859	41 336	39 739	33 730	30 783	26 333
Total equity	57 875	46 427	38 090	36 844	31 411	28 981	24 991
Non-current liabilities	1 872	1 580	1 144	866	685	472	244
Current liabilities	2 080	1 852	2 102	2 029	1 634	1 330	1 098
Total equity and liabilities	61 827	49 859	41 336	39 739	33 730	30 783	26 333
Net asset value per share (Rand) (attributable to own members)							
– at book value	121.11	96.69	78.14	71.51	59.26	54.19	46.10
– at intrinsic value	253.67	221.00	157.59	119.97	100.36	77.23	89.50
CASH FLOW STATEMENTS							
Cash generated from operations	1 232	1 666	1 474	1 566	1 383	1 055	618
Cash flow generated from returns on investments	3 801	3 040	4 200	2 670	2 013	2 542	1 697
Taxation paid	(497)	(676)	(369)	(546)	(363)	(220)	(111)
Cash available from operating activities	4 536	4 030	5 305	3 690	3 033	3 377	2 204
Dividends paid	(2 252)	(3 813)	(4 676)	(2 642)	(1 438)	(1 765)	(968)
Cash flow from operating activities	2 284	217	629	1 048	1 595	1 612	1 236
Net investing activities	(3 438)	(1 725)	3 364	(2 203)	(528)	(1 943)	(201)
Net financing activities	84	70	99	9	62	(82)	(158)
Net increase/(decrease) in cash and cash equivalents	(1 070)	(1 438)	4 092	(1 146)	1 129	(413)	877

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

CASH MOVEMENT AT THE HOLDING COMPANY (“CASH AT THE CENTRE”) (R MILLION)



DIRECTORATE

AND MEMBERS OF COMMITTEES

NON-EXECUTIVE DIRECTORS

J P Rupert (58)
CHAIRMAN



Directorships: Executive Chairman of Compagnie Financière Richemont SA and Richemont Société Anonyme and Non-executive Chairman of VenFin Limited and Chairman of Business Partners Limited.

E de la H Hertzog (58)
DEPUTY CHAIRMAN



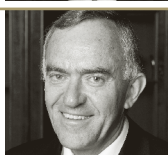
Directorships: Chairman of Medi-Clinic Corporation Limited. Serves on the Board of Distell Group Limited, Total South Africa (Pty) Limited and Trans Hex Group Limited.

P E Beyers (58)



Directorships: Distell Group Limited, Unilever South Africa Holdings (Pty) Limited and Sports Science Institute of South Africa.

J W Dreyer (57)



Directorship: RMB Holdings Limited.

J Malherbe (52)



Directorships: Executive Deputy Chairman of VenFin Limited. Serves on the Board of Dimension Data Holdings Plc, Datacraft Asia Limited, e.tv (Pty) Limited, Psitek (Pty) Limited, Xicom Wireless, Inc. and Specpharm Holdings (Pty) Limited.

EXECUTIVE DIRECTORS

M H Visser (54)
CHIEF EXECUTIVE OFFICER
Qualification: BComm (Hons), CA(SA)
Years of service with the Group: 28

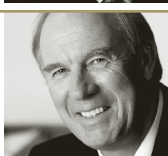


Directorships: British American Tobacco Plc, Distell Group Limited, Kagiso Trust Investments (Pty) Limited, Nampak Limited, Medi-Clinic Corporation Limited, Unilever South Africa Holdings (Pty) Limited, PGSI Limited and Chairman of Rainbow Chicken Limited.

W E Bührmann (53)
INVESTMENTS
Qualification: BComm, CA(SA)
Years of service with the Group: 21



D M Falck (62)
GROUP FINANCE
Qualification: CA(SA)
Years of service with the Group: 36
Retired: 18 June 2008



Directorships: RMB Holdings Limited, FirstRand Limited, FirstRand Bank Holdings Limited, Total South Africa (Pty) Limited and Trans Hex Group Limited.

L Crouse (55)
GROUP FINANCE
Qualification: CA(SA)
Appointed: 18 June 2008



J A Preller (Mrs) (58)
CORPORATE AFFAIRS
Qualification: BEcon
Years of service with the Group: 36




T van Wyk (60)
INVESTMENTS
Qualification: BComm, LLB, LLM,
H Dip Tax
Years of service with the Group: 18



Directorships: Air Products SA (Pty) Limited, Dorbyl Limited, Kagiso Trust Investments (Pty) Limited, Momentum Group Limited, Tsb Sugar Holdings (Pty) Limited, Chairman of Wispeco Holdings Limited and Deputy Chairman of Business Partners Limited.

DIRECTORATE
AND MEMBERS OF COMMITTEES

INDEPENDENT NON-EXECUTIVE DIRECTORS

G D de Jager (57)		Directorships: <i>Anglo Suisse Investment Holdings Limited, and Sharp Interpack Limited.</i>
P K Harris (58)		Directorships: <i>Chief Executive Officer of FirstRand Limited and director of RMB Holdings Limited and Momentum Group Limited.</i>
M M Morobe (51)		Directorships: <i>Chief Executive Officer of Kagiso Media Limited and director of Kagiso Media Limited group of companies, City Year South Africa, Johannesburg Housing Company, Resolve Group (Pty) Limited and Tokiso Commercial (Pty) Limited.</i>
D Prins (60)		
M Ramos (Miss) (49)		Directorships: <i>Chief Executive Officer of Transnet Limited and director of SABMiller plc and Sanlam Limited.</i>
F Robertson (53)		Directorships: <i>Executive Deputy Chairman of Brimstone Investment Corporation Limited and Chairman of Lion of Africa Insurance Company Limited and Lion of Africa Life Assurance Company Limited.</i>

MEMBERS OF COMMITTEES

EXECUTIVE COMMITTEE

M H Visser (Chairman)
W E Bührmann
L Crouse (since 18 June 2008)
D M Falck (until 18 June 2008)
J A Preller
T van Wyk

AUDIT AND RISK COMMITTEE

D Prins (Chairman)
G D de Jager
F Robertson

REMUNERATION AND NOMINATION COMMITTEE

J P Rupert (Chairman)
G D de Jager
P K Harris
F Robertson

GENERAL REPORT

FINANCIAL REVIEW

INTRODUCTION

The South African economy registered a 5.1% real GDP growth rate in 2007, in line with the average growth tempo over the period since 2004. A particularly encouraging development during the course of 2007 was the strong fixed investment momentum in the economy, both in the private and the public sector. Outside of the residential sector, private fixed investment grew by no less than 16% during the final quarter of 2007.

On the other hand it was clear that household budgets came under increasing pressure towards the end of the year due to the impact of higher inflation and interest rates since 2006. The consumer boom over the 2004-07 period, where real household consumption spending grew by average annual growth rates in the region of 7-8%, has probably come to an end. The consumer sector is facing a period of cyclical adjustment.

The cyclical slowdown in the economy is reflected in lower business and consumer confidence levels. Confidence took a serious knock during the first quarter of 2008, not only as the cyclical slowdown in the economy intensified, but also due to three exogenous headwinds. Firstly, the global economic slowdown triggered by the US sub-prime financial crisis and reinforced by the explosion in commodity prices (food, oil and industrial raw materials). Secondly, the local electricity supply crunch, which broke out in full force at the end of January when South Africa's mines were closed for five working days in order to stabilise the grid. Economic life in South Africa is adjusting to scheduled load shedding and power rationing and households, industry and commerce are facing steep increases in electricity prices. Thirdly, the return of political uncertainty in the wake of the Polokwane ANC National Conference where the ANC leadership was radically changed.

The business environment has therefore become substantially more challenging. Whilst the USA is probably entering recession, the global economy is still expected to avoid recession, mainly due to economic resilience in Europe and – to a lesser extent – in Japan, as well as sustained robust growth in emerging economies, led by China. Domestically, inflation hit double digit figures early in 2008 despite interest rates having increased by 450 basis points between June 2006 and April 2008. This reflects the impact of the supply shocks to inflation, driven by escalating food and energy prices. This is a global phenomenon and a major challenge to central banks. It is possible that domestic interest rates increase further as the rolling supply shocks to inflation are fed into inflation expectations and so-called second round effects. This threatens the outlook for trend inflation and longer term economic growth.

Due to the slowing domestic growth momentum and heightened uncertainties, combining with the increased risk aversion of international investors related to global financial instability, the rand has come under pressure. The deficit on the current account of the balance of payments widened to 7.3% of GDP last year. While the rand's depreciation has added to inflationary pressures, it is contributing to a recovery in export growth while import growth is flattening off. A better balance between export and import growth already evident in 2007, combined with strong public sector infrastructure fixed investment spending will prove key supports in terms of aggregate real GDP growth in the current environment where the domestic market has come under substantial pressure.

Given the broader picture, a slowdown to a 3-3½% average real GDP growth rate over the short term (2008/09) will by no means be disastrous, but should rather be seen as an opportunity to find new balance, to reduce excessive debt levels, to increase productivity and to address the infrastructure bottlenecks in the South African economy.

HEADLINE EARNINGS

Total headline earnings for the year to 31 March 2008 increased by 15.9% from R6 892 million to R7 991 million. Headline earnings per share, however, increased by 16.5% from 1 453.6 cents to 1 692.8 cents due to the favourable impact of the share repurchase programme in the previous year. During the year under review Rainbow Chicken Limited concluded a black economic empowerment (BEE) transaction. The accounting treatment of this transaction resulted in a non-recurring charge of R37 million (Remgro's share), or 7.9 cents per share, against headline earnings for the year under review. Due to this reason headline earnings per share, and its year-on-year comparison, are also presented excluding the non-recurring portion of BEE costs.

Excluding Remgro's share of the non-recurring portion of BEE costs, headline earnings and headline earnings per share increased by 16.5% and 17.0% respectively.

CONTRIBUTION TO HEADLINE EARNINGS

	Year ended 31 March				
	Non-recurring portion of BEE costs included		Non-recurring portion of BEE costs excluded		2007 R million
	2008 R million	% change	2008 R million	% change	
Tobacco interests	3 579	20.7	3 579	20.7	2 964
Financial services	2 120	35.2	2 120	35.2	1 568
Industrial interests	1 895	(1.5)	1 932	0.4	1 924
Mining interests	264	70.3	264	70.3	155
Corporate finance and other interests	133	(52.7)	133	(52.7)	281
	7 991	15.9	8 028	16.5	6 892

In 2007 headline earnings was impacted favourably by foreign currency gains amounting to R65 million relating to intergroup balances, as well as the accounting recognition of a pension fund surplus amounting to R70 million following the finalisation of a surplus allocation process. Excluding these items, as well as Remgro's share of the non-recurring BEE costs accounted for during the year under review, Remgro's headline earnings and headline earnings per share increased by 18.8% and 19.3% respectively.

The following commentary, comparing the results to those of the previous year, is based on headline earnings excluding the non-recurring portion of BEE costs.

The contribution of the tobacco interests, which represents 44.6% (2007: 43.0%) of headline earnings, increased by 20.7%. In sterling, R&R Holdings SA, Luxembourg's (R&R) contribution increased by 12.6%.

Currency movements continued to impact the tobacco interests' contribution to the Group's earnings materially. Due to the weaker rand, the positive currency impact on translation of R&R's contribution to headline earnings (consisting mainly of equity accounted income from BAT) was R250 million during the year under review, compared to R420 million in 2007, as set out in the table below.

	Year ended 31 March	
	2008	2007
Average exchange rate (R/£)	14.2882	13.2898
Closing exchange rate (R/£)	16.0290	14.3449
R&R's contribution (£'m)	251	223
R&R's contribution (R'm)	3 579	2 964
Favourable currency impact (R'm)	250	420

GENERAL REPORT

FINANCIAL REVIEW

The combined contribution of FirstRand and RMBH to Remgro's headline earnings from financial services amounted to R2 120 million (2007: R1 568 million). The increase of 35.2% can be attributed mainly to good performances in the retail, corporate and investment banking segments during the twelve months ended 31 December 2007.

The contribution of the industrial interests to headline earnings increased by 0.4% to R1 932 million (2007: R1 924 million). Kagiso Trust Investments (KTI) reported lower results, with a contribution to headline earnings amounting to R88 million (2007: R307 million). During the previous financial year KTI's results were favourably impacted by a fair value adjustment relating to its holding of Metropolitan Holdings Limited preference shares, amounting to R390 million, as well as certain non-recurring profits. During the year under review KTI's fair value adjustment referred to above amounted to only R38 million. Rainbow's contribution to Remgro's headline earnings increased from R293 million in 2007 to R414 million. This increase can be attributed to earnings growth by Rainbow, as well as Remgro's increased shareholding in Rainbow resulting from the offer to Rainbow minorities concluded during June 2007. Distell reported good results with a contribution to headline earnings amounting to R261 million (2007: R210 million), while Nampak reported improved results with a contribution to headline earnings amounting to R163 million (2007: R125 million). Medi-Clinic's contribution to Remgro's headline earnings amounted to R285 million (2007: R278 million), while the Plate Glass group contributed R22 million to headline earnings for the five months since acquisition.

Mining interests' contribution to headline earnings increased by 70.3% to R264 million (2007: R155 million). Dividends received from Implats amounted to R267 million (2007: R147 million). Trans Hex reported a headline loss of R8 million for the year under review (2007: R23 million profit). Remgro's share of this loss amounted to R3 million (2007: R8 million profit).

EARNINGS

Total earnings increased by 42.5% to R9 893 million (2007: R6 942 million), mainly as a result of a capital gain amounting to R1 167 million realised on the restructuring of Remgro's interest in Unilever, as well as the earnings growth of the underlying investments.

CASH EARNINGS

Attributable cash earnings (excluding the Group's share of net profits retained by associated companies and joint ventures), before impairments and non-recurring and capital items, increased by 29.6% from R3 660 million to R4 743 million, mainly as a result of an increase in dividends received from associated companies. The latter amounted to R3 380 million compared to R2 580 million in 2007. This increase was mainly due to higher dividends from R&R.

REPURCHASE OF REMGRO SHARES

At 31 March 2008, 8 554 019 Remgro ordinary shares (1.9%) were held as treasury shares (31 March 2007: 8 554 019 shares). No shares were repurchased by the Company or any wholly owned subsidiary company during the year under review.

The Remgro Share Trust purchased 150 566 (2007: 563 000) Remgro ordinary shares during the year under review at an average price of R189.19 (2007: R132.68) for a total amount of R28.5 million (2007: R74.7 million), while 126 383 (2007: 262 016) shares were delivered to participants against payment of the purchase price.

DIVIDENDS

Ordinary dividends of 510.00 cents per share were declared for the year, compared to 434.00 cents the previous year. This represents an increase of 17.5%. The dividend is covered 3.3 times by headline earnings and 2.0 times by cash earnings, against 3.4 times and 1.8 times respectively the previous year.

INTRINSIC VALUE

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

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

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

The intrinsic net asset value at the end of March 2008 amounted to R253.67 per share. A schedule, setting out the analysis of the intrinsic net asset value per share at 31 March 2008 and 2007, is included at the end of the investment review.

The cash at the centre differs from the cash in the balance sheet. The first-mentioned comprises the following:

	2008 R million	2007 R million
Per balance sheet	3 934	5 004
Less: Cash of other operating subsidiaries	(661)	(647)
Cash at the centre	3 273	4 357
– Local	619	1 220
– Offshore	2 654	3 137

Cash held by associated companies are not included. For information, R&R's cash and cash equivalents attributable to Remgro at 31 March 2008, amounted to £152 million or R2 433 million (2007: £150 million or R2 151 million).

GENERAL REPORT

FINANCIAL REVIEW

The tables below compare the relative performance of the Remgro intrinsic net asset value per share with certain selected JSE indices. No account has been taken of dividends paid by Remgro.

	2008	2007	2006	2005	2004	2003
Intrinsic net asset value –						
Rand per share	253.67	221.00	157.59	119.97	100.36	77.23
JSE – All share index	29 588	27 267	20 352	13 299	10 693	7 680
– Fin & Ind 30 index	23 868	24 960	19 491	13 477	9 953	6 682
– Financial 15 index	7 424	9 345	7 616	5 258	3 782	2 744
– Resource 20 index	64 543	50 018	34 923	21 585	19 961	15 763
Remgro share price (Rand)	195.93	181.00	135.00	93.80	72.00	51.45

	1 year to 31 March 2008 (% year on year)	5 years to 31 March 2008 (% comp p.a.)
Relative performance		
Intrinsic net asset value	14.8	26.8
JSE – All share index	8.5	30.9
– Fin & Ind 30 index	(4.4)	29.0
– Financial 15 index	(20.5)	22.0
– Resource 20 index	29.0	32.5
Remgro share price	8.2	30.6

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

	IRR From 26 September 2000 to 31 March 2008 (% comp p.a.)
JSE – All share index	22.54
– Fin & Ind 30 index	13.77
– Financial 15 index	13.51
– Resource 20 index	31.58
Remgro share	29.50

GENERAL REPORT

INVESTMENT REVIEW

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

TOBACCO INTERESTS

CONTRIBUTION TO HEADLINE EARNINGS

	2008	2007
	R million	R million
R&R Holdings	3 579	2 964

R&R HOLDINGS

Remgro's interest in British American Tobacco Plc (BAT) is represented by its one-third holding of the ordinary shares and all of the "2005" participation securities issued by R&R. This gives Remgro an effective interest of 10.6% in BAT at 31 March 2008 (2007: 10.4%). The balance of the ordinary share capital of R&R is held by Compagnie Financière Richemont SA.

There was no change in the number of BAT shares held by R&R. However, due to the positive effect of BAT's continuing share buy-back programme, R&R's interest in BAT increased to 30.0% at 31 March 2008 (2007: 29.4%).

R&R's share of BAT's earnings for the twelve months to 31 March 2008 is based on BAT's results for the year ended 31 December 2007 plus the results for the quarter to 31 March 2008 less the results for the quarter to 31 March 2007.

Remgro's share of R&R's headline earnings consists of 35.46% of R&R's share of the attributable profit of BAT and its share of R&R's non-BAT profit (this includes income attributable to its investment in the "2006" participation securities issued by R&R during March 2006).

	2008	2007
	£ million	£ million
Attributable profit of BAT before non-recurring and capital items	2 275	2 077

R&R's share of the attributable profit of BAT:

– 29.62% to 29.97% (2007: 29.06% to 29.40%)	679	607
---	------------	-----

R&R's non-BAT income	12	9
----------------------	-----------	---

R&R's headline earnings for the year ended 31 March	691	616
--	------------	-----

Remgro's share thereof:

– 35.46% of R&R's share of the attributable profit of BAT	241	215
---	------------	-----

– portion of R&R's non-BAT income	10	8
-----------------------------------	-----------	---

	251	223
--	------------	-----

	R million	R million
Translated at an average R/£ rate of 14.2882 (2007: 13.2898)	3 579	2 964

GENERAL REPORT

INVESTMENT REVIEW

BAT has a 31 December year-end and reports to its shareholders on a quarterly basis. The following commentary is condensed from BAT's annual report for the year ended 31 December 2007. More complete information in respect of BAT, including the annual and quarterly reports, is available from the BAT website at www.bat.com.

BAT's adjusted, diluted earnings per share, a good indicator of its underlying performance, grew by 11% to 108.53 pence per share, principally as a result of the strong growth in profit from operations, partly offset by the adverse impact from foreign exchange movements. Basic earnings per share were higher at 105.19 pence compared to the prior year of 92.08 pence.

BAT's cigarette sales volumes from subsidiaries for the year ended 31 December 2007 decreased by 1% to 684 billion, mainly as a result of the high level of trade buying in some markets at the end of 2006, supply chain disruptions in the Middle East and the loss of StiX in Germany. BAT's revenue increased by 3% to £10 018 million but, at comparable rates of exchange, would have increased by 5% as a result of more favourable pricing and an improving product mix.

Profit from operations was 11% higher at £2 905 million or 7% higher if exceptional items were excluded. However, profit from operations at comparable rates of exchange and excluding exceptional items, would have been 11% higher, with all regions contributing to this strong result.

In Europe, profit at £842 million was up £61 million or 8%, at both current and comparable rates of exchange, mainly as a result of higher margins in Russia, Romania, Hungary and Spain, which more than offset the impact of reduced volumes in a number of markets.

In Asia-Pacific, profit rose by £56 million to £672 million, mainly attributable to strong performances from Australasia, Vietnam, Pakistan and Bangladesh, despite the adverse impact of exchange rates. At comparable rates of exchange, profit would have increased by £66 million or 11%.

Profit in Latin America increased by £69 million to £680 million due to good performances in key markets such as Brazil and Venezuela, partly offset by lower profit in Mexico and the adverse impact of some weaker local currencies. At comparable rates of exchange, profit would have increased by £86 million or 14%.

Profit in the Africa and Middle East region was only £2 million higher at £470 million due to exchange rate movements. However, at comparable rates of exchange, profit would have increased by £53 million or 11% with strong performances from South Africa and Nigeria.

The profit from the America-Pacific region increased by £22 million to £446 million as a result of higher profit in local currency in Japan and Canada, partly offset by the impact of weaker exchange rates. At comparable rates of exchange, profit would have increased by £45 million or 11%.

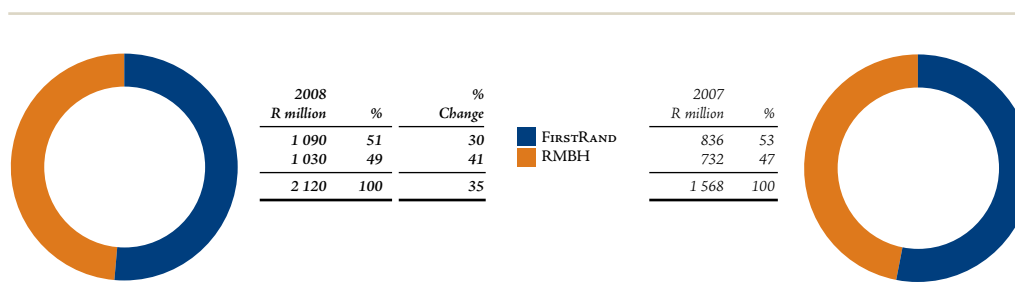
BAT's associated companies comprise Reynolds American, ITC and Skandinavisk Tobakskompagni. BAT's share of the post-tax results of its associates increased by £11 million, or 3% to £442 million, after taxation of £246 million. Excluding exceptional items, BAT's share of the post-tax results of associates was £449 million. However, BAT's share of these results was particularly affected by the weakening of the average US dollar rate against sterling from 1.844 to 2.001 and, at comparable rates of exchange, the increase would have been 11%.

Recently, BAT announced an agreement to acquire 100% of the Skandinavisk Tobakskompagni's (ST) cigarette and snus business in exchange for its 32.25% holding in ST and payment of DKK11 384 million in cash. This transaction is subject to approval by the European Commission. ST accounts for more than 60% of cigarette sales in Scandinavia. In addition, BAT won the

public tender for the cigarette assets of Tekel, the Turkish state owned tobacco company, with a bid of US\$1 720 million (£860 million). On completion, which is expected later in 2008 and is subject to regulatory approvals, the acquisition will raise BAT's market share in Turkey, the eighth largest cigarette market in the world, to some 36% from just over 7% prior to acquisition.

FINANCIAL SERVICES

CONTRIBUTION TO HEADLINE EARNINGS



Both FirstRand Limited ("FirstRand") and RMB Holdings Limited ("RMBH") have June year-ends and therefore their results for the twelve months ended 31 December 2007 have been equity accounted in the Remgro results for the period under review.

FIRSTRAND – LISTED

FirstRand's contribution to Remgro's headline earnings shown in the table above only represents Remgro's 9.3% direct interest in FirstRand and excludes the indirect contribution from FirstRand through Remgro's interest in RMBH.

FirstRand's latest results for the six months ended 31 December 2007 reported that headline earnings increased by 17% to R5 702 million (2006: R4 877 million). These results were achieved amidst continuing volatility in global and local equity markets, combined with rising inflation and interest rates.

The commercial bank, FNB, grew earnings by 25%. WesBank, the instalment finance business, continued to experience slowing retail asset growth and a significant increase in bad debts. Although Wesbank's corporate sales increased, earnings decreased by 14%. RMB, the investment bank, grew earnings by 8% despite a R760 million loss in the equity trading division. Momentum's insurance operations showed continued strong new business volumes resulting in earnings growth of 19%.

FirstRand warned that the outlook for the second half of its financial year ending on 30 June 2008 will be challenging as a result of the deteriorating macro-economic environment, both domestically and globally. Increased interest rates as well as food and fuel price inflation have negatively impacted consumers' affordability levels, particularly in the middle-income market segment. Whilst underlying growth in transactional activity remains strong, retail lending continues to slow down and impairment levels are increasing, impacting the FirstRand Group's earnings for the financial year to 30 June 2008. FirstRand expects that its diluted headline earnings per share will be at levels similar to the financial year ended 30 June 2007.

GENERAL REPORT

INVESTMENT REVIEW

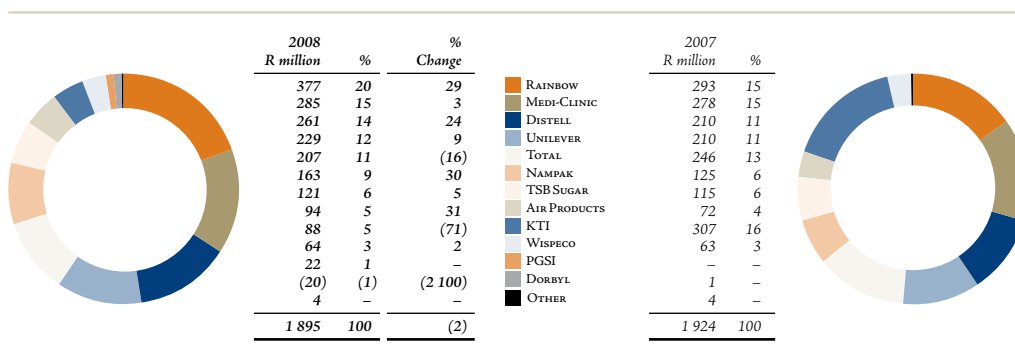
RMBH – LISTED

For the six months ended 31 December 2007, 86.3% (2006: 87.7%) of RMBH's headline earnings of R2 120 million was from FirstRand, while its other interests contributed 13.7% (2006: 12.3%). RMBH's other interests include OUTsurance Limited, RMB Structured Insurance Limited, Glenrand M.I.B Limited and Discovery Holdings Limited, in which RMBH acquired a direct interest of 25% as result of an unbundling of Discovery by FirstRand in November 2007.

OUTsurance posted excellent results for the six months ended 31 December 2007 with net earned premium income exceeding R1.6 billion, reflecting a 25% increase. An increase in new business volumes and the strong performance of its investment portfolio increased OUTsurance's headline earnings for the six-month period by 31% to R282 million (2006: R216 million). RMB Structured Insurance achieved muted growth in headline earnings of 10% while Glenrand M.I.B, nearing the completion of a restructuring process, reported a loss in challenging market circumstances. Discovery reported a 14% year-on-year increase in interim headline earnings of which R29 million was included in the results of FirstRand for the six months ended 31 December 2007.

INDUSTRIAL INTERESTS

CONTRIBUTION TO HEADLINE EARNINGS



RAINBOW CHICKEN LIMITED (“RAINBOW”) – LISTED

For the year ended 31 March 2008, Rainbow's headline earnings increased by 10.7% from R477.0 million to R528.1 million, but by 15.1% if income from a feed contamination claim of R28.4 million and the BEE expense of R49.4 million is excluded from headline earnings. This is a commendable result in the prevailing economic conditions.

Rainbow's total revenue increased by 25.9%, underpinned by a 21.5% growth in chicken revenue which contributed 77% of total revenue. Overall chicken sales volumes increased by 6.5%, while price increases enabled the company to recover some of the increased production costs. Chicken sales volume in the South African market is estimated to have grown by 6.0%.

On 18 March 2008, the Rainbow shareholders approved a broad-based BEE transaction in which the BEE partners acquired an effective 15% of Rainbow's entire issued share capital for R915.6 million. The cost of the BEE transaction to Rainbow's shareholders is calculated at R79.3 million of which R49.4 million has been expensed in the year under review. The BEE shares will be subject to restrictions on alienation and encumbrance for a period of 10 years.

Consumer spending is expected to soften over the next six months as a consequence of the higher inflation and interest rate environment. Maize and soya prices are also likely to remain at the current levels, translating into higher feed input costs. Other costs such as fuel, gas, coal, electricity and packaging have also been significantly impacted by inflationary and supply pressures. As in the year under review, it is unlikely that the anticipated production cost increases will be fully recovered from sales.

Rainbow remains focused on key strategic initiatives centred on its consumers and customers. Rainbow has continued to support and invest in its brands via television advertising and consumer-directed campaigns. The *Farmer Brown* brand was reintroduced with a recent national television advertisement that has refreshed the brand's image.

Rainbow's focus on innovation, differentiation and communication continues to prove successful. The level of innovation is planned to be stepped up in the 2009 financial year, with the focus on upper and middle income consumer brackets.

MEDI-CLINIC CORPORATION LIMITED ("MEDI-CLINIC") – LISTED

Medi-Clinic's turnover increased by 79% to R9 579 million (2007: R5 364 million) for the year under review, while headline earnings increased by 5% to R608 million (2007: R581 million). As a result of the various acquisitions during 2007/08 and the related financing thereof, the results of Medi-Clinic are not directly comparable to those of the previous period.

Medi-Clinic acquired 100% of Hirslanden Finanz AG ("Hirslanden"), the holding company of the largest private hospital group in Switzerland with effect from 26 October 2007. Hirslanden is the leading private hospital group in Switzerland, comprising 13 private acute-care facilities (1 301 beds). The purchase consideration of CHF2 556 million was financed through new debt of CHF2 450 million and a rights issue of R4 500 million. R500 million of the proceeds from the rights issue will be used to fund expansion opportunities in Medi-Clinic's Southern African operations. Since the effective date of the acquisition, Hirslanden's revenue included in Medi-Clinic's results was R3 041 million and operating income before interest, taxation, depreciation and amortisation ("EBITDA") was R708 million.

On 27 March 2007 Medi-Clinic's acquisition of a controlling share (50% plus 1 share) in Emirates Healthcare Holdings Limited became unconditional. Emirates Healthcare owns and operates the Welcare Hospital (120 beds) and is constructing the 210-bed City Hospital. This hospital should be operational in the third quarter of 2008. Emirates Healthcare also has the right to develop another hospital. This will make Emirates Healthcare the largest healthcare provider in Dubai. Turnover from the United Arab Emirates amounted to R482 million and contribution to headline earnings of R18 million was included in the results of Medi-Clinic.

Acquisitions during the year under review of operations in Southern Africa include a 51% interest in the 200-bed Protector Group and a 49% interest in the Tshwane Private Hospitals. Southern Africa revenue increased by 13% to R6 056 million (2007: R5 364 million) and EBITDA was 13% higher at R1 302 million (2007: R1 151 million). Excluding the capacity increase, Medi-Clinic's Southern Africa turnover increased by 12% (2007: 11%), partly due to an increase in both in-patient bed-days and average income per bed-day as well as a slight change in the case profile of patients treated.

During the next financial year, more than 50% of revenue and EBITDA will be derived from foreign operations.

GENERAL REPORT

INVESTMENT REVIEW

DISTELL GROUP LIMITED (“DISTELL”) – LISTED

Distell’s financial year-end is 30 June. However, included in Remgro’s headline earnings are the company’s results for the twelve months ended 31 December 2007.

Distell reported that turnover grew by 12.9% (2006: 16.6%) to R4.8 billion (2006: R4.3 billion) on a sales volume increase of 7.6% for the six months ended 31 December 2007. Sales volume in the South African market increased by 5.4% (2006: 11.9%). International sales volume, excluding Africa, grew by 17.7% (2006: 3.3%), resulting in an increase of 20.7% in international turnover. Turnover derived from Africa, excluding South Africa, increased by 23.8% (2006: 16.3%) on sales volume growth of 19.7%.

The increase of 17.9% (2006: 30.2%) in Distell’s headline earnings for the six-month period to R542 million (2006: R460 million) was largely due to continued productivity improvements and effective marketing campaigns.

UNILEVER SOUTH AFRICA HOLDINGS (PTY) LIMITED (“UNILEVER SOUTH AFRICA”) – UNLISTED

Unilever restructured its South African business on 1 October 2007 by merging the Foods, Ice-cream and Home and Personal Care businesses into one legal entity, Unilever South Africa. As part of the restructuring, Remgro’s shareholding changed from 41% of Unilever Bestfoods Robertsons (Holdings) Limited LLC (“UBR”), to 25.75% of Unilever South Africa. Remgro effectively disposed of 15.25% of its interest in the South African foods business and its 41% interest in the Israel business of UBR and acquired a 25.75% interest in the Home and Personal Care business now part of Unilever South Africa. As part of the above restructuring, Unilever South Africa sold its exports business, Unilever Market Development South Africa (Pty) Limited, on 30 September 2007, for a profit of R54 million.

For the twelve months ended 31 March 2008, Remgro included in its headline earnings R228.5 million (2007: R210 million) of the earnings of Unilever.

The combined turnover for the businesses grew by 12% for the year ended 31 March 2008. This growth came predominantly through pricing strategy, as prices were increased substantially in the second half of 2007 to mitigate the impact of rising input costs. The increase in input costs was felt particularly in margarine, soaps and laundry powders, being the categories using the highest proportion of oil-based materials, where the harshest inflationary pressures were felt. This increase in costs was further exacerbated by the depreciation of the rand as oils are bought primarily in US dollar.

Strongest revenue growth came from the Savoury & Dressing (“S&D”), Spreads, Cheeses and Culinary (“SCC”) and Skin care categories. S&D showed continued good performance across its key brands *Knorrox* and *Robertsons* and although its performance was slightly hampered by industrial action at distributors during December 2007 and January 2008, the backlog has now been largely removed. SCC growth was entirely price driven with volumes largely flat on the prior year. The Laundry business came under pressure from increasing competition which resulted in loss of market share.

TOTAL SOUTH AFRICA (PTY) LIMITED (“TOTAL”) – UNLISTED

Total's financial year-end is 31 December and, therefore, its results for the twelve months ended 31 December 2007 have been included in Remgro's headline earnings. Total's contribution to Remgro's headline earnings for the period under review was R207 million (2007: R246 million).

Total's South African market share for main fuels reduced slightly during the year to December 2007, however, sales volumes increased by 5% and gross profit increased in line with the sales volumes.

Refining gross profits in Natref, in which Total has a 36% interest, were down by more than 10% due to lower refining margins and the strengthening of the rand against the US dollar. Natref was shut down for six weeks from May 2007 for planned maintenance, followed by a number of unplanned shutdowns as well. The reduced gross profit contribution from refining was compensated for by an increased marketing margin.

Operating profit was down slightly due to increased overheads. Financing costs were higher due to an increase in working capital requirements, resulting in profit after tax decreasing by 14% compared to the comparative period.

NAMPAK LIMITED (“NAMPAK”) – LISTED

Nampak has a September year-end. Nampak's contribution to Remgro's headline earnings relates to its results for the twelve months to 31 March 2008.

For the six months ended 31 March 2008, Nampak reported revenue growth of only 4% as a result of lower sales volumes in South Africa. Profit from operations increased by 5.5% to R824 million (2007: R781 million). Due to the positive impact of several non-recurring items in that period, Nampak reported an increase in headline earnings per share of 25.4% to 109.9 cents (2007: 87.6 cents) and earnings growth of 39.7% from R462.2 million to R645.9 million.

TSB SUGAR HOLDINGS (PTY) LIMITED (“TSB SUGAR”) – UNLISTED

Tsb Sugar is primarily involved in cane growing and the production, transport and marketing of refined sugar, brown sugar and animal feed. The main area of operation is the Nkomazi region in the Mpumalanga Lowveld. Sugar products are sold under the well-established *Selati* brand. The *Selati* brand enjoys market leadership in its target markets (Gauteng, Mpumalanga, North West and Limpopo), while the recent expansion into other geographic areas has also been very successful. Tsb Sugar's two sugar mills are situated near Malelane and Komatipoort. Tsb Sugar also holds a 27.3% shareholding in Royal Swaziland Sugar Corporation Limited, a company based in Swaziland that owns and operates two sugar mills in Swaziland. In addition, the company holds an effective shareholding of 63.7% in Mananga Sugar Packers – a sugar packaging and marketing company based in Swaziland which markets sugar under the *First* brand in Swaziland as well as in South Africa.

Headline earnings increased by 4.4% to R120.6 million (2007: R115.5 million). Turnover, mainly driven by an increase in volume, increased by 7.9% to R2 509 million (2007: R2 324 million). The stagnant sugar price and increased production costs put headline earnings growth under pressure. Sugar, citrus and animal feed respectively account for 77%, 9% and 9% of turnover (2007: 81%, 8% and 6%).

GENERAL REPORT

INVESTMENT REVIEW

The South African sugar industry's total sugar production increased by 2.1% in 2007/08. In comparison, Tsb Sugar's raw sugar production increased by 12.7%. This was due to the favourable climatic conditions in the Tsb Sugar water catchment areas and the subsequent increase in irrigation water. The benefits from the increased sugar production were however offset by lower end-product prices.

A total of 3.952 million tons of cane were crushed this season (2007: 3.629 million tons), with a production of 475 452 tons raw sugar (2007: 421 632 tons) at the two mills operated by Tsb Sugar. The raw sugar to crushed cane ratio of 8.3 compares favourably to the South African sugar industry average of 8.6 and indicates good production efficiencies at both mills. Tsb Sugar operates a refinery at the Malelane Mill complex, where raw sugar received from the company's sugar mills is refined for both the local and export markets. The refinery produced 333 762 tons of refined sugar during the year (2007: 314 432 tons).

Tsb Sugar's animal feed operation, Molatek, produces various products for the livestock market. The major raw materials (molasses and bagasse) used in the production process are by-products of sugar production. Molatek had a record year and increased production volumes by 15.9%.

Tsb Sugar is also invested in citrus through its 51% share in Golden Frontiers Citrus ("GFC"). GFC owns three citrus estates where grapefruit and oranges are cultivated, harvested and packed for the export market. The marketing of the citrus is undertaken by Komati Fruits, a partnership between various citrus producers. GFC harvested 47 000 tons of grapefruit and 25 000 tons of oranges. The increase in exports to 68% (2007: 63%) of production and higher fruit prices resulted in a record year for GFC.

Tsb Sugar is currently investigating ethanol production from sugarcane on a worldwide basis via a company incorporated in the Netherlands, namely Resource Energy. Tsb Sugar owns 25% of Resource Energy and indications are that the first investment in a production facility through Resource Energy may be made in the near future.

The settlement of land claims registered on Tsb Sugar's farms is progressing well, with the Tenbosch land claim finalised during the year under review. Joint management companies, to manage transferred land, were formed with land claimants. The negotiations regarding the remaining land claims are in the final stages and are expected to be concluded early in the coming financial year.

For 2008/09 it is expected that Tsb Sugar's operating results will be positively impacted by increased sugar production and an anticipated recovery in the world price of sugar.

AIR PRODUCTS SOUTH AFRICA (PTY) LIMITED ("AIR PRODUCTS") – UNLISTED

Air Products has a September year-end. For the twelve months ended 31 March 2008, Air Products' turnover grew by 15.3% (2007: 22.4%) from R873.4 million to R1 006.6 million and Remgro's share in its headline earnings by 30.5% (2007: 13.5%) from R72.2 million to R94.2 million. Approximately 40% of the current year's growth in headline earnings is a direct result of the favourable impact of a change in accounting standards regarding arrangements containing leases.

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

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

Recently an air separation plant has been commissioned on the Zambian copperbelt, and the company's capital expenditure plans for the forthcoming year include the commissioning of a new air separation plant in Newcastle and significant investment in distribution equipment to meet continued strong growth in demand for bulk liquid and cylinder gas products.

KAGISO TRUST INVESTMENTS (PTY) LIMITED ("KTI") – UNLISTED

KTI is a black economic controlled investment holding company. Its investments are predominantly in the financial services, media and mining sectors. Its two largest investments, by value, are a 4% interest in Metropolitan Holdings Limited and a 48% interest in Kagiso Media Limited.

KTI's financial year-end is 30 June. However, included in Remgro's headline earnings is Kagiso's results for the twelve months ended 31 December 2007.

KTI posted substantially lower earnings for the twelve months ended 31 December 2007, with headline earnings of R211 million compared to R733 million in the prior twelve-month period. The headline earnings is lower mainly as a result of the disposal of stakes in Kagiso Property Holdings in July 2007 and Sanitech in April 2007 and lower fair value gains on the option component of the convertible preference share investment in Metropolitan Holdings Limited that amounted to R38 million as opposed to the significantly higher fair value gain of R390 million included in the December 2006 results. The buoyant platinum price resulted in a significant increase of R76 million in the headline earnings from the operations of the Kagiso Platinum joint venture.

KTI recently entered into a transaction whereby its 25% investment in Matrix Vehicle Tracking (Pty) Limited was exchanged for a 12.5% interest in Telimatrix Limited, a listed company. The profit on this transaction of R69.3 million is included in KTI's operating profit, but not in headline earnings.

WISPECO HOLDINGS LIMITED ("WISPECO") – UNLISTED

For the twelve months under review, Wispeco's headline earnings included in Remgro's results was R63.9 million (2007: R62.6 million).

Wispeco's financial performance in the year under review was influenced by growing sales volumes, tight margins and volatility in aluminium prices. Sales volumes increased by 8% (2007: 8%) while turnover increased by 14% (2007: 36%). Volatile aluminium prices caused regular stock revaluations, the net effect of which increased operating profits at year-end by R2.7 million.

Since the completion of major plant expansions during the last two years, the focus is shifting to maximise effectiveness and operating efficiencies at these plants. The company expanded vertically into the processing of aluminium waste and a new stockist branch was opened in Port Elizabeth. Further capacity expansion at the company's new premises in Vereeniging is in the project planning phase.

GENERAL REPORT

INVESTMENT REVIEW

The company continues to drive training and skills development in the aluminium extrusion industry. During the year under review, a total of 400 people received technical training in the manufacturing of aluminium products. In the new year, the 31 learners currently on the New Venture Creation Learnership (in aluminium fabrication) enter the incubation stage of the business development process. Ten deaf learners have been registered for the Aluminium Fabrication Learnership in 2008.

PGSI LIMITED (“PGSI”) – UNLISTED

PGSI's financial year-end is 31 December. Remgro only acquired its 28.5% interest in PGSI on 31 July 2007 and therefore PGSI's headline earnings for the five months to 31 December 2007 was included in Remgro's results.

For the year ended 31 December 2007, PGSI's turnover grew by 15% to R2 574 million and its headline earnings by 55.6% to R136 million. PGSI's contribution to Remgro's headline earnings for the period under review is R22.3 million.

PGSI, through its wholly owned subsidiary PG Group (Pty) Limited, is the largest flat-glass manufacturer in Africa. Products are supplied to the building and construction, home improvement, furniture, solar energy, new vehicle manufacturing, auto glass replacement and rail industries. The group produces high-quality clear and tint float and rolled glass off its furnaces located in Springs, Gauteng. This raw glass is mainly benefited by PGSI's own value-added building and auto glass processing factories and independent customers.

The Shatterprufe division has three auto glass facilities that produce quality windscreens and side glasses. The Glass South Africa division provides national warehousing and distribution through its 40 locations. The PG Glass division, with 120 own and franchised retail centres, provides repair and replacement solutions for building and auto glass customers. The Primador and Widney subsidiaries manufacture high-quality aluminium glazing systems for the housing and commercial building market and the transport industry. PGSI is also a significant exporter of building and auto glass finished products to Africa, Europe and the USA, with exports contributing 17% of turnover.

In April 2007, the group commissioned a new float line in Springs at a cost of R800 million. The additional capacity has provided timeous raw glass capacity to meet the significant growth in building glass and new vehicle manufacturing demand. Shatterprufe also concluded a number of capital projects to improve its capability to meet new vehicle manufacturing standards. Capital expenditure for the forthcoming year includes the planning and preparation for the repair and upgrade of the existing float line, which is scheduled for May 2009.

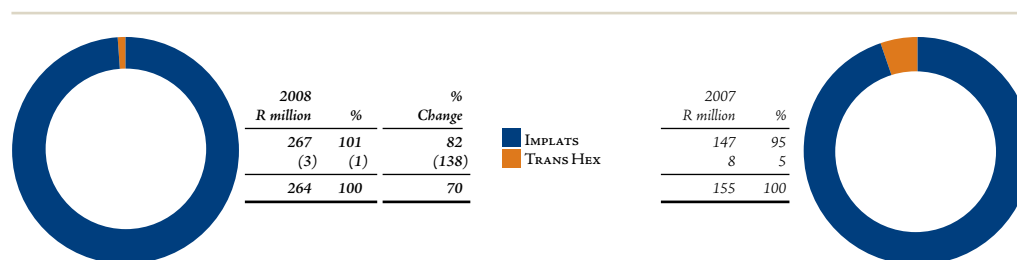
DORBYL LIMITED (“DORBYL”) – LISTED

For the financial year ended 31 March 2008, Dorbyl's turnover decreased by 1.8% from R962.0 million in the comparative period to R944.6 million, while at the same time the operating loss increased from R12.6 million to R83.2 million. Headline earnings per share also decreased from 7.3 cents in 2007 to a headline loss of 143.9 cents per share.

The increasing global price pressure on the industry combined with increased input costs which cannot be fully recovered from customers, adversely impacted on the gross profit margins and the profitability of most of the operations. The difficult market conditions are expected to persist in the coming financial year.

MINING INTERESTS

CONTRIBUTION TO HEADLINE EARNINGS



IMPLATS LIMITED (“IMPLATS”) – LISTED

Remgro’s interest in Implats is 4.4% and only dividend income has been accounted for. Dividend income of R267 million (2007: R147 million) increased by 82% year on year.

TRANS HEX GROUP LIMITED (“TRANS HEX”) – LISTED

Trans Hex reported a loss of R18.5 million (2007: R41.7 million profit) for the year ended 31 March 2008. The operations conducted by two deepwater mining vessels have been discontinued at the financial year-end, which operations contributed R17.0 million to the total loss of R18.5 million.

Headline earnings per share decreased from 21.7 cents in 2007 to a headline loss of 7.5 cents per share in the current year. Over the same period, headline earnings from continuing operations decreased from 31.2 cents to 8.6 cents per share.

The decline in earnings reported by continuing operations was primarily due to the temporary decommissioning of the Bloeddrif plant, which has subsequently been recommissioned successfully, as well as lower diamond grades mined at Baken during the last quarter, which have subsequently recovered to anticipated levels.

Total rough diamond sales for the financial year decreased by 12% (2007: 12%) and rand revenue was 11% (2007: 5%) lower than the previous year at R881 million.

CORPORATE FINANCE AND OTHER INTERESTS

	2008 R million	2007 R million
Central treasury	180	266
Net corporate cost	(56)	(61)
Pension fund surplus	–	70
Other interests	9	6
	133	281

CORPORATE

The central treasury division’s contribution decreased from R266 million to R180 million. This decrease can be attributed mainly to the non-recurrence of foreign currency profits amounting to R65 million relating to intergroup balances accounted for in the comparative year, as well as lower average cash balances compared to 2007.

GENERAL REPORT

INVESTMENT REVIEW

The net after-tax corporate costs, which include salaries, donations and the cost of the share incentive scheme, decreased by R5 million, from R61 million in 2007 to R56 million in 2008.

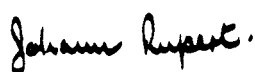
In 2007 headline earnings was also impacted favourably by the accounting recognition of a pension fund surplus amounting to R70 million following the finalisation of a surplus allocation process.

ACKNOWLEDGEMENT

Mr Denis Falck, our financial director, retired on 18 June 2008 after nearly 37 years of service, half of which was as director of the Group. Through his dedication and integrity he made a huge contribution to the development and success of the Group. We wish him the very best for a well-deserved retirement.

We are pleased to welcome Mr Leon Crouse who joined the Board as financial director on 18 June 2008.

To all of those who contributed to the performance of the Group over the past year, we extend our sincere thanks: to the shareholders for their continued confidence; the managing directors and all colleagues in the various Group companies for their co-operation and support; all other directors, officials and employees for their dedication and all parties concerned for services rendered.



Johann Rupert

Stellenbosch
18 June 2008



Thys Visser

INTRINSIC NET ASSET VALUE

AT 31 MARCH 2008

	Notes	Shares held million	Stock exchange closing price	£ million	Exchange rate	31 March 2008 R million	31 March 2007 R million
Tobacco interests							
R&R Holdings				4 305.8	16.0290	69 018	52 229
– BAT ordinary shares	1	214.3	1 891	4 052.4			
– Cash and cash equivalents				151.8			
– Dividends accrued				102.0			
– Other net assets/(liabilities)				(0.4)			
Financial services							
FirstRand		481.1	1 600			7 698	11 836
RMB Holdings		302.3	2 450			7 406	10 111
Industrial interests							
Medi-Clinic Corporation		257.3	1 970			5 070	4 295
Distell Group		58.7	5 100			2 992	3 054
Unilever SA Holdings						3 663	3 020
Rainbow Chicken		214.6	1 460			3 133	2 778
Total South Africa						2 620	2 226
Tsb Sugar						2 097	1 980
Nampak		78.1	1 640			1 281	1 735
Kagiso Trust Investments						1 432	1 312
Air Products South Africa						1 538	910
PGSI						773	–
Wispeco						447	421
Dorbyl		14.1	800			112	211
Caxton		7.8	1 450			113	130
Mining interests							
Implats		26.7	31 300			8 353	6 085
Trans Hex Group		30.2	1 050			317	438
Other							
Sundry investments and loans						344	220
Deferred taxation asset/(liability)						(1 027)	(738)
Other net assets/(liabilities)						441	506
Cash at the centre							
Local	2					619	1 220
Offshore						2 654	3 137
– Sterling				164.8	16.0290	2 641	3 137
– Rand						13	–
Intrinsic net asset value						121 094	107 116
Potential CGT liability	3					(1 233)	(2 714)
Intrinsic net asset value after tax						119 861	104 402
Issued shares after deduction of shares repurchased and the shares in The Remgro Share Trust (million)						472.5	472.4
INTRINSIC VALUE PER SHARE						R253.67	R221.00

Notes

1. This represents Remgro's effective interest of 10.6% in BAT Plc.
2. Cash at the centre excludes cash held by subsidiaries and associated companies that are separately valued above.
3. The potential capital gains tax (CGT) liability, which is unaudited, is calculated on the specific identification method using the most favourable calculation for investments acquired before 1 October 2001 and also taking into account the corporate relief provisions. Deferred CGT on investments available-for-sale (Implats and Caxton) is included in "Other" above.
4. Unlisted investments are shown at directors' valuation. Listed investments are shown at stock exchange prices.

CORPORATE GOVERNANCE

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

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

In setting the parameters for this report, guidance was taken from the Global Reporting Initiative (GRI) Boundary Protocol. Disclosure is limited to those entities that could generate significant impact on the Group’s sustainability performance and where it exercises control over the financial and operating policies of such entities, save where those entities disclose the relevant information in their own publicised annual reports.

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

The following are the notable aspects of the Group’s corporate governance.

BOARD CHARTER

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

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

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

The Board, having reflected on the following, is satisfied that, for the year under review, the required actions contained in the charter were executed satisfactorily.

COMPOSITION OF THE BOARD

Remgro has a fully functional Board that leads and controls the Group. On 31 March 2008, the Board comprised of five executive and eleven non-executive directors of whom six are independent.

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

Board members are listed on pages 10 and 11.

ROLE AND RESPONSIBILITIES OF THE BOARD

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

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

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

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

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

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

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

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

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

- ♦ **The Executive Committee**, comprising all five executive directors and meets regularly between Board meetings to deal with issues delegated by the Board.

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

CORPORATE GOVERNANCE

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

MEETINGS AND QUORUMS

The articles of association requires three directors to form a quorum for Board meetings. A majority of members, preferably with significant representation of the non-executive directors, are required to attend all committee meetings.

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

MATERIALITY AND APPROVAL FRAMEWORK

Issues of a material or strategic nature, which can impact on the reputation and performance of the Group, are referred to the Board. Other issues, as mandated by the Board, are dealt with at senior management level.

The minutes of all the committee meetings are circulated to the members of the Board. Issues that require the Board's attention or a Board resolution, are highlighted and included as agenda items for the next Board meeting.

REMUNERATION PRINCIPLES

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

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

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

DUTIES OF DIRECTORS

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

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

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

CONFLICTS

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

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

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

COMPANY SECRETARY AND PROFESSIONAL ADVICE

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

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

GOING CONCERN

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

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

SERVICE COMPANY

A subsidiary of Remgro, M&I Group Services Limited (M&I), renders management and support services to Remgro and its group members. M&I recovers its costs through fees for services rendered to companies. An agreement has also been entered into with VenFin Limited to provide certain support and administrative services to the VenFin group of companies at fees determined annually. The net costs of M&I is part of the corporate costs of Remgro. Refer also to note 26 to the annual financial statements.

CORPORATE GOVERNANCE

RISK MANAGEMENT AND INTERNAL CONTROL

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

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

- **Performance risks** which relate to those risks managed by the Board and includes strategic risk, opportunity risk, reputation risk, liquidity risk, and also risks relating to corporate governance, social responsibility and stakeholder relations.
- **Investment risk** inherent to existing investments. The Board has delegated the responsibility for investment risk management to the boards of the various investee companies. The Remgro Board monitors that these delegated responsibilities are effectively executed.
- **Operational risks** which include operational effectiveness and efficiency, safeguarding of assets, compliance with relevant laws and regulations, reliability of reporting, effective operational risk management, human resource risk, technology risk, business continuity and risk funding.

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

The Enterprise-wide Risk Management system applicable to the Group comprises the following:

- **Group risk analysis**
The purpose of the Group risk analysis is to reconfirm and update the Group's consolidated risk profile. This ensures that the residual risk profiles by individual investment, and in total, remain within the risk tolerances set by the Board and that new emerging risks and opportunities are identified and responded to in time.
- **Activity risk assessment**
The activity risk assessment further refines the Group's risk assessment at key activity level relevant to the achieving of detailed objectives and ensures that risk management initiatives are duly prioritised and resourced appropriately.
- **Operational risk management**
The Board influences the control environment by setting ethical values and organisational culture while ensuring that management styles, delegated authorities, business plans and management competency are appropriate, effective and efficient.

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

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

- ✦ **Treasury**

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

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

V&R Management Services (V&R), a company registered and managed in Switzerland, renders treasury services for foreign cash holdings to R&R Holdings (a 33.3% associate company) and Remgro Investments (Jersey) (a wholly owned subsidiary). These two companies have service contracts which record V&R's obligations and responsibilities concerning their treasury policies as approved and monitored by their respective Boards. V&R's activities and risk management practices are annually subject to independent audits. Remgro and VenFin each holds 50% of V&R.

- ✦ **Risk funding**

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

- ✦ **Integrated assurance**

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

The various assurance providers to the Board comprise the following:

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

CORPORATE GOVERNANCE

INTERNAL AUDIT

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

EXTERNAL AUDIT

The Company's external auditor attends all Audit and Risk Committee meetings and has direct access to the chairman of the Audit and Risk Committee and the chairman of the Group. The external audit scope of work is adequately integrated with the Internal Audit function without the scope being restricted.

Other services provided by the external auditor mainly relate to tax matters and are effected by a department independent to the audit partners. Independence is further assured by the terms of appointment.

In fulfilling its wider responsibilities under the Corporate Law Amendments Act, 24 of 2006, the following was added to the self-assessment methodology used to monitor the Audit and Risk Committee's effectiveness:

- ✦ Approving the external auditor's terms of engagement, audit approach and fees (including non-audit fees)
- ✦ Ensuring the independence of the external auditor
- ✦ Approving external auditor's appointment for the ensuing financial year
- ✦ Pre-approving all fees paid to the external auditor for non-audit services

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

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

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

DEALINGS IN SECURITIES

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

ATTENDANCE AT MEETINGS

	Directorate	Audit and Risk Committee	Remuneration and Nomination Committee
Number of meetings held	7	4	1
Attendance by directors			
J P Rupert	7		1
M H Visser	7		
P E Beyers	7		
W E Bührmann	7		
G D de Jager	7	3	1
J W Dreyer	7		
D M Falck ⁽¹⁾	7	4	
P K Harris	6		1
E de la H Hertzog	6		
J Malherbe	7		
M M Morobe ⁽²⁾	5		
J A Preller (Mrs)	7		
D Prins	7	4	
M Ramos (Miss)	5		
F Robertson	7	3	1
T van Wyk	7		

(1) Mr D M Falck retired as a member of the Audit and Risk Committee on 30 January 2008 but has attended meetings on invitation since.

(2) Mr M M Morobe was appointed as a director of the Company on 18 June 2007 and attended directors' meetings from August 2007.

SUSTAINABILITY REPORT

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

The main aspects to report on are as follows:

STAKEHOLDER RELATIONS

The following are recognised as stakeholders in the Company:

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

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

GROUP ETHICS

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

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

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

SAFETY AND ENVIRONMENT

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

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

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

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

Where deemed appropriate, usage and impact are being quantified and measured against best practices. Where appropriate, compliance with safety, health and environmental systems are measured against formal standard systems such as ISO and subjected to independent review. Remgro is currently participating in the carbon emission disclosure project (CDP 6).

Tsb Sugar has set itself performance measures to minimise its environmental impact, for example bagasse, a by-product of the sugar production process, that is utilised to generate electricity. Approximately 60% of Tsb Sugar's electricity needs are generated from bagasse. Surplus electricity is supplied into the Eskom national network.

HIV/AIDS POLICY

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

GROUP RISK

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

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

COMPANY RISK

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

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

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

EMPLOYEES

Summary of employees of the operating subsidiaries

	2008	2007
Rainbow Chicken	7 653	7 223
Wispeco	1 039	963
Tsb Sugar (excluding contract workers)	3 010	2 533
Other	11	14
	11 713	10 733
M&I	172	172
	11 885	10 905

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

SUSTAINABILITY REPORT

PANDEMICS

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

EMPLOYMENT EQUITY

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

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

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

Because of the specialised nature of its operations, Remgro's work force is characterised by the following:

- A high level of expertise within the top structure of the organisation and in various specialised divisions
- A young employee profile, especially with regard to management
- A low turnover rate of staff and, consequently, limited opportunities for new appointments

Remgro believes that the quality of its staff is an important sustainable competitive advantage. Therefore it believes that its success does not lie in the uniformity of its staff, but in the diversity and development of their collective talents. For these, space and opportunity will always be created.

Human resource policies and procedures also address the issues of non-discrimination, child labour, disciplinary practices, human rights, etc.

BBBEE – BROAD-BASED BLACK ECONOMIC EMPOWERMENT

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

SOCIAL INVESTMENT

Corporate citizenship, namely the commitment of business to contribute to sustainable economic development, endorses the principle that no business exists in isolation but is undeniably an integral part of the environment in which it operates. In its relations with all stakeholders (clients, personnel and the community) Remgro strives to be a value partner.

The Company's donation programme focuses primarily on the development of young people from disadvantaged communities to promote their own self-esteem. This is done in the belief that such investments will provide sound dividends far into the future.

Donations to deserving institutions are usually made over specific periods and cover quite a wide range. No donations are however made to political parties. Although the Company respects the individual's right of choice to get involved in these organisations, Remgro does not exercise a choice itself.

During the past year, the Company has been involved in the following projects and institutions:

ENTREPRENEURSHIP AND TRAINING

Tsiba – this Tertiary School in Business Administration (Tsiba) was founded in Cape Town in 2004 with the aim of preparing young people with potential through a B degree in Business Administration for the world of work. The course, which spans four years, is fully sponsored and much is being done to create an inspirational environment in which students, staff and volunteers can cooperate to integrate the transfer of knowledge with the reality of society.

Leadership and entrepreneurship form an integral part of the curriculum, and during the course students are exposed to various practices regarding campus management and community service. Tsiba students do not pay back their bursaries, but are encouraged to "pay it forward" by engaging actively in community initiatives, thereby enriching the country's human resources.

Tsiba is accredited by the Department of Education and the Council on Higher Education and since its inception has enrolled 80 students per year, of which the first group will graduate at the end of 2008. Remgro has committed itself to support Tsiba for a full student cycle of four years.

Shalamuka Foundation – this foundation was established in 2006 to raise long-term funding for the highly regarded Penreach Programme which supports qualified and unqualified teachers in Mpumalanga and surrounding areas.

Even after 14 years of democracy there are still huge discrepancies in school education in South Africa. Penreach tries to bridge this gap by presenting weekly skills workshops for teachers, school management and control bodies, as well as for learners in Grades 11 and 12. Much emphasis is placed on mathematics, science and soccer development.

From a modest start when 40 teachers and 10 schools were involved in 1994, Penreach has grown into an organisation which now reaches 2 200 teachers from 900 schools per annum. It is estimated that more than 350 000 learners from rural areas currently benefit from this programme. Shalamuka exploits BEE transactions and other investment opportunities to ensure sustainable funding for Penreach to expand its programme in equipping an ever-increasing number of students with the skills the country so desperately needs.

SUSTAINABILITY REPORT

Beyers Naudé School Development Programme (BNSDP) – some years ago the Kagiso Trust became aware of the great need for facilities and resources in rural schools in the Limpopo province and responded by launching a programme to promote healthy, viable and sustainable school communities in this area.

Attention is given especially to the infrastructure of schools participating in the BNSDP. Remgro has committed itself for three years to this programme and during the past year assisted with the funding of a science and a computer laboratory at Gwamasenga Secondary School in Limpopo, while a contribution was also made to two schools in the North West province.

SciMathUS – adjustments had to be made to this post-matric programme of the University of Stellenbosch as more routes have become available to students, with lower qualifications than before, to access higher education.

For SciMathUS, which aims to assist talented black students from disadvantaged communities to gain access to mainstream higher education, this has resulted in recruiting learners with lower Gr. 12 marks than previously. This challenge was accepted during the past year and most goals were reached, among which was a minimum of 80% of SciMathUS students who enrolled for degree programmes in the natural sciences, applied natural sciences or economic and management sciences at the end of their bridging year.

Fifty students entered the course in 2007 – 31 from the Western Cape and the rest from seven other provinces. Of these students, 45 wrote the final examination in the higher grade, among whom were 15 who wrote mathematics at standard grade in 2006. A passing rate of 83% was achieved in mathematics, 98% in the natural sciences and 80% in the new special accounting course.

SciMathUS evaluates its curriculum on an ongoing basis in order to deliver students of quality – not just students who are coached to improve their Gr. 12 results, but students who are able to enter higher education successfully because of the reasoning, analytical and problem-solving skills they have acquired.

Paul Roos Academy – when the first group of 61 Gr. 7 learners from disadvantaged schools were admitted to the Academy in April 2003, it was expected that the extra tuition during school holidays would help the learners to prepare for the transition to the higher grades. It was hoped that the learners would stay in the programme for at least three years until the end of Gr. 9.

Eventually the learners stayed in the programme until Gr. 11 when 21 of the original class received their certificates in 2007. At the end of 2008, these learners will write their final examination and only then, from an academic point of view, will it be possible to determine what the Academy's intervention has really achieved. What can already be stated, without any doubt, is that they have progressed immensely in the field of self-confidence and the development of other skills.

In 2007, a total of 280 learners received additional tuition at the Academy. It has been decided to reduce the number of learners to 200 and to concentrate more on merit. Besides the academic focus, learners are also exposed to educational excursions. During the past year these have included visits to the Jonkershoek Nature Reserve, the Waterfront Aquarium and the MTN Science Centre at Canal Walk.

Rally to Read – many poor schools in rural areas which suffer most because of the insufficient provision of much-needed resources, would have been completely forgotten had it not been for Rally to Read's literacy programme.

During the first ten years of this programme, more than R26 million was invested in literacy material for poor schools. Together with this year's contribution, the amount will exceed R30 million. The inaugural event in 1998 was modest, with 25 off-road vehicles delivering books worth R100 000 to 13 schools in KwaZulu-Natal. During this year's 11th rally, 450 vehicles participated and schools in eight provinces were visited.

In addition to providing books and funding for a teacher development programme, science kits, stationery, sports equipment and other useful items are donated to needy schools. Remgro is one of approximately 100 sponsors of the project.

Equip – after the problems experienced during the previous year, good progress has been made at the five schools in the Stellenbosch area which Remgro sponsors as part of a school development programme of the National Business Initiative. Most promising was the progress at the schools which presented the biggest challenges, namely Ikaya Primary and Kayamandi and Stellanzicht secondary schools.

The Equip programme focuses primarily on school improvement programmes; learner development and mentorship; relationship building, especially between school management bodies and teachers; leadership and management interventions; and learner motivation.

ORT SEED – Remgro has entered into a partnership agreement with ORT-Tech and the district office of the Western Cape Department of Education to offer, through the ORT SEED programme, specialised training and support in curriculum development at two Stellenbosch schools with the aim of implementing this programme in the tuition of mathematics, the natural sciences, technology and literacy.

ORT-Tech will facilitate on site curriculum development at Idas Valley and Rietenbosch Primary. Both schools will receive supportive expertise and other resources and act as anchor schools for an outreach programme to 15 primary schools in the surrounding area.

ENVIRONMENT

WWF South Africa (WWF-SA) – since its inception 40 years ago, Remgro has supported South Africa's largest conservation organisation. The past four decades have seen WWF-SA expand its reach from a wildlife focus to a broader conservation focus in its pursuit of a world where people live in harmony with nature.

During the past year, WWF-SA has enjoyed particular success in terms of conservation education with the Eco-schools Programme, a joint initiative with Wessa. The programme, which has been running for five years, comprises 887 registered schools and incorporates conservation education into the school curriculum. Additionally, the six learners who received bursaries from SACET (the South African Conservation Education Trust) successfully completed their studies at the South African Wildlife College in 2007.

The Black Rhino Range Expansion Project released 11 black rhinos onto Somkhanda Reserve, a piece of land which was recently reclaimed by the Gumbi community who have committed themselves to using their land for conservation purposes.

CULTURAL DEVELOPMENT

Klein Karoo National Arts Festival (KKNK) – Remgro's contribution to the festival is used for the development of the arts. It includes a scholarship for the development of a career in the arts, workshops during the festival and an audience development project which makes it possible for art, cultural and school groups to attend productions.

SUSTAINABILITY REPORT

This year, the Remgro/VenFin scholarship has been awarded to a young pianist from Oudtshoorn who is currently a first-year student at the SA College for Music in Cape Town. The scholarship was advertised at schools and libraries in the Eden District Municipality.

A new project which benefited from the sponsorship is the Klein Karoo Arts Academy which utilises the festival to teach young people skills in the field of the arts – from discipline in the arts to technical expertise and art management. Five free sessions were held and the themes varied from singing and rhythmic musical performances to community art and cultural management.

Field Band Foundation – a combination of inadequate education, depressed socio-economic circumstances and low employment prospects make young people in disadvantaged communities increasingly vulnerable to temptations such as crime and drugs.

Since its inception eleven years ago, the Foundation has endeavoured to do something about this situation. Taking the historically inadequate education in South Africa into account, it was assumed that the sustainable development of young people would be possible only if they themselves took responsibility for their learning and development.

Through music, the Field Band Foundation makes young people aware of their talents and capacity for development. While the transfer of knowledge and skills is important, even more crucial is the development of self-confidence. What has already been achieved by the Foundation, can be described as a moral redevelopment programme which empowers the youth to make positive choices under difficult circumstances.

WAT – during its 80th birthday celebrations in 2006, the dictionary of the Afrikaans language (WAT) committed itself to raise R20 million to complete the WAT series successfully. Good progress has been made to achieve this goal and Remgro has pledged support for a second term of three years.

The main function of WAT is to document the Afrikaans vocabulary in its broadest sense. It also represents the crown jewel of Afrikaans dictionaries, is accessible on the internet to some 300 000 students at South African universities, and is used as an electronic aid for the teaching of Afrikaans at schools.

Children's Art Festival (CAF) – during the arts festival in Grahamstown, special workshops are presented where children are exposed to different and fascinating crafts. It is done at a very practical level and by making items that can be sold for their own pockets, the children learn skills with which they can earn an income.

The children who attend the workshops are normally from disadvantaged backgrounds and would otherwise not have been afforded the opportunity of discovering their creative abilities. Thanks to Remgro's sponsorship, the scope of the workshops could be increased and better equipment and more sophisticated techniques introduced. One of the highlights of last year's festival was a workshop on African music. The children were not only exposed to numerous instruments, but were even given the opportunity to build their own drums.

SPORT DEVELOPMENT

SA Golf Development Board (SAGDB) – endeavours to make golf accessible to thousands of young South Africans who otherwise would not have had the opportunity of participating. Quality training is provided across the country to players from underprivileged areas with the aim of bringing them into the mainstream of junior golf.

However, the transfer of the skills of the game is not the only facet of SAGDB's activities. The unique values of the game are also used to inculcate with young players life skills such as integrity, self-confidence and respect.

An important development this year has been the co-operation between the Professional Golfers' Association (PGA) and SAGDB to develop a mentorship programme in terms of which top coaches of the PGA and SAGDB hold sessions with development coaches where expertise is shared. This promises to improve the quality of coaching in the country substantially and will ensure that young players are taught the right techniques from the outset.

Western Cape Cricket Academy – an investment in young talent which has produced spectacular dividends is the Western Cape Cricket Academy. The national training group currently boasts five former Academy players, while previously another five were included in the SA team. In addition, the Cobras (WP/Boland) presently has no fewer than 14 former Academy members in their side.

In just a little more than a decade, the Academy has grown into a catalyst for cricket development in the country. National and provincial teams literally swarm with players who have honed their talents at the Academy. Initially it was only men's cricket which benefited, but now women's cricket is gradually following suit. Five women have already played for South Africa, while the captain of the SA U.19 team to New Zealand and Sri Lanka hails from the Academy.

The University of the Western Cape, which acts as a sponsorship facilitator for the Academy, also benefits from Remgro's annual contribution. During the past year it was able to improve its facilities to the extent that the Academy can now hold practice sessions there.

COMMUNITY DEVELOPMENT

Ikamva Labantu – was founded 45 years ago as an "emergency unit" for black urban communities in the Western Cape. Today it serves as a "midwife" and laboratory for community initiatives and has become a model of transforming despondency into hope.

During the past year 30 000 pre-school children, 1 000 orphans, 750 seniors and 6 000 youth were reached by various programmes of Ikamva. Nutrition services to all programmes continue, with 50 urban food gardens supplementing all meals provided by Ikamva programmes.

The major focus in the family services sector is on Remgro's pilot programme. It has assisted 271 children from 73 households, with particular programme emphasis placed on the acquisition of government social grants and on parenting skills for the adult carers of the children. All "Remgro" children receive material and psychosocial support, including food parcels, stationery, uniforms and school fees.

Ikamva and Remgro have evaluated this model and are planning to replicate it elsewhere in the country as it has proved to be a successful system to help vulnerable children to support themselves.

u Mephi – is an intensive care programme which caters for orphans as well as abused and molested children. Rather than caring for the children in institutions, they are moved as quickly as possible to homes within the community. At present there are 27 such satellite homes. The aim is to get involved in children's lives as early as possible before they are maltreated or become street children.

Another main aspect of u Mephi's child caring programme is to find suitable homes for babies who are referred to them by pregnancy crisis centres. For this purpose 19 halfway homes have been established in the larger cities of the country. The first prize is always for the children to return to their mothers or to the extended families. If not possible, the next option is adoption. Only in exceptional cases foster care homes are considered.

SUSTAINABILITY REPORT

u Mephi has more than 2 500 babies in its care and the next goal is to assist at least 10 000 children by 2010.

Stellenbosch Community Development Programme (SCDP) – one of the most important aims of this programme is to attend to the nutritional needs of Ikaya Primary School in Kayamandi, Stellenbosch where some 900 children are fed daily. As mentioned earlier, Remgro is also involved in others facets of this school's development through the ORT SEED programme.

Other programmes of the SCDP include after-school activities for malnourished children as well as those in the obese category, assistance to unemployed mothers through the vegetable garden and craft projects, and a continuous engagement with teachers and the community with regard to hygiene and discipline of children.

HEALTH CARE

Wits/Donald Gordon Medical Centre (WDGMC) – the past year has seen this academic programme making significant progress in the area of subspecialist training. The first fellow (subspecialist in training) was appointed in the department of Paediatric Oncology, while the departments of Internal Medicine and Anaesthesiology were integrated into the academic training circuit with the appointment of three registrars.

In March 2007, the department of Geriatrics was established at the hospital, with the appointment of a consultant (a qualified subspecialist) in geriatric medicine. This appointment saw the establishment of Geriatrics for the first time in the Wits Faculty of Health Sciences.

The integration of WDGMC as a fully fledged teaching hospital is now well under way. This has been possible only as a result of donor funding. The positive impact of this integration is being felt by the faculty as well as by patients using the facilities. The creation of such academic posts in the private sector is also having a significant impact on the retention of skilled medical staff within South Africa.

Organ Donor Foundation of SA – the availability of life-sustaining organs is literary a matter of life and death. The Organ Donor Foundation dedicates itself to the smooth transition of organs between donor and recipient. There are many grateful people who can testify today that they have been given the chance of a new life thanks to the untiring efforts of the Foundation.

Remgro supports this humane effort by sponsoring four flights per year for the transport of critical organs. The staff of Falconair play a vital role in this regard, which is greatly appreciated.

FINANCIAL REPORT

2008

CONTENTS

STATEMENT OF RESPONSIBILITY BY THE BOARD OF DIRECTORS	49
STATEMENT BY THE COMPANY SECRETARY	49
REPORT OF THE INDEPENDENT AUDITOR	50
REPORT OF THE BOARD OF DIRECTORS	51
ACCOUNTING POLICIES	59
BALANCE SHEETS	72
INCOME STATEMENTS	73
STATEMENTS OF CHANGES IN EQUITY	74
CASH FLOW STATEMENTS	75
NOTES TO THE ANNUAL FINANCIAL STATEMENTS	76
ANNEXURE A – PRINCIPAL SUBSIDIARY COMPANIES	108
ANNEXURE B – PRINCIPAL INVESTMENTS	109
ANNEXURE C – SIGNIFICANT ASSOCIATED COMPANIES	110
ANNEXURE D – INFORMATION ON BUSINESS AND GEOGRAPHICAL SEGMENTS	112
COMPANY INFORMATION	114
SHAREHOLDERS' INFORMATION	114
NOTICE TO SHAREHOLDERS	118
EXPLANATORY NOTES TO THE NOTICE TO SHAREHOLDERS	122
FORM OF PROXY	<i>attached</i>

STATEMENT OF RESPONSIBILITY

BY THE BOARD OF DIRECTORS

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

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

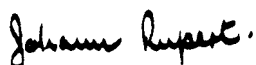
The directors are satisfied that the information contained in the financial statements fairly represents the results of operations for the year and the financial position of the Group at year-end. The accuracy of the other information included in the Annual Report was considered by the directors and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

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

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

The financial statements were audited by the independent auditor, PricewaterhouseCoopers Inc., to whom unrestricted access was given to all financial records and related information. The directors are further of the opinion that all statements that were made to the auditor during the course of the audit were valid and relevant. The auditor's report is presented on page 50.

Signed on behalf of the Board of Directors.



Johann Rupert
Chairman

Stellenbosch
18 June 2008



Thys Visser
Chief Executive Officer

STATEMENT BY THE COMPANY SECRETARY

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



Mariza Lubbe
Secretary

Stellenbosch
18 June 2008

REPORT OF THE INDEPENDENT AUDITOR

TO THE MEMBERS OF REMGRO LIMITED

We have audited the annual financial statements and group annual financial statements of Remgro Limited, which comprise the directors' report, the balance sheet and the consolidated balance sheet as at 31 March 2008, the income statement and the consolidated income statement, the statement of changes in equity and the consolidated statement of changes in equity, the cash flow statement and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 51 to 113.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

OPINION

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company and of the Group as of 31 March 2008, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of South Africa.

PriceWaterhouseCoopers Inc.

PRICEWATERHOUSECOOPERS 

Director: N H Döman

Registered Auditor

Cape Town
18 June 2008

REPORT OF THE BOARD OF DIRECTORS

FOR THE YEAR ENDED 31 MARCH 2008

Dear Shareholder

The Board has pleasure in reporting on the activities and financial results for the year under review.

NATURE OF ACTIVITIES

The Company is an investment holding company. Cash income is derived mainly from dividends and interest. The consolidated annual financial statements of the Company and its subsidiaries also incorporate the equity accounted attributable income of associated companies and joint ventures.

The Group's interests consist mainly of investments in tobacco products, banking and financial services, printing and packaging, motor components, glass products, medical services, mining, petroleum products, food, wine and spirits and various other trade mark products.

RESULTS

Year ended 31 March:	2008	2007
Headline earnings – Excluding non-recurring portion of BEE costs (R million)	8 028	6 892
– per share (cents)	1 700.7	1 453.6
– diluted (cents)	1 656.8	1 409.2
<hr/>		
Headline earnings (R million)	7 991	6 892
– per share (cents)	1 692.8	1 453.6
– diluted (cents)	1 649.0	1 409.2
<hr/>		
Earnings – net profit for the year (R million)	9 893	6 942
– per share (cents)	2 095.7	1 464.2
– diluted (cents)	2 048.9	1 418.5
<hr/>		
Dividends (R million)*	2 471	2 102
– ordinary – per share (cents)	510.00	434.00

* A final dividend of 330 cents (2007: 281 cents) per share was declared after the year-end and was therefore not provided for in the annual financial statements. No STC is payable on these dividends.

INVESTMENTS

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

RAINBOW CHICKEN LIMITED (RAINBOW)

Offer to minority shareholders of Rainbow

During March 2007 Remgro made an offer to buy out the minority shareholding of Rainbow for a cash consideration of R16.00 per Rainbow share or 9 Remgro ordinary shares for every 100 shares held in Rainbow, or a combination of the aforementioned. On 5 June 2007 the majority of Rainbow's shareholders voted against the scheme of arrangement.

An alternative offer, consisting of a cash consideration of R16.00 per Rainbow share or 8.1 Remgro ordinary shares for every 100 shares held in Rainbow, or a combination thereof, became effective on 6 June 2007.

In terms of the abovementioned offer, Remgro acquired 30 236 876 Rainbow shares. Of this number of shares 27 749 336 were acquired for a cash consideration of R16.00 per Rainbow share for a total amount of R448.6 million, while 2 487 540 Rainbow shares were acquired through the issue of 201 399 Remgro shares, issued at an average price of R186.10 per Remgro share.

REPORT OF THE BOARD OF DIRECTORS

FOR THE YEAR ENDED 31 MARCH 2008

RAINBOW *(continued)*

Offer to minority shareholders of Rainbow *(continued)*

During the year under review Remgro acquired 10 699 024 Rainbow shares in the open market at R16.00 per share for a total amount of R171.9 million. On 31 March 2008, Remgro's effective interest in Rainbow was 74.0% (31 March 2007: 61.4%).

Broad-based black economic empowerment (BEE) initiative

On 18 March 2008 Rainbow shareholders approved a proposal to introduce a strategic BEE shareholding into the company. Rainbow will issue 51 177 217 Rainbow shares (the BEE shares) at R17.89 per share to a BEE consortium (BEECo). BEECo will be owned by the BEE partners and the shares issued to BEECo will represent 15% of the entire issued share capital of Rainbow.

The BEE shares will be issued during June 2008, after the payment of the final dividend to existing Rainbow shareholders. For accounting purposes the effective date of the transaction is 18 March 2008, i.e. the date on which Rainbow shareholders approved the transaction. The purchase price of the BEE shares will be settled by BEECo by issuing redeemable preference shares in BEECo to Rainbow.

For accounting purposes the terms of the issue of the BEE shares and funding thereof are deemed to constitute an option in Rainbow shares granted to BEECo, and accordingly the issue of the BEE shares and the subscription by Rainbow of the BEECo preference shares, are not recognised for accounting purposes. The BEE transaction will accordingly not affect Remgro's effective shareholding in Rainbow until the redemption of the BEE preference shares, referred to above, takes place.

PG GROUP OF COMPANIES (PGSI)

With effect from 31 July 2007 Remgro acquired a 24.5% interest, on a fully diluted basis, in PGSI for R719.5 million, including transaction costs. PGSI is the foreign holding company of the Plate Glass group. For the year ended 31 March 2008 PGSI, which has a December year-end, has been equity accounted for the five months to December 2007. In future PGSI will be equity accounted for the twelve-month period ending December each year.

Tsb Sugar Holdings (Pty) Limited (Tsb Sugar)

Land claims

Effective 1 April 2007 Tsb Sugar concluded the Tenbosch land claim whereby it disposed of 4 800 hectares (ha) of irrigated sugarcane agricultural land in the Nkomazi region to land claimants in terms of a land reform transaction for an amount of R285 million. The transaction constituted the first phase of Tsb Sugar's land reform process.

The second phase of Tsb Sugar's land reform transactions is currently in progress and consists of the remaining claimed land, situated mainly in the Malelane area. This phase will comprise the sale of 3 162 ha under sugarcane and 71 ha under litchis, all of which is irrigated, as well as 2 599 ha that is not under irrigation. This transaction is expected to be completed early in the next financial year.

Resource Energy BV (RE)

During the year under review Tsb Sugar, Compagnie Industriali Riunite of Italy and VenFin Limited, established RE. Tsb Sugar acquired a 25% interest in RE for a total amount of R8.6 million, with additional investments to be made on a project-by-project basis.

RE is involved in renewable energy through the acquisition, development and integration of biofuel production facilities, with its initial focus on the production of ethanol from sugarcane.

Unilever South Africa Holdings (Pty) Limited (Unilever South Africa)

Until October 2007 Remgro held a 41% interest in Unilever Bestfoods Robertsons (Holdings) Limited L.L.C. (UBR), which in turn owned 100% of the Unilever South Africa Foods (SA Foods) and Unilever Israel Foods businesses. The UBR venture had no interest in the Unilever South Africa Home and Personal Care (SA HPC) businesses.

Globally, Unilever simplified its organisational structure which, inter alia, entailed the merging of the SA Foods and SA HPC businesses into a single leadership and operating framework under the "One Unilever" programme.

During October 2007 Remgro and Unilever agreed that Remgro would divest from its 41% interest in UBR in exchange for a 25.75% interest in the total South African Unilever business, consisting of the combined SA Foods and SA HPC businesses. An after-tax capital gain of R1 167 million was realised on this transaction.

MEDI-CLINIC CORPORATION LIMITED (MEDI-CLINIC)

Effective 26 October 2007 Medi-Clinic finalised the acquisition of Hirslanden Finanz AG (Hirslanden) for an amount of CHF2 556 million. Hirslanden is the holding company of the largest private hospital group in Switzerland. Medi-Clinic financed the purchase consideration through interest-bearing debt as well as a rights offer amounting to R4 500 million.

In terms of the rights offer Medi-Clinic issued 198 675 497 shares at an issue price of R22.65 per share. Remgro followed its rights in terms of the rights offer and took up 86 217 868 Medi-Clinic shares amounting to R1 952.8 million. On 31 March 2008 Remgro's effective interest in Medi-Clinic was 45.9% (31 March 2007: 47.6%).

FIRSTRAND LIMITED (FIRSTRAND) AND RMB HOLDINGS LIMITED (RMBH)

On 7 November 2007 FirstRand shareholders approved the proposed unbundling of its shareholding in Discovery Holdings Limited (Discovery). In terms of this transaction, FirstRand distributed its Discovery shareholding to its shareholders on 26 November 2007 in the ratio of 5.61343 Discovery shares for every 100 FirstRand shares.

In terms of a separate agreement with Remgro, RMBH agreed to acquire the 27 008 590 Discovery shares received by Remgro pursuant to the unbundling described above, by issuing 21 302 886 RMBH shares at R33.94 per share for a total amount of R723 million. Remgro realised an after-tax capital gain of R403 million on this transaction.

During the year under review, Remgro also acquired 30 000 RMBH shares in the open market at R33.49 per share for a total amount of R1.0 million. Following these transactions, Remgro's interest in RMBH is 25.0% (31 March 2007: 23.7%).

KAGISO TRUST INVESTMENTS (PTY) LIMITED (KTI) AND THE KAGISO INFRASTRUCTURE EMPOWERMENT FUND (KIEF)

During the 2007 financial year, Remgro entered into agreements with KTI and KIEF, in terms of which it committed funds amounting to R350 million to KIEF. The fund has a target size of R650 million and aims to invest in infrastructure projects, including roads, airports, power and telecommunication installations, railway systems, ports, water and social infrastructure. By 31 March 2007, Remgro invested R4.7 million of the R350.0 million committed. During the year under review Remgro invested a further R45.7 million in KIEF.

BUSINESS PARTNERS LIMITED (BUSINESS PARTNERS)

During the year under review Remgro acquired a further 437 330 Business Partners shares for a total amount of R2.5 million. On 31 March 2008, Remgro's interest in Business Partners was 20.2% (31 March 2007: 20.0%) on a fully diluted basis.

XIOCOM WIRELESS, INC. (XIOCOM)

During the year under review Remgro acquired a 37.5% interest, on a fully diluted basis, in Xicom, a newly established USA company that specialises in the deployment and operation of wireless broadband networks. Remgro has conditionally committed funds amounting to \$50.0 million to Xicom. By 31 March 2008, \$11 million of the \$50.0 million, was invested.

For the year under review, Xicom was equity accounted for the eight months to 31 March 2008.

REPURCHASE OF REMGRO SHARES

At 31 March 2008, 8 554 019 Remgro ordinary shares (1.9%) were held as treasury shares (31 March 2007: 8 554 019 shares). No shares were repurchased by the Company or any wholly owned subsidiary company during the year under review.

The Remgro Share Trust purchased 150 566 Remgro ordinary shares during the year under review at an average price of R189.19 for a total amount of R28.5 million, while 126 383 shares were delivered to participants against payment of the purchase price.

REPORT OF THE BOARD OF DIRECTORS

FOR THE YEAR ENDED 31 MARCH 2008

CASH RESOURCES AND APPLICATION

The Company's cash resources at 31 March 2008 were as follows:

	Local R million	Offshore R million	Total R million
Per consolidated balance sheet	1 280	2 654	3 934
Less: Cash of other operating subsidiaries	(661)	–	(661)
Cash at the centre	619	2 654	3 273
Attributable share of R&R's cash	–	2 433	2 433
Available cash	619	5 087	5 706

On 31 March 2008, £309 million (R4 953 million) of the available offshore cash was invested in United Kingdom Treasury Bills.

The final ordinary dividend per share has been increased by 17.4% to 330 cents. Total ordinary dividends per share in respect of the financial year to 31 March 2008 have therefore increased by 17.5% from 434 cents to 510 cents.

The total distribution to shareholders in respect of the financial year is as follows:

	2008 R million	2007 R million
(Based on total issued shares at time of payment)		
Ordinary		
– Interim	872	741
– Final	1 599	1 361
Total	2 471	2 102

GROUP FINANCIAL REVIEW

CHANGES IN ACCOUNTING POLICY

Restatement of comparative figures in respect of joint ventures

In terms of IAS 31: *Interests in Joint Ventures*, such entities can be accounted for by using proportionate consolidation or alternatively by applying the equity method. Previously the Group proportionately consolidated its interests in jointly controlled ventures and thereby accounted for its share of each of the assets, liabilities, income and expenses of the jointly controlled ventures on a line-by-line basis in its financial statements.

With effect from 1 April 2007 the Group changed its accounting policy for the accounting treatment of jointly controlled ventures from proportionate consolidation to the equity method, as it only has an interest in the outcome generated by the activities of these ventures and not any rights to the individual assets or contractual obligations for expenses or financing of these entities. The change in accounting policy will thus result in more appropriate presentation of investments in joint ventures. This change in accounting policy had no effect on Remgro's net asset value, earnings or headline earnings for the comparative year. Certain line items in the comparative balance sheet and income statement have been restated accordingly. The effect thereof was immaterial.

Restatement of comparative balance sheet as a result of abovementioned prior year adjustment:

	31 March 2007 R million
Decrease in property, plant and equipment	(1)
Increase in investments in joint ventures	8
Decrease in loans granted	(3)
Decrease in current assets	(6)
Decrease in current liabilities	2

OTHER ADJUSTMENTS

Restatement of comparative figures in respect of associated companies

During July 2007 the South African Institute of Chartered Accountants issued a new accounting guideline on headline earnings, i.e. Circular 08/07. The effective date of this circular is for all financial periods ending on or after 31 August 2007. The circular requires comparative headline earnings to be restated in accordance with the new prescribed formula if needed. Previously headline earnings was calculated in terms of Circular 07/02.

On 26 November 2007 Remgro published its interim results for the six months ended 30 September 2007. Attention was drawn to the fact that at that stage certain associated companies were not in a position to provide Remgro with the necessary information in order to restate its headline earnings for the comparative periods. This related to associated companies that implemented Circular 08/07 in later financial periods, for example FirstRand Limited and RMB Holdings Limited in respect of their interim reporting to 31 December 2007.

The JSE granted Remgro exemption from complying with Circular 08/07 in respect of listed associated companies that had not yet published their restated headline earnings prior to Remgro releasing its interim results for the six months ended 30 September 2007. The results of those companies included in Remgro's interim report for the six months ended 30 September 2007 were based on their results prepared in terms of Circular 07/02.

The companies mentioned above have subsequently announced their restated results in terms of Circular 08/07 and Remgro has consequently restated its reported results for the six months ended 30 September 2006 and 30 September 2007 respectively, as well as for the year ended 31 March 2007.

Restatement of headline earnings as a result of the above-mentioned adjustment:

	Year ended 31 March 2007 R million	Six months ended 30 September 2007 R million	2006 R million
Income statement			
Headline earnings as previously reported	6 853	4 016	3 232
Restatement of comparative figures in respect of associated companies	39	15	(13)
Restated headline earnings	6 892	4 031	3 219
Headline earnings per share as previously reported (cents)	1 445.4	851.0	678.1
Restated headline earnings per share (cents)	1 453.6	854.2	675.3

Attention is drawn to the fact that the results for the six months ended 30 September 2007 and 2006 are unaudited.

COMPARISON WITH PRIOR YEAR

With effect from 31 March 2007 Business Partners Limited (Business Partners) was reclassified as an investment in an associated company, while previously it was accounted for under "Investments – Other".

For the year under review Business Partners was thus accounted for according to the equity method, while only dividend income was previously accounted for. Certain income statement items are therefore not directly comparable with those of the prior year.

REPORT OF THE BOARD OF DIRECTORS

FOR THE YEAR ENDED 31 MARCH 2008

BALANCE SHEET

The analysis of "Equity" and of "Source of headline earnings" below reflects the divisions into which the interests have been classified. Each division represents the main business sector of the investments classified under it. No adjustment has been made where companies are active mainly in one sector but also have interests in other sectors.

	2008		2007	
	R million	R per share	R million	R per share
<i>Equity employed</i>				
Attributable to equity holders	57 227	121.11	45 672	96.69
<i>Employment of equity</i>				
Tobacco interests	21 891	46.33	20 124	42.60
Financial services	10 559	22.34	8 593	18.19
Industrial interests	15 182	32.14	9 546	20.21
Mining interests	7 619	16.12	5 677	12.02
Corporate finance and other interests	1 976	4.18	1 732	3.67
	57 227	121.11	45 672	96.69

INCOME STATEMENT

	2008		2007	
	R million	%	R million	%
<i>Source of headline earnings</i>				
Tobacco interests	3 579	45	2 964	43
Financial services	2 120	26	1 568	23
Industrial interests	1 895	24	1 924	28
Mining interests	264	3	155	2
Corporate finance and other interests	133	2	281	4
	7 991	100	6 892	100

	2008	2007
	R million	R million
<i>Composition of headline earnings</i>		
Subsidiary companies	910	888
Profits	933	900
Losses	(23)	(12)
Associated companies and joint ventures	7 081	6 004
Profits	7 148	6 004
Losses	(67)	–
	7 991	6 892

COMPANY NET PROFIT AND APPROPRIATION

	2008	2007
	R million	R million
The Company's own distributable reserves at the beginning of the year amounted to	2 353	2 779
Net profit for the year	2 135	3 356
Dividend No 14 of 281.00c per share paid in August 2007 (August 2006: 228.00c)	(1 361)	(1 104)
Special dividend of 400.00c per share paid in August 2006	–	(1 937)
Dividend No 15 of 180.00c per share paid in January 2008 (January 2007: 153.00c)	(872)	(741)
The Company's own distributable reserves carried forward to the following year amounted to	2 255	2 353

SHARE SCHEME

During the year the trustees of the Remgro Share Scheme offered ordinary shares to participants as follows:

Date	Offer price (Rand)	Number of shares offered	Number of shares accepted as at 31 March 2008
20/06/2007	186.70	133 461	130 631
02/07/2007	187.50	278	278
01/08/2007	179.75	330	330
02/08/2007	176.85	13 856	13 856
14/08/2007	177.00	467	467
		148 392	145 562

The current position of the Remgro Share Scheme is as follows:

	Average offer price (Rand)	Number of shares
Ordinary shares due to participants		
Previous financial year	72.65	3 396 994
Offered and accepted in current financial year	185.69	145 562
Shares paid for and delivered	56.50	(126 383)
Resignations and other	117.70	(4 250)
Total at 31 March 2008	78.01	3 411 923

Refer to note 24 to the annual financial statements for full details on the Remgro Share Scheme.

PRINCIPAL SHAREHOLDER

Rembrandt Trust (Pty) Limited (Rembrandt Trust) holds all the issued unlisted B ordinary shares of the Company and is entitled to 44.83% (2007: 44.84%) of the total votes.

An analysis of the shareholders appears on pages 115 and 116.

SUBSIDIARY COMPANIES AND INVESTMENTS

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

DIRECTORS

The names of the directors appear on pages 10 and 11.

Mr D M Falck retired as financial director on 18 June 2008. Mr L Crouse was appointed as financial director on 18 June 2008.

In terms of the provision of the Articles of Association, Messrs L Crouse, G D de Jager, J W Dreyer, F Robertson, T van Wyk, Dr E de la H Hertzog and Mrs J A Preller retire from the Board by rotation. These directors are eligible and offer themselves for re-election.

DIRECTORS' INTERESTS

At 31 March 2008 the aggregate of the direct and indirect interests of the directors and their associates in the issued ordinary share capital of the Company amounted to 0.86% (2007: 0.86%).

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

An analysis of directors' interests in the issued capital of the Company appears on page 117.

REPORT OF THE BOARD OF DIRECTORS

FOR THE YEAR ENDED 31 MARCH 2008

DIRECTORS' EMOLUMENTS

The Board recommends that directors' fees for services rendered as directors during the past financial year be fixed at R2 525 000 (2007: R1 846 000) in total.

ACQUISITION OF SHARES OF THE COMPANY

It is recommended that a general authority be granted to the Board to acquire, should circumstances warrant it, the Company's own shares and to approve the acquisition of shares in the Company by any of its subsidiaries, subject to the provisions of the Companies Act (No. 61 of 1973), as amended ("Companies Act"), and the Listings Requirements of the JSE Limited ("Listings Requirements"). It is further recommended that a general authority be granted to the Board to enable the Board to, subject to the provisions of the Companies Act and the Listings Requirements, enter into derivative transactions which may or will lead to the Company being required to purchase its own shares.

Special resolutions to grant this general authority are incorporated in the notice of the annual general meeting that appears on page 118.

SPECIAL RESOLUTIONS

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

GROUP RESTRUCTURING

During November 2007, Remgro announced that it was considering a restructuring of the Group to split its tobacco assets from its other assets.

All cautionary and other announcements relating to the intended restructuring are available on Remgro's website at www.remgro.com.

DECLARATION OF CASH DIVIDEND

DECLARATION OF DIVIDEND NO 16

A final dividend of 330 cents (2007: 281 cents) per share was declared in respect of both the ordinary shares of one cent each and the unlisted B ordinary shares of ten cents each, for the financial year ended 31 March 2008.

PAYMENT

The final dividend is payable on Monday, 18 August 2008, to shareholders of the Company registered at the close of business on Friday, 15 August 2008.

Shareholders may not dematerialise or rematerialise their holdings of ordinary shares between Monday, 11 August 2008, and Friday, 15 August 2008, both days inclusive.

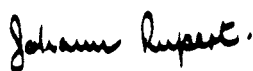
SECRETARY

The name and address of the Company Secretary appears on page 114.

APPROVAL

The annual financial statements set out on pages 51 to 113 have been approved by the Board.

Signed on behalf of the Board of Directors.



Johann Rupert
Chairman



Thys Visser
Chief Executive Officer

Stellenbosch
18 June 2008

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2008

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

These financial statements incorporate accounting policies that have been consistently applied to both years presented, with the exception of the implementation of *IFRS 7: Financial Instruments – Disclosure*, the amendment to *IAS 1: Presentation of Financial Statements* and the change in the accounting treatment of joint ventures. The implementation of IFRS 7 and the amendment to IAS 1 relating to objectives, policies and processes for managing capital had no impact on the results of either the current or prior years, but necessitated additional disclosure. Refer to the Report of the Board of Directors for detail on the change in the accounting treatment of joint ventures.

During the year various other new accounting standards, interpretations and amendments to IFRS became effective. The adoption of these new accounting standards, interpretations and amendments to IFRS had no impact on the results of either the current or prior years.

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

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

A further significant estimate relates to the Group's accounting policy in terms of which deferred taxation is provided for on all temporary differences between the carrying value and the tax base of investments. This tax is measured at the estimated tax consequences based on the manner in which the entity, at the balance sheet date, expects to recover the carrying value of the various investments. The carrying value of investments in associated companies are mainly recovered through dividends. As no taxable temporary differences exist, no deferred tax is provided. Deferred taxation on the fair value adjustments of investments available-for-sale is provided at the rate at which capital gains are taxed, as there is a possibility that these investments will be realised in the medium term.

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

The composition of the Group's net profit is relevant for a proper understanding of its financial results. Due to the nature of the Group's operations a significant portion of its net profit results from associated companies and joint ventures. Consequently, additional information relating to the Group's share of the after-tax profit of associated companies and joint ventures is disclosed separately on the face of the income statement.

In order to promote comparability, equity accounted income from associated companies and joint ventures, which is presented on an after-tax basis, is disclosed after the tax line on the income statement.

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2008

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

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

(i) CONSOLIDATION AND EQUITY ACCOUNTING

Consolidation – subsidiary companies

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

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

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

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

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

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

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

Consolidation – The Remgro Share Trust

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

Equity accounting – joint ventures

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

Equity accounting – associated companies

Entities that are neither subsidiaries nor joint ventures, but in which a long-term interest is held and over whose financial and operating policies a significant influence can be exercised, are accounted for according to the equity method as

associated companies. The results of associated companies, acquired or disposed of, are included in the consolidated income statement from the date on which effective significant influence begins or until it ceases. Unrealised gains on transactions between the Group and its associated companies are eliminated to the extent of the Group's interest in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The Group's share of retained income is transferred to non-distributable reserves. The Group's share of other movements in the reserves of associated companies is accounted for as changes in consolidated non-distributable reserves. The carrying value of the Group's associated companies includes goodwill identified at acquisition. When the Group's share of losses in an associated company equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associated company.

Dilutionary and anti-dilutionary effects of equity transactions by associated companies that Remgro is not party to, are accounted for directly against reserves.

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

Separate financial statements

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

(ii) PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION

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

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

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

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

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2008

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

(III) BIOLOGICAL AGRICULTURAL ASSETS

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

Sugarcane – Roots are valued at the current establishment and replacement cost and the value is proportionally reduced over the estimated useful life of the roots. Standing cane is valued at its best-estimated recoverable value less harvesting, transport, agricultural levies and other over-the-weighbridge costs.

Citrus – Orchards are valued at the current establishment and replacement cost adjusted for maturity levels and the value is proportionally reduced over the estimated useful life of the orchards. Citrus fruit is valued at the best-estimated recoverable values less harvesting, transport and agricultural levies.

Bananas – Bananas are valued at the current establishment costs and the value is proportionally reduced over the expected life of banana trees.

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

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

Sugarcane, citrus and bananas are reported in the balance sheet as non-current assets, while breeding stock is reported as current assets.

(IV) INVESTMENT PROPERTIES

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

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

(V) INTANGIBLE ASSETS

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

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

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

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

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

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

(vi) **FINANCIAL INSTRUMENTS**

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

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

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

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

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

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

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

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2008

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

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

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

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

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

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

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

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

(VIII) INVENTORIES

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

(ix) TAXATION

Current taxation is provided by using current rates in terms of applicable tax laws.

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

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

(x) FOREIGN CURRENCIES

Functional and presentation currency

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

Transactions and balances

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

Group entities

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

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

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

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2008

(XI) IMPAIRMENT OF ASSETS

Goodwill and intangible assets with indefinite lives

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

Other assets

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

✦ **Impairment – subsidiaries, joint ventures and associates**

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

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

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

✦ **Financial instruments carried at amortised cost**

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

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

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

✦ **Financial assets carried at fair value**

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

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

(XII) PROVISIONS

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

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

(XIII) EMPLOYEE BENEFITS

Post-retirement benefits

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

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

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

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

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

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

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

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2008

Equity compensation plans

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

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

Short-term benefits

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

(xiv) CASH AND CASH EQUIVALENTS

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

(xv) REVENUE RECOGNITION

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

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

(xvi) SHARE CAPITAL

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

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

(xvii) CURRENT/NON-CURRENT DISTINCTION

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

(xviii) NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

Management considered all new accounting standards, interpretations and amendments to IFRS that were issued prior to 31 March 2008, but not yet effective on that date. The standards that are applicable to the Group, but that were not implemented early, are the following:

• **IFRS 8: Operating Segments**

(effective date – financial periods commencing on/after 1 January 2009)

IFRS 8 replaces IAS 14: Segment Reporting. It redefines “operating segment” and prescribes various disclosures. This standard only affects disclosure and will not impact the Group’s results.

• **IFRIC 12: Service Concession Arrangements**

(effective date – financial periods commencing on/after 1 January 2008)

In some countries, governments have introduced contractual service arrangements to attract private sector participation in the development, financing, operation and maintenance of infrastructure. The interpretation sets out the appropriate accounting treatment for the divergent aspects resulting from these arrangements. The Group is not party to such arrangements, therefore the interpretation is not applicable.

• **IFRIC 13: Customer Loyalty Programmes**

(effective date – financial periods commencing on/after 1 July 2008)

This interpretation prescribes the accounting treatment when entities provide customers with incentives to buy their goods and services, e.g. by means of award credits or so-called “points” where the customer can use such credits for “free” or discounted goods and services.

Entities shall account for award credits as a separately identifiable component of the sales transaction in which they are granted. The fair value of the consideration received or receivable in respect of the initial sale shall be allocated between the award credits and the other components of the sale. The consideration allocated to the award credits shall be measured by reference to their fair value, i.e. the amount for which the award credits could be sold separately.

• **IFRIC 14: The limit on a Defined Benefit Asset, minimum funding requirements and their interaction**

(effective date – financial periods beginning on/after 1 January 2008)

This interpretation addresses when refunds or reductions in future contributions should be regarded as “available” in accordance with IAS 19, how minimum funding requirement ought to affect the availability of reductions in future contributions and when minimum funding requirements might give rise to a liability.

An entity shall determine the availability of a refund or reduction in future contributions with reference to the terms of the fund and statutory regulations. A right to a refund is only available when the entity has an unconditional right to such refund, which may not depend on an uncertain future event not under the entity’s control.

The interpretation further requires that minimum funding requirements are taken into account when determining the amount of the available benefit.

Entities shall recognise a liability to the extent that contributions paid into the plan will not be available as a reduction in future contributions or as a refund, taking minimum funding requirements into account.

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2008

✦ **Revised IFRS 3: Business Combinations**

(effective date – financial periods commencing on/after 1 July 2009)

The revised standard establishes principles for recognising and measuring identifiable assets acquired, liabilities assumed and any non-controlling interest in an acquiree. Any classifications or designations made in recognising these items must be made in accordance with contractual terms, economic conditions, the acquirer's operating and accounting policies and other factors that exist at the acquisition date.

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

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

✦ **Revised IAS 23: Borrowing Costs**

(effective date – financial periods commencing on/after 1 January 2009)

The revised IAS 23 removes the option of immediately recognising borrowing costs that relate to assets, that necessarily take a substantial period of time to get ready for its intended use or sale, as an expense.

✦ **Revised IAS 27: Consolidated and Separate Financial Statements**

(effective date – financial periods commencing on/after 1 July 2009)

The standard specifies the circumstances in which an entity must consolidate the financial statements of another entity (being a subsidiary), the accounting for changes in the level of ownership interest in a subsidiary, the accounting for the loss of control of a subsidiary and the information that an entity must disclose to enable users of the financial statements to evaluate the nature of the relationship between the entity and its subsidiaries.

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

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

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

✦ **Amendment to IFRS 2: Share-based payment (Vesting conditions and cancellations)**

(effective date – financial periods commencing on/after 1 January 2009)

The amendment clarifies that vesting conditions are service conditions and performance conditions only. Other features of share-based payment are not vesting conditions. The amendment further specifies that all cancellations, whether by the entity or by other parties, should receive the same accounting treatment.

• **Amendment to IAS 1 (revised): Presentation of Financial Statements**

(effective date – financial periods commencing on/after 1 January 2009)

The revised IAS 1 requires information in financial statements to be aggregated on the basis of shared characteristics and introduces a statement of comprehensive income. The titles of some financial statements have been altered to reflect their function more clearly but are not mandatory for use in financial statements.

• **Amendment to IAS 14: Segment Reporting**

(effective date – financial periods commencing on/after 1 January 2009)

The amendments to IAS 1 have led to some consequential changes to IAS 14. The changes to IAS 14 become effective when it is superseded by IFRS 8.

• **Amendment to IAS 32: Financial Instruments: Presentation and IAS 1: Presentation of Financial Statements (Puttable Financial Instruments and Obligations arising on Liquidation)**

(effective date – financial periods beginning on/after 1 January 2009)

IAS 1 and IAS 32 were amended by requiring that some puttable financial instruments and some financial instruments that impose an obligation on the entity to deliver a pro rata share of the net assets of the entity only on liquidation to another party, to be classified and disclosed as equity.

• **IASB first annual improvements project**

The IASB concluded its first annual improvements project, amending various accounting standards. These changes become effective for periods commencing on or after 1 January 2009, unless specified otherwise in the transitional provision for each amendment.

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

BALANCE SHEETS

AT 31 MARCH 2008

<i>R million</i>	Notes	CONSOLIDATED		THE COMPANY	
		2008	2007	2008	2007
ASSETS					
Non-current assets					
Property, plant and equipment	2	2 568	2 441	–	–
Biological agricultural assets	3	67	91	–	–
Investment properties	4	33	32	–	–
Goodwill and trade marks	5	408	413	–	–
Investments – Associated companies	6	43 175	33 033	–	–
– Joint ventures	7	64	8	–	–
– Other	8	8 551	6 245	–	–
Retirement benefits	9	10	10	–	–
Loans		2	2	–	–
Deferred taxation	10	4	124	–	–
		54 882	42 399	–	–
Current assets		6 945	7 460	2 313	2 372
Inventories	11	953	754	–	–
Biological agricultural assets	3	369	269	–	–
Debtors and short-term loans	12	1 385	1 214	2 313	2 372
Derivative instruments	13	19	16	–	–
Taxation		80	14	–	–
Assets held for sale	14	205	189	–	–
Cash and cash equivalents	15	3 934	5 004	–	–
Total assets		61 827	49 859	2 313	2 372
EQUITY AND LIABILITIES					
Share capital	16	8	8	8	8
Share premium	16	37	–	37	–
Reserves	17	58 697	47 161	2 255	2 353
Treasury shares	16	(1 515)	(1 497)	–	–
Shareholders' equity		57 227	45 672	2 300	2 361
Minority interest		648	755	–	–
Total equity		57 875	46 427	2 300	2 361
Non-current liabilities		1 872	1 580	–	–
Retirement benefits	9	229	214	–	–
Long-term loans	18	189	161	–	–
Deferred taxation	10	1 454	1 205	–	–
Current liabilities		2 080	1 852	13	11
Trade and other payables	19	1 826	1 440	13	11
Short-term loans	20	190	233	–	–
Provisions	21	48	48	–	–
Derivative instruments	13	3	27	–	–
Taxation		13	104	–	–
Total equity and liabilities		61 827	49 859	2 313	2 372

INCOME STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

<i>R million</i>	Notes	CONSOLIDATED		THE COMPANY	
		2008	2007	2008	2007
Sales		9 447	7 872		
Inventory expenses		(5 415)	(4 781)		
Personnel costs	22	(1 621)	(1 302)		
Depreciation	25	(251)	(223)		
Other net operating expenses	25	(1 109)	(550)	(3)	(2)
Trading profit/(loss)		1 051	1 016	(3)	(2)
Dividends received	27	274	156	2 138	3 358
Interest received	25	296	332		
Finance costs		(43)	(28)		
Negative goodwill		–	44		
Net impairment of investments, assets and goodwill		19	–		
Profit on sale and restructuring of investments	25	1 665	7		
Consolidated profit before tax		3 262	1 527	2 135	3 356
Taxation	10	(419)	(403)		
Consolidated profit after tax		2 843	1 124	2 135	3 356
Share of after-tax profit of associated companies and joint ventures	28	7 210	6 003		
Net profit for the year		10 053	7 127	2 135	3 356
<i>Attributable to:</i>					
Equity holders		9 893	6 942	2 135	3 356
Minority interest		160	185		
		10 053	7 127	2 135	3 356

EARNINGS PER SHARE

		Cents	Cents
– Basic	1	2 095.7	1 464.2
– Diluted		2 048.9	1 418.5

ASSOCIATED COMPANIES AND JOINT VENTURES

	R million	R million
Share of after-tax profit of associated companies and joint ventures		
Profit before taking into account impairments, non-recurring and capital items	10 023	8 515
Net impairment of investments, assets and goodwill	(28)	(12)
Profit on the sale of investments	372	256
Restructuring costs	(259)	(297)
Other non-recurring and capital items	32	8
Profit before tax and minority interest	10 140	8 470
Taxation	(2 390)	(2 033)
Minority interest	(540)	(434)
	7 210	6 003

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2008

<i>R million</i>	ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY								CONSOLIDATED	
	Issued capital	Equity distributable reserves	Other non-reserves	Fair value reserves	Retained earnings	Treasury shares	Shareholders' equity	Minority interest	Total equity	
2008										
Balances at 1 April	8	20 155	1 931	5 003	20 072	(1 497)	45 672	755	46 427	
Total income accounted for		1 685	370	1 962	10 200		14 217	160	14 377	
Exchange rate adjustments		1 685	370		307		2 362		2 362	
Net fair value adjustments for the year				1 962			1 962		1 962	
Net income directly accounted for in equity		1 685	370	1 962	307		4 324		4 324	
Net profit for the year					9 893		9 893	160	10 053	
Dividends paid					(2 178)		(2 178)	(74)	(2 252)	
Increase of interest in subsidiary company			(391)				(391)	(269)	(660)	
Capital invested by minorities								58	58	
Transfer between reserves and other movements		(446)	(303)	12	775		38	15	53	
Change in reserves of associated companies and joint ventures		(154)	(11)				(165)		(165)	
Transfer of retained income of associated companies and joint ventures		4 100	(25)		(4 075)		–		–	
Net purchase of shares by The Remgro Share Trust						(18)	(18)		(18)	
Long-term share incentive scheme reserve			15				15	3	18	
Shares issued	37						37		37	
Balances at 31 March	45	25 340	1 586	6 977	24 794	(1 515)	57 227	648	57 875	
2007										
Balances at 1 April	8	14 026	997	3 160	19 715	(412)	37 494	596	38 090	
Total income accounted for		3 594	910	1 843	7 476		13 823	185	14 008	
Exchange rate adjustments		3 594	907		534		5 035		5 035	
Net fair value adjustments for the year			3	1 843			1 846		1 846	
Net income directly accounted for in equity		3 594	910	1 843	534		6 881		6 881	
Net profit for the year					6 942		6 942	185	7 127	
Dividends paid					(3 748)		(3 748)	(65)	(3 813)	
Capital invested by minorities								30	30	
Transfer between reserves and other movements		(7)	17		(5)		5	6	11	
Change in reserves of associated companies		(824)					(824)		(824)	
Transfer of retained income of associated companies		3 366			(3 366)		–		–	
Purchase of shares by wholly owned subsidiary (treasury shares)						(1 031)	(1 031)		(1 031)	
Net purchase of shares by The Remgro Share Trust						(54)	(54)		(54)	
Long-term share incentive scheme reserve			7				7	3	10	
Balances at 31 March	8	20 155	1 931	5 003	20 072	(1 497)	45 672	755	46 427	
THE COMPANY										
<i>R million</i>	2008		2007							
Balances at 1 April	2 361		2 787							
Issued capital	8		8							
Retained earnings	2 353		2 779							
Shares issued	37		–							
Net profit for the year	2 135		3 356							
Dividends paid	(2 233)		(3 782)							
Balances at 31 March	2 300		2 361							

CASH FLOW STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

<i>R million</i>	Notes	CONSOLIDATED		THE COMPANY	
		2008	2007	2008	2007
Cash flows – operating activities					
Trading profit/(loss)		1 051	1 016	(3)	(2)
Adjustments	29.1	482	820	–	–
Consolidated profit/(loss) before working capital changes		1 533	1 836	(3)	(2)
Working capital changes	29.2	(301)	(170)	5	2
Cash generated/(utilised) from operations		1 232	1 666	2	–
Cash flow generated from returns on investments		3 844	3 068	2 138	3 358
Interest received		296	332	–	–
Dividends received	29.3	3 548	2 736	2 138	3 358
Finance costs		(43)	(28)	–	–
Taxation paid	29.4	(497)	(676)	–	–
Cash available from operating activities		4 536	4 030	2 140	3 358
Dividends paid	29.5	(2 252)	(3 813)	(2 233)	(3 782)
Cash inflow/(outflow) from operating activities		2 284	217	(93)	(424)
Cash flows – investing activities					
Net investments to maintain operations		198	(109)	–	–
Replacement of property, plant and equipment		(100)	(124)	–	–
Proceeds on disposal of property, plant and equipment and other assets		298	15	–	–
Investments to expand operations		(3 889)	(673)	–	–
Additions to – property, plant and equipment and other assets		(405)	(410)	–	–
– investments and loans		(2 820)	(249)	–	–
– subsidiaries		(660)	–	–	–
Business acquired		(4)	(14)	–	–
Proceeds from disposal of investments and loans		274	260	–	–
Purchase of treasury shares		(21)	(1 203)	–	–
Net cash generated/(utilised) before financing activities		(1 154)	(1 508)	(93)	(424)
Cash flows – financing activities					
Shares issued		37	–	37	–
(Increase)/decrease in loans		(15)	40	56	424
Issue of new shares by subsidiary companies		30	12	–	–
Capital contributed by minorities of subsidiary company		32	18	–	–
Net decrease in cash and cash equivalents		(1 070)	(1 438)	–	–
Cash and cash equivalents at the beginning of the year		4 901	6 339	–	–
Cash and cash equivalents at the end of the year		3 831	4 901	–	–
Cash and cash equivalents – per balance sheet		3 934	5 004		
Bank overdraft		(103)	(103)		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

1. EARNINGS

	2008		2007	
	Gross R million	Net R million	Gross R million	Net R million
HEADLINE EARNINGS RECONCILIATION				
Net profit for the year attributable to equity holders		9 893		6 942
Plus/(minus):				
– Negative goodwill	–	–	(44)	(44)
– Net impairment of investments, assets and goodwill	(15)	(8)	–	–
– Profit on sale and restructuring of investments	(1 665)	(1 627)	(7)	(7)
– Net (surplus)/loss on disposal of property, plant and equipment	(114)	(138)	–	–
– Non-headline earnings items included in equity accounted earnings of associated companies and joint ventures	(122)	(129)	14	1
Headline earnings		7 991		6 892
Non-recurring portion of BEE costs added back		37		–
Headline earnings – Excluding non-recurring portion of BEE costs		8 028		6 892
EARNINGS PER SHARE				
		Cents		Cents
Headline earnings per share				
– Basic		1 692.8		1 453.6
– Diluted		1 649.0		1 409.2
Headline earnings per share – Excluding non-recurring portion of BEE costs				
– Basic		1 700.7		1 453.6
– Diluted		1 656.8		1 409.2
Earnings per share				
– Basic		2 095.7		1 464.2
– Diluted		2 048.9		1 418.5

Earnings per share

In determining earnings per share and headline earnings per share the weighted number of shares in issue, being 472 052 993 (2007: 474 123 689), was taken into account after deduction of treasury shares as well as shares held in The Remgro Share Trust and certain associated companies.

Diluted earnings per share

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

Because the scheme shares have to be accounted for as treasury shares, the delivery thereof to participants will be regarded as an issue of shares. As the market value (fair value) of the shares at date of delivery will differ from the offer value, the number of shares represented by the difference will be regarded as an issue of ordinary shares for no consideration. These imputed shares total 1 908 925 (2007: 1 672 153) and have been added to the weighted number of shares to determine the dilutive effect.

Some subsidiary and associated companies have similar management incentive schemes as well as other instruments that can dilute these companies' earnings in the future. To calculate Remgro's diluted earnings per share, R175 million (2007: R187 million) and R182 million (2007: R193 million) were offset against headline earnings and earnings respectively to account for the potential diluted effect.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008

2. PROPERTY, PLANT AND EQUIPMENT

	<i>Land and buildings R million</i>	<i>Machinery and equipment R million</i>	<i>Vehicles R million</i>	<i>Office equipment R million</i>	<i>Total R million</i>
Carrying value at 1 April 2006	874	1 211	219	13	2 317
Cost	1 267	2 311	376	39	3 993
Accumulated depreciation	(393)	(1 100)	(157)	(26)	(1 676)
Additions	102	300	78	22	502
Disposals	(5)	(4)	(6)	–	(15)
Depreciation	(27)	(167)	(26)	(3)	(223)
Transfer to assets held for sale	(123)	(17)	–	–	(140)
Other	(30)	30	–	–	–
Carrying value at 31 March 2007	791	1 353	265	32	2 441
Cost	1 199	2 581	429	47	4 256
Accumulated depreciation	(408)	(1 228)	(164)	(15)	(1 815)
Additions	225	187	49	3	464
Disposals	(5)	(2)	(6)	(1)	(14)
Depreciation	(30)	(188)	(31)	(2)	(251)
Businesses acquired	–	1	–	–	1
Transfer to assets held for sale	(40)	(19)	(12)	–	(71)
Other	(45)	40	2	1	(2)
Carrying value at 31 March 2008	896	1 372	267	33	2 568
Cost	1 320	2 740	421	51	4 532
Accumulated depreciation	(424)	(1 368)	(154)	(18)	(1 964)

Depreciation rates are as follows:	2008	2007
	%	%
Buildings	0 – 50	0 – 50
Machinery and equipment	3½ – 100	3½ – 100
Vehicles	4 – 33½	4 – 33½
Office equipment	5 – 33½	5 – 33½

Liabilities resulting from mortgage loans, finance leases and instalment sale agreements are secured by assets with a book value of R3 million (2007: R1 million).

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

3. BIOLOGICAL AGRICULTURAL ASSETS

Included in non-current assets:

Reconciliation of carrying value at the beginning and end of the year	Sugarcane roots R million	Sugarcane plants R million	Other R million	2008 R million	Sugarcane roots R million	Sugarcane plants R million	Other R million	2007 R million
Balances at 1 April	55	22	14	91	47	34	14	95
Fair value adjustment	14	27	1	42	22	(4)	–	18
Transfer to assets held for sale	(28)	(16)	–	(44)	(14)	(8)	–	(22)
Other	(14)	(8)	–	(22)	–	–	–	–
Balances at 31 March	27	25	15	67	55	22	14	91

The quantity at 31 March is as follows:

Sugarcane roots (ha)	3 654	5 024
Sugarcane plants (ha)	3 654	5 024
Other (ha)	1 787	1 393

Included in current assets:

Reconciliation of carrying value at the beginning and end of the year	Breeding stock R million	Broiler stock R million	2008 R million	Breeding stock R million	Broiler stock R million	2007 R million
Balances at 1 April	160	109	269	143	99	242
Additions	576	2 810	3 386	418	2 115	2 533
Decrease due to harvest	(526)	(2 775)	(3 301)	(403)	(2 114)	(2 517)
Fair value adjustment	3	12	15	2	9	11
Balances at 31 March	213	156	369	160	109	269

4. INVESTMENT PROPERTIES

	2008			2007		
	Cost R million	Accumulated depreciation R million	Net value R million	Cost R million	Accumulated depreciation R million	Net value R million
Land	3	–	3	3	–	3
Buildings	30	–	30	29	–	29
	33	–	33	32	–	32

Reconciliation of carrying value at the beginning and end of the year	Land R million	Buildings R million	2008 R million	Land R million	Buildings R million	2007 R million
Balances at 1 April	3	29	32	3	28	31
Additions	–	1	1	–	1	1
Balances at 31 March	3	30	33	3	29	32

The South African investment properties were valued during the 2008 financial year by an independent, qualified valuer using market information. Foreign investment properties were valued by an independent, qualified valuer during the 2006 year. The fair value of the investment properties, VAT exclusive, is R345 million (2007: R318 million).

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

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008

5. GOODWILL AND TRADE MARKS

	2008			2007		
	Cost or valuation R million	Accumulated impairment/ amortisation R million	Net value R million	Cost or valuation R million	Accumulated impairment/ amortisation R million	Net value R million
Goodwill	345	–	345	342	–	342
Trade marks and other	154	91	63	146	75	71
	499	91	408	488	75	413

Amortisation rates are as follows:	2008	2007
	%	%
Trade marks and other	5 – 100	5 – 100

Reconciliation of carrying value at the beginning and end of the year	2008			2007		
	Goodwill R million	Trade marks and other R million	R million	Goodwill R million	Trade marks and other R million	R million
Balances at 1 April	342	71	413	316	36	352
Additions	–	–	–	19	37	56
Amortisation	–	(12)	(12)	–	(14)	(14)
Businesses acquired	2	–	2	7	2	9
Other	1	4	5	–	10	10
Balances at 31 March	345	63	408	342	71	413

Goodwill is tested annually for any possible impairment and for this reason allocated to the respective cash-generating units as indicated below.

	Rainbow Chicken Limited and its subsidiaries	Tsb Sugar Holdings (Pty) Limited and its subsidiaries	Wispeco Holdings Limited and its subsidiaries	2008 Total
Goodwill allocated (R million)	291	38	16	345
Basis of valuation of cash-generating units	Value in use	Value in use	Value in use	

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

Discount rate	18.80%
Growth rate	5.0%
Period	5 years

Sensitivity analysis of assumptions used in the goodwill impairment test:

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

During the year under review no impairment of goodwill occurred.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

6. INVESTMENTS – ASSOCIATED COMPANIES (Annexures B & C)

	2008			2007		
	Listed R million	Unlisted R million	Total R million	Listed R million	Unlisted R million	Total R million
Shares – at cost	9 182	6 930	16 112	6 720	4 289	11 009
Equity adjustment	7 483	19 538	27 021	4 758	17 077	21 835
Carrying value	16 665	26 468	43 133	11 478	21 366	32 844
Long-term loans	–	42	42	–	189	189
	16 665	26 510	43 175	11 478	21 555	33 033
Market values of listed investments	22 147		22 147	28 871		28 871
Directors' valuation of unlisted investments		82 286	82 286		62 969	62 969
Market values and directors' valuation	22 147	82 286	104 433	28 871	62 969	91 840
Excess of market values and directors' valuation over the carrying value of investments:						
– attributable to equity holders			61 258			58 807
– attributable to minority			–			–
			61 258			58 807

Of the directors' valuations of unlisted investments stated above, a substantial proportion amounting to R72 010 million (2007: R55 283 million) was based on the stock exchange prices of underlying listed shares held by the unlisted investments concerned.

	2008 R million	2007 R million
Reconciliation of carrying value at the beginning and end of the year		
Carrying value at 1 April	33 033	26 098
Exchange rate differences on translation of carrying value at the beginning of the year to year-end rate	2 003	4 292
<i>Income of associated companies retained</i>	4 100	3 366
Share of net attributable profit of associated companies	7 230	6 003
Dividends received from associated companies	(3 297)	(2 748)
Exchange rate differences on translation between average rate to year-end rates	167	111
Equity-accounted movements on reserves	(154)	(824)
Loans repaid	(147)	(165)
Disposals/capital reductions	(236)	(85)
Investments made	3 411	201
Restructuring of interest in Unilever	1 167	–
Investments reclassified as associated companies	–	106
Other	(2)	44
Carrying value at 31 March	43 175	33 033

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008

	2008 R million	2007 R million
7. INVESTMENTS – JOINT VENTURES (Annexure B)		
Unlisted shares – at cost	97	–
Equity adjustment	(34)	–
Carrying value	63	–
Long-term loans	1	8
	64	8
Directors' valuation of unlisted investments	64	8
Excess of directors' valuation over the carrying value of investments:		
– attributable to equity holders	–	–
– attributable to minority	–	–
	–	–
Reconciliation of carrying value at the beginning and end of the year		
Carrying value at 1 April	8	1
Exchange rate differences on translation of carrying value at the beginning of the year to year-end rate	10	–
<i>Losses of joint ventures recognised</i>	(25)	–
Share of net attributable losses of joint ventures	(20)	–
Exchange rate differences on translation between average rate to year-end rates	(5)	–
Equity accounted movements on reserves	(11)	–
Loans granted/(repaid)	(7)	7
Investments made	89	–
Carrying value at 31 March	64	8
The Group's share in the results, assets and liabilities of joint ventures is as follows:		
Profit/(loss)	(20)	–
Sales	71	8
Assets	124	6
Liabilities	66	5

The Group's share in capital commitments of joint ventures amounted to R11 million (2007: RNil million).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

8. INVESTMENTS – OTHER (Annexure B)

	<i>Listed</i> R million	2008 <i>Unlisted</i> R million	<i>Total</i> R million	<i>Listed</i> R million	2007 <i>Unlisted</i> R million	<i>Total</i> R million
Consolidated						
Investments – other						
Shares – available-for-sale	8 483	68	8 551	6 229	16	6 245
Market values of listed investments	8 483		8 483	6 229		6 229
Directors' valuation of unlisted investments		68	68		16	16
Market values and directors' valuation	8 483	68	8 551	6 229	16	6 245
Reconciliation of carrying value of investments available-for-sale at the beginning and end of the year					2008 R million	2007 R million
Balances at 1 April					6 245	4 136
Fair value adjustments for the year					2 258	2 169
Investments made					48	48
Disposals					–	(2)
Investment reclassified as associated company					–	(106)
Balances at 31 March					8 551	6 245

9. RETIREMENT BENEFITS

Balance sheet assets

Retirement benefits	10	10
---------------------	----	----

Balance sheet obligations

Retirement benefits	(91)	(85)
Post-retirement medical benefits	(138)	(129)
	(229)	(214)

Income statement

Retirement benefits*	2	(95)
Post-retirement medical benefits	10	11
Expense/(income)	12	(84)

* Refer note 22 on page 93.

9. RETIREMENT BENEFITS *(continued)*

9.1 Retirement benefits

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

For statutory purposes the defined benefit pension funds are actuarially valued every three years by independent actuaries using the projected unit credit method. The latest actuarial valuations of these funds were conducted between 31 March 2005 and 31 March 2008.

	Balance sheet					Income statement
	Fair value of plan assets R million	Present value of funded obligations R million	Unrecognised actuarial (gains)/ losses R million	Pension fund surplus limitation R million	Amount recognised in balance sheet R million	Included in staff costs R million
Balances at 1 April 2006	722	(633)	(16)	(142)	(69)	
Current service cost	–	(4)	–	–	(4)	4
Interest cost	–	(40)	–	–	(40)	40
Expected return on assets	53	–	–	–	53	(53)
Surplus limitation utilisation	–	–	–	108	108	(108)
Amortisation of actuarial (gains)/losses	–	–	(22)	–	(22)	22
Contributions	7	–	–	–	7	–
Transfer of assets	(88)	–	–	–	(88)	–
Exchange rate differences	114	(132)	(2)	–	(20)	–
Benefit payments	(31)	31	–	–	–	–
Actuarial movements: fund obligation	–	11	(11)	–	–	–
Actuarial movements: plan assets	(6)	–	6	–	–	–
Balances at 31 March 2007	771	(767)	(45)	(34)	(75)	(95)
Current service cost	–	(3)	–	–	(3)	3
Interest cost	–	(44)	–	–	(44)	44
Expected return on assets	52	–	–	–	52	(52)
Surplus limitation utilisation	–	–	71	(79)	(8)	8
Amortisation of actuarial (gains)/losses	–	–	1	–	1	(1)
Contributions	8	–	–	–	8	–
Exchange rate differences	64	(80)	4	–	(12)	–
Benefit payments	(83)	83	–	–	–	–
Actuarial movements: fund obligation	–	(34)	34	–	–	–
Actuarial movements: plan assets	63	–	(63)	–	–	–
Balances at 31 March 2008	875	(845)	2	(113)	(81)	2

The pension fund surplus is not recognised as an asset in the balance sheet as the process of allocating these surpluses in terms of the Pension Funds Act has not been finalised yet.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

	2008 R million	2007 R million	
9. RETIREMENT BENEFITS <i>(continued)</i>			
9.1 Retirement benefits <i>(continued)</i>			
Amount of plan assets represented by investment in the entity's own financial instruments	20	14	
Actual return on plan assets	115	47	
Adjustment for experience on plan assets	–	5	
Adjustment for experience on funded obligations	(21)	17	
Expected contributions to retirement funds for the year ended 31 March 2009: R8 million			
	Number	Number	
Number of members	444	445	
Composition of plan assets	%	%	
Cash	6.81	6.69	
Equity	22.48	20.62	
Bonds	1.67	2.73	
Property	1.39	0.70	
International	67.65	69.26	
	100.00	100.00	
Principal actuarial assumptions on balance sheet date			
Discount rate	6.50 – 9.62	5.40 – 9.95	
Expected rates of return on plan assets*	6.43 – 10.25	6.48 – 9.95	
Future salary increases	6.25 – 7.25	5.75 – 7.04	
Future pension increases	3.50 – 6.25	2.90 – 4.75	
Inflation rate	6.25	4.75	
* The expected return on plan assets is determined with reference to the expected long-term returns on equity, cash and bonds.			
	2008	2007	2006
Fund history for the current and previous 2 years	R million	R million	R million
Fair value of plan assets	875	771	722
Present value of funded obligations	(845)	(767)	(633)
Surplus/(deficit)	30	4	89

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008

9. RETIREMENT BENEFITS (continued)

9.2 Post-retirement medical benefits

	Balance sheet				Income statement
	Fair value of plan assets R million	Present value of funded obligations R million	Unrecog- nised actuarial (gains)/ losses R million	Amount recognised in balance sheet R million	Included in staff costs R million
Balances at 1 April 2006	16	(121)	(11)	(116)	
Current service cost	–	(3)	–	(3)	3
Interest cost	–	(10)	–	(10)	10
Expected return on assets	2	–	–	2	(2)
Liability accepted	5	(6)	(2)	(3)	–
Amortisation of actuarial (gains)/losses	–	(1)	1	–	–
Benefit payments	–	1	–	1	–
Actuarial movements	12	(6)	(6)	–	–
Balances at 31 March 2007	35	(146)	(18)	(129)	11
Current service cost	–	(3)	–	(3)	3
Interest cost	–	(11)	–	(11)	11
Expected return on assets	3	–	–	3	(3)
Amortisation of actuarial (gains)/losses	–	–	1	1	(1)
Benefit payments	–	1	–	1	–
Actuarial movements	(1)	6	(5)	–	–
Balances at 31 March 2008	37	(153)	(22)	(138)	10
				2008	2007
				R million	R million
Amount of plan assets represented by investment in the entity's own financial instruments				2	2
Actual return on plan assets				2	14
Adjustment for experience on plan assets				–	14
Adjustment for experience on funded obligations				–	4
Expected contributions to retirement funds for the year ended 31 March 2009: R8 million					
				Number	Number
Number of members				987	1 050
				2008	2007
				R million	R million
Fund history for the current and previous 2 years				2008	2006
Fair value of plan assets				37	16
Present value of funded obligations				(153)	(121)
Surplus/(deficit)				(116)	(105)
				2008	2007
Composition of plan assets				%	%
Cash				3.00	3.00
Equity				92.00	92.00
Bonds				5.00	5.00
				100.00	100.00

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

	2008 %	2007 %
9. RETIREMENT BENEFITS <i>(continued)</i>		
9.2 Post-retirement medical benefits <i>(continued)</i>		
Principal actuarial assumptions on balance sheet date		
Discount rate	8.75 – 9.00	7.50 – 7.75
Expected rates of return on plan assets *	9.75	8.75
Annual increase in healthcare costs	5.50 – 7.50	4.75 – 6.75

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

	2008 Increase R million	2008 Decrease R million
The effect of a 1% movement in the above-mentioned expected yearly increase in healthcare costs is as follows:		
Post-retirement medical liability	2	2
Current service costs and interest on obligation	17	16

	2008 R million	2007 R million
--	-------------------	-------------------

10. TAXATION

10.1 Deferred taxation

Deferred taxation liability	1 454	1 205
Property, plant and equipment	334	378
Intangibles	13	16
Inventories	109	84
Provisions	(68)	(44)
Biological agricultural assets	26	34
Investments (accounted for directly in equity)	1 027	738
Tax losses	(38)	–
Future capital gain taxable	35	–
Other	16	(1)
Deferred tax asset	(4)	(124)
Property, plant and equipment	(2)	(44)
Provisions	(2)	(20)
Tax losses	–	(49)
Other	–	(11)
Net deferred taxation	1 450	1 081

The movement between balances of deferred taxation at the beginning and end of the year can be analysed as follows:

Beginning of the year	1 081	700
Rate change	(25)	–
As per income statement	79	43
Direct in equity	315	338
	1 450	1 081

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

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008

	2008 R million	2007 R million
10. TAXATION (continued)		
10.2 Tax losses		
Estimated tax losses available for set-off against future taxable income	189	245
Utilised to create deferred tax asset	(135)	(168)
	54	77
10.3 Secondary taxation on companies (STC)		
The STC credits on 31 March, which could be set off against future dividend payments, amount to		
– The Company	76	172
– Subsidiary companies	2 970	1 356
Unutilised STC credits	3 046	1 528
A foreign wholly owned subsidiary company of Remgro has reserves available that will give rise to additional STC credits of R1 621 million (2007: R1 538 million) when declared as dividends to its South African holding company.		
Remgro's history of dividends received compared to ordinary dividends paid suggests increasing STC credits over time. It is therefore unlikely that Remgro's STC credits will be utilised against ordinary dividends paid in the foreseeable future, and consequently no deferred tax asset has been created for the Company's unutilised STC credits.		
10.4 Taxation in income statement		
Current	313	339
– current year – South African normal taxation	290	332
– Taxation on capital gain	17	–
– Foreign taxation	8	8
	315	340
– previous year – South African normal taxation	(2)	(1)
Secondary taxation on companies – current	27	21
Deferred – current year	56	60
– previous year	1	(17)
– rate change	(13)	–
– tax on capital gain	35	–
	419	403
10.5 Reconciliation of effective tax rate of the Company and its subsidiaries with standard rate	%	%
Effective tax rate	12.9	26.4
Reduction/(increase) in standard rate as a result of:		
Exempt dividend income	2.3	3.0
Non-taxable capital profit	13.5	–
Other non-taxable income	3.6	0.4
Foreign taxation	(1.7)	(0.5)
Taxation in respect of previous years	–	1.1
Rate change	0.4	–
Future capital gain payable	(1.2)	–
Secondary taxation on companies	(0.8)	(1.4)
Standard rate	29.0	29.0

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

	2008 R million	2007 R million
11. INVENTORIES		
Raw materials	333	272
Finished products	549	430
Work in progress	12	6
Consumable stores	59	46
	953	754

12. DEBTORS AND SHORT-TERM LOANS

	THE COMPANY		CONSOLIDATED	
	2008 R million	2007 R million	2008 R million	2007 R million
Trade debtors (gross)	3	6	1 184	919
Less: Provision for impairments	–	–	(44)	(49)
Trade debtors (net)	3	6	1 140	870
Dividends receivable	–	–	–	168
Advance payments and other	–	–	245	176
Loans – Subsidiary companies	2 310	2 366	–	–
	2 313	2 372	1 385	1 214

Debtors with a carrying value of R32 million (2007: R42 million) provided collateral to the Group. Loans to subsidiary companies are unsecured, carry no interest and are repayable on request.

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

	2008 R million	2007 R million
Balances at 1 April	49	38
Provision for impairments on debtors	8	19
Debtors written off as uncollectable during the year	(3)	(3)
Unused amounts written back	(11)	(7)
Other	1	2
Balances at 31 March	44	49

During the year, bad debts amounting to R11 million (2007: R9 million) were written off. The other classes of assets in debtors and short-term loans have no assets where impairments were made. For further information refer to note 31.

13. DERIVATIVE INSTRUMENTS

The following material derivative instruments existed at 31 March:

Assets	Currency value million	2008 Forward value R million	Fair value R million	Currency value million	2007 Forward value R million	Fair value R million
	<i>Foreign exchange contracts</i>					
Buy: USA dollar	11.7	95.0	8.8	1.3	8.7	2.6
Other	2.0	26.2	2.5	–	–	–
Sell: USA dollar	–	–	–	20.5	154.4	3.1
			11.3			5.7
<i>Other derivative instruments</i>						
Sugar selling contracts			0.3			9.7
Maize option contracts			–			0.3
Exchange option contracts			7.0			–
			7.3			10.0
			18.6			15.7

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008

13. DERIVATIVE INSTRUMENTS *(continued)*

The following material derivative instruments existed at 31 March:

Liabilities	2008			2007		
	Currency value million	Forward value R million	Fair value R million	Currency value million	Forward value R million	Fair value R million
<i>Foreign exchange contracts</i>						
Buy: Euro	1.0	11.6	1.1	–	–	–
USA dollar	0.1	1.3	0.1	–	–	–
Other	–	–	–	0.1	0.8	–
Sell: USA dollar	5.3	42.6	0.8	3.7	27.7	0.4
			2.0			0.4
<i>Other derivative instruments</i>						
Sugar selling contracts			–			9.3
Maize selling contracts			–			16.9
Soy option contracts			1.3			–
			1.3			26.2
			3.3			26.6
				2008		2007
				R million		R million

14. ASSETS CLASSIFIED AS HELD FOR SALE

On 31 January 2007 Tsb Sugar entered into an agreement to sell certain assets in terms of a land reform transaction. The effective date of the Tenbosch transaction was 1 April 2007. The second phase of the land reform transaction is now in process and the assets that will be sold in terms of the agreement are therefore classified as held for sale and valued in terms of the requirements of IFRS 5.

Details of the assets classified as held for sale are as follows:

Assets

Property, plant and equipment	71	140
Biological agricultural assets	44	22
Inventories	1	1
Debtors	–	24
Various other net assets	89	2
	205	189

15. CASH AND CASH EQUIVALENTS

Cash at the centre	3 273	4 357
Other operating subsidiaries	661	647
	3 934	5 004

The cash is held in the following currencies (in rand):

	2008	2007
South African rand	1 201	1 867
British pound	2 733	3 137
	3 934	5 004

At year-end cash and cash equivalents earned interest at effective interest rates that vary between 10.85% and 10.95% (2007: 8.50% and 9.06%) per annum at local financial institutions and between 5.20% and 5.45% (2007: 5.33% and 5.35%) per annum abroad.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

	2008 R million	2007 R million
15. CASH AND CASH EQUIVALENTS <i>(continued)</i>		
Cash and cash equivalents are represented by the following:		
United Kingdom treasury bills	2 557	–
Current accounts and money market instruments	1 376	5 003
Cash	1	1
	3 934	5 004
At year-end the Group's cash was invested at financial institutions with the following		
Moody's credit rating:		
Aaa	2 648	–
Aa1	100	1 427
Aa2	–	2 095
Aa3	98	–
A1	–	300
A2	–	363
Baa1	1 087	818
Cash on hand	1	1
	3 934	5 004
16. SHARE CAPITAL AND SHARE PREMIUM		
Share capital		
Authorised		
512 493 650 ordinary shares of 1 cent each	5.1	5.1
40 506 352 B ordinary shares of 10 cents each	4.1	4.1
	9.2	9.2
Issued		
449 003 606 (2007: 448 802 207) ordinary shares of 1 cent each	4.5	4.5
35 506 352 (2007: 35 506 352) B ordinary shares of 10 cents each	3.5	3.5
	8.0	8.0
	Number of shares	Number of shares
Movement of the ordinary shares of 1 cent each for the year:		
Total number of shares issued at 1 April	448 802 207	448 802 207
Shares issued	201 399	–
Total number of shares issued at 31 March*	449 003 606	448 802 207
<i>* Treasury shares held by wholly owned subsidiary companies included.</i>		
	2008 R million	2007 R million
Share premium		
Movement of the share premium account for the year:		
Balance at 1 April	–	–
Shares issued	37	–
Balance at 31 March	37	–

16. **SHARE CAPITAL AND SHARE PREMIUM** *(continued)*

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

Number of shares held in treasury by a wholly owned subsidiary and shares held by The Remgro Share Trust (ordinary shares of 1 cent each): 11 972 555 (2007: 11 948 372).

At a general meeting held on 22 August 2007, the unissued shares, as at 31 March 2007, comprising 63 691 443 ordinary shares of 1 cent each and 5 000 000 B ordinary shares of 10 cents each were placed under the control of the Board of Directors as a general authority in terms of section 221(2) of the Companies Act (No. 61 of 1973), as amended ("Companies Act"), subject to the provisions of the Companies Act and the Rules and Requirements of the JSE until the next annual general meeting of the Company, for allotment and issue to such persons as they deemed fit, provided that 26 000 000 ordinary shares and 5 000 000 B ordinary shares in the authorised share capital of the Company are reserved for the purposes of the Remgro Share Scheme in terms of an ordinary resolution passed by the shareholders on 21 September 2000.

Details in respect of the share scheme and the current year's offers are disclosed in note 24 and the Report of the Board of Directors.

	2008 R million	2007 R million
17. RESERVES		
17.1 Composition of reserves		
The Company:		
Retained earnings	2 255	2 353
Subsidiary companies and joint ventures		
Non-distributable reserves:	31 102	24 653
Fair value reserve	6 977	5 003
Other non-distributable reserves	1 586	1 931
Retained earnings	22 539	17 719
Associated companies:		
Equity reserves	25 340	20 155
	58 697	47 161
Statutory non-distributable reserves included in		
Other non-distributable reserves	11	11
Equity reserves	507	453

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

	Non-distributable reserves R million	Equity reserves R million	Retained earnings R million	2008 Total R million	2007 Total R million
Balances at 1 April	802	2 713	366	3 881	(1 154)
Exchange rate adjustments during the year	370	1 685	307	2 362	5 035
Transfer of equity adjustment	(5)	167	(162)	-	-
Balances at 31 March	1 167	4 565	511	6 243	3 881

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

	2008 R million	2007 R million				
18. LONG-TERM LOANS						
Interest-bearing loans						
Secured long-term loans with effective interest rates of between 9.37% and 15% (2007: 9.5% and 11%) per annum repayable over a period of between three to ten years These liabilities are secured by assets with a book value of R48 million (2007: R68 million).	202	197				
Net liabilities resulting from various capitalised finance leases and instalment sale agreements payable in monthly, quarterly and annual instalments at varying interest rates per annum amount to These liabilities are secured by vehicles, plant, machinery and equipment with a book value of R3 million (2007: R1 million).	3	1				
Various unsecured loans with varying terms and interest rates	3	–				
	208	198				
Instalments payable within one year transferred to short-term interest-bearing loans	(19)	(37)				
	189	161				
Payable – two to five years	180	129				
Payable thereafter	9	32				
	189	161				
19. TRADE AND OTHER PAYABLES						
Trade payables	1 182	968				
Accumulated expenses	644	472				
	1 826	1 440				
20. SHORT-TERM LOANS						
Interest-bearing loans						
Portion of long-term interest-bearing loans payable within one year	19	37				
Bank overdrafts	103	103				
	122	140				
Interest-free loans with no fixed repayment conditions	68	93				
	190	233				
21. PROVISIONS						
	<i>Legal disputes*</i>	<i>Other**</i>	2008	<i>Legal disputes*</i>	<i>Other**</i>	2007
	R million	R million	R million	R million	R million	R million
Balances at 1 April	40	8	48	30	11	41
Additional provisions	4	1	5	13	1	14
Unused amounts	–	–	–	–	(4)	(4)
Other	–	(1)	(1)	–	–	–
	44	8	52	43	8	51
Provisions utilised during the year	(1)	(3)	(4)	(3)	–	(3)
Balances at 31 March	43	5	48	40	8	48

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

** Various smaller provisions.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008

	2008 R million	2007 R million
22. STAFF COSTS		
Salaries and wages	1 452	1 250
Share-based payments	23	20
Retirement benefits	1	1
Pension costs – defined contribution	87	79
Pension costs – defined benefit	2	(95)
Other post-retirement benefits	10	11
Other	46	36
	1 621	1 302

23. DIRECTORS' EMOLUMENTS

	<i>Executive</i> R'000	2008 <i>Non- executive</i> R'000	Total R'000	<i>Executive</i> R'000	2007 <i>Non- executive</i> R'000	Total R'000
Executive directors						
Fees	750		750	615		615
Salaries	11 919		11 919	11 472		11 472
Retirement fund contributions	2 690		2 690	2 411		2 411
Other benefits	1 212		1 212	1 238		1 238
Subtotal	16 571		16 571	15 736		15 736
Non-executive directors						
Independent		1 175	1 175		801	801
Non-independent		4 429	4 429		4 217	4 217
Total	16 571	5 604	22 175	15 736	5 018	20 754

Increase in value – Remgro Share Scheme*	–	–	–	5 607	–	5 607
--	---	---	---	-------	---	-------

* Refer note 24.1 on page 95.

	<i>Fees</i> R'000	2008 <i>Salaries and other</i> R'000	Total R'000	<i>Fees</i> R'000	2007 <i>Salaries and other</i> R'000	Total R'000
Paid by:						
The Company	1 325		1 325	801		801
Management company	–	–	–	492	8 735	9 227
Subsidiary company	1 200	19 650	20 850	553	10 173	10 726
	2 525	19 650	22 175	1 846	18 908	20 754

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

23. DIRECTORS' EMOLUMENTS (continued)

	2008					2007				
	Fees R'000	Salaries R'000	Retire- ment fund R'000	Other benefits ⁽⁸⁾ R'000	Total R'000	Fees R'000	Salaries R'000	Retire- ment fund R'000	Other benefits ⁽⁸⁾ R'000	Total R'000
Executive										
W E Bührmann	150	1 578	341	221	2 290	123	1 272	276	219	1 890
D M Falck	150	2 027	436	319	2 932	123	1 884	403	316	2 726
J A Preller (Mrs)	150	910	210	221	1 491	123	864	196	219	1 402
M H Visser ⁽¹⁾	150	6 075	1 410	269	7 904	123	6 224	1 268	265	7 880
T van Wyk	150	1 329	293	182	1 954	123	1 228	268	219	1 838
Subtotal	750	11 919	2 690	1 212	16 571	615	11 472	2 411	1 238	15 736
Non-executive (independent)										
G D de Jager ⁽²⁾	225				225	160				160
P K Harris	175				175	147				147
M M Morobe ⁽³⁾	150				150	–				–
J F Mouton ⁽⁴⁾	–				–	99				99
D Prins	250				250	198				198
M Ramos (Miss) ⁽⁵⁾	150				150	–				–
F Robertson	225				225	197				197
Subtotal	1 175				1 175	801				801
Non-executive (non-independent)										
P E Beyers	150	514	131	102	897	123	645	155	100	1 023
J W Dreyer	150	1 395	306	102	1 953	123	1 328	287	100	1 838
E de la H Hertzog	150	1 000	204	75	1 429	123	916	183	73	1 295
J Malherbe ⁽⁶⁾	150	–	–	–	150	61	–	–	–	61
J P Rupert ⁽⁷⁾	–	–	–	–	–	–	–	–	–	–
Subtotal	600	2 909	641	279	4 429	430	2 889	625	273	4 217
Total	2 525	14 828	3 331	1 491	22 175	1 846	14 361	3 036	1 511	20 754

1. Mr M H Visser earns in addition to the above a director's fee of GBP75 000 (2007: GBP75 000) per annum from British American Tobacco Plc, an associated company.
2. Mr G D de Jager is a member of the Audit and Risk Committee as well as the Remuneration and Nomination Committee. During the 2007 financial year he was on these committees only for six months.
3. Mr M M Morobe was appointed as an independent non-executive director on 18 June 2007.
4. Mr J F Mouton retired as an independent non-executive director on 11 October 2006. He was a member of the Audit and Risk Committee as well as the Remuneration and Nomination Committee for six months.
5. Miss M Ramos was appointed as an independent non-executive director on 26 March 2007.
6. Mr J Malherbe was appointed as a non-executive director on 11 October 2006.
7. Mr J P Rupert receives no emoluments since 30 September 2005.
8. Benefits include medical aid contributions and vehicle benefits.

24. SHARE-BASED PAYMENTS

24.1 Remgro Share Scheme

The share-based payments that are accounted for in the financial statements are in respect of the Remgro Share Scheme (the "Scheme") and consist of ordinary shares in Remgro Limited that were offered to participants in terms of the Scheme. The offers are valid for one year from the offer date. The Scheme is a deferred purchase scheme and payment takes place in three equal instalments, the first of which is payable three years after the offer date. Participants have no rights to delivery, voting or ordinary dividends on shares before payment has been made. Participants may choose to pay on a later date, with the resultant deferment of rights. Payment relating to offers before 26 November 2004 must be settled within ten years, while offers thereafter must be settled before seven years have passed.

The valuation of the Scheme was performed using an actuarial model. This model was developed by an independent third party from the standard binomial option pricing model in order to address the unique nature of the Scheme, especially with regard to early exercise of offers.

The expected contract lifetimes are estimated by considering separately each of the tranches within that grant. The risk-free rate was estimated by using the implied yield on a SA zero-coupon government bond and the yield curve over the expected contract lifetimes of five, six and seven years from the offer date.

Share price volatility of ordinary shares in Remgro Limited was determined with reference to movements in the share price since 1 October 2000, that being the date from which Remgro commenced trading on the JSE.

Dividend yield was calculated using the two-year moving average dividend yield at each offer date.

	2008 R million	2007 R million
Fair value of offers made during the year	7	53
Share-based payment cost included in the income statement (in accordance with IFRS 2)	12	10
– Portion attributable to directors	8	7

Although the Group elected, in accordance with the transitional provisions of IFRS, to only apply IFRS 2 on transactions entered into after 7 November 2002 that had not vested at 1 January 2005, the following information relates to all offers to the participants of the Scheme.

Number and weighted average exercise prices of all share offers to participants of the Scheme:

	2008		2007	
	Number of shares	Rand	Number of shares	Rand
Previous financial years	3 396 994	72.65	3 093 691	59.24
Offered and accepted in current financial year	145 562	185.69	569 699	135.02
Shares paid for and delivered	(126 383)	56.50	(262 016)	49.52
Resignations and other	(4 250)	117.70	(4 380)	98.67
Total at 31 March	3 411 923	78.01	3 396 994	72.65
Exercisable at the end of the period	2 127 518	53.78	1 797 087	48.46

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

24. SHARE-BASED PAYMENTS (continued)

24.1 Remgro Share Scheme (continued)

Exercise price range of all offers:

	Number of shares outstanding at year-end	2008 Weighted average contract lifetime in years	Weighted average exercise price per share (Rand)	Number of shares outstanding at year-end	2007 Weighted average contract lifetime in years	Weighted average exercise price per share (Rand)
R40 – R60	1 399 790	2.57	45.03	1 464 972	3.57	44.98
R60 – R80	625 238	5.12	64.46	678 927	6.16	64.67
R80 – R100	648 709	4.10	86.88	656 615	5.13	86.82
R100 – R120	24 248	4.64	114.05	28 430	5.67	114.93
R120 – R140	567 986	5.24	134.89	568 050	6.24	135.01
R140 – R160	390	5.66	155.45	–	–	–
R160 – R180	14 915	6.33	176.83	–	–	–
R180 – R200	130 647	6.22	186.70	–	–	–

The following assumptions were used in the binomial model to value offers:

	2008	2007
Weighted average Remgro share price for the year (R)	185.73	150.20
Exercise price (R)	155.45 – 187.50	132.60 – 137.80
Average expected exercise period (years)	5 – 7	5 – 7
Price volatility (%)	19.24 – 20.21	20.05 – 20.18
Risk-free rate (%)	7.7 – 8.4	7.1 – 8.6
Expected dividend yield (%)	2.5 – 2.6	2.9 – 3.1

Current status – offers to directors

– ordinary shares

Participant	Balance of shares accepted as at 31 March 2007	Shares accepted during the year	Date of acceptance of shares	Offer price (Rand)	Number of shares paid and delivered	Date of payment and delivery of shares	Share price on date of payment and delivery (Rand)	Increase in value* (R'000)	Balance of shares accepted as at 31 March 2008
Executive									
W E Bührmann	97 872			87.86					97 872
	7 303			135.00					7 303
		38 645	27/06/07	186.70					38 645
D M Falck	458 716			43.60					458 716
	104 917			63.00					104 917
	30 050			87.86					30 050
	92 988			135.00					92 988
		18 146	03/07/07	186.70					18 146
J A Preller	24 466			43.60					24 466
	34 572			87.86					34 572
	30 167			135.00					30 167
		2 319	03/07/07	186.70					2 319
M H Visser	278 979			63.00					278 979
	342 488			87.86					342 488
	172 681			135.00					172 681
		68 230	26/06/07	186.70					68 230
T van Wyk	42 161			87.86					42 161
	41 598			135.00					41 598
		3 029	03/07/07	186.70					3 029
Subtotal	1 758 958	130 369							1 889 327
Non-executive									
P E Beyers	191 130			43.60					191 130
J W Dreyer	191 130			43.60					191 130
J P Rupert	414 938			48.20					414 938
Subtotal	797 198								797 198
Total	2 556 156	130 369							2 686 525

* It refers to the increase in value of the scheme shares of the indicated participants from the offer date to the date of payment and delivery.

24. SHARE-BASED PAYMENTS (continued)

24.1 Remgro Share Scheme (continued)

Current status – offers to directors

– ordinary shares

Participant	Balance of shares accepted as at 31 March 2006	Shares accepted during the year	Date of acceptance of shares	Offer price (Rand)	Number of shares paid and delivered	Date of payment and delivery of shares	Share price on date of payment and delivery (Rand)	Increase in value* (R'000)	Balance of shares accepted as at 31 March 2007
Executive									
W E Bührmann	97 872			87.86					97 872
		7 303	26/06/06	135.00					7 303
D M Falck	458 716			43.60					458 716
	104 917			63.00					104 917
	30 050			87.86					30 050
		92 988	26/06/06	135.00					92 988
J A Preller	24 466			43.60					24 466
	34 572			87.86					34 572
		30 167	26/06/06	135.00					30 167
M H Visser	278 979			63.00					278 979
	342 488			87.86					342 488
		172 681	26/06/06	135.00					172 681
T van Wyk	24 464			43.60	24 464	02/08/06	143.50	2 444.0	
	33 195			48.20	33 195	02/08/06	143.50	3 163.4	
	42 161			87.86					42 161
		41 598	26/06/06	135.00					41 598
Subtotal	1 471 880	344 737			57 659			5 607.4	1 758 958
Non-executive									
P E Beyers	191 130			43.60					191 130
J W Dreyer	191 130			43.60					191 130
J P Rupert	414 938			48.20					414 938
Subtotal	797 198								797 198
Total	2 269 078	344 737			57 659			5 607.4	2 556 156

* It refers to the increase in value of the scheme shares of the indicated participants from the offer date to the date of payment and delivery.

24.2 Rainbow Share Scheme

Rainbow has an equity settled share scheme for certain of its employees in terms of which share options offered are exercisable in three equal tranches from two, three and four years after the grant date. Subject to the discretion of the Rainbow Share Incentive Trust's trustees, options are forfeited if not exercised before termination of employment. An expense of R10.8 million (2007: R8.0 million) relating to this scheme was recognised in the income statement.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

	2008 R million	2007 R million
25. PROFIT		
Profit is stated after taking the following into account:		
Income		
Fair value adjustment – biological assets	46	21
Fair value adjustment – derivative instruments	66	113
Rental income – investment properties	9	8
Interest received	296	332
Shareholder's loan to associated company	6	20
Financial institutions and other	290	312
Profit on redemption and sale of investments*	1 665	7
Profit with restructuring of investment in Unilever	1 167	–
Profit with unbundling of investment in Discovery by FirstRand	403	–
Other	95	7
Profit on sale of property, plant and equipment	114	–
Exchange rate gains	20	67
<i>* Refer to the Report of the Board of Directors for further information.</i>		
Expenses		
Amortisation of intangible assets	12	14
Fair value adjustment – derivative instruments	–	6
Expenses – investment properties	5	2
Rental	61	41
Land and buildings	26	20
Machinery and equipment	21	10
Vehicles	4	5
Office equipment	10	6
Research and development costs written off	1	–
Auditors' remuneration – audit fees	11	10
– other services	3	3
Professional fees	25	28
Depreciation	251	223
Buildings	30	27
Machinery and equipment	188	167
Vehicles	31	26
Office equipment	2	3
Loss on sale of property, plant and equipment	–	1
26. ADMINISTRATION AND MANAGEMENT FEES		
Total administration and management fees of Remgro Limited**	83	75
Less: Fees received	(16)	(16)
Intergroup – excluding wholly owned subsidiaries	(4)	(4)
Other	(12)	(12)
Net	67	59

** After recovery of appropriate portion from VenFin Limited.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008

27. DIVIDEND INCOME

	THE COMPANY		CONSOLIDATED	
	2008 R million	2007 R million	2008 R million	2007 R million
Included in profit:				
Listed	–	–	274	151
Unlisted – Subsidiary companies	2 138	3 358		
– Other	–	–	–	5
	2 138	3 358	274	156
Dividends from associated companies set off against investments			3 297	2 748
			2008 R million	2007 R million

28. EQUITY ADJUSTMENT

Share of net attributable profit of associated companies and joint ventures – per income statement	7 210	6 003
Dividends received from associated companies and joint ventures	(3 297)	(2 748)
Share of net profit retained by associated companies and joint ventures	3 913	3 255
Exchange rate differences on translation between average rates and year-end rates	162	111
Equity adjustment transferred to non-distributable reserves (Refer to statements of changes in equity)	4 075	3 366
Portion of the share of net profit retained by associated companies and joint ventures, that has been accounted for from unaudited interim reports and management accounts	1 039	1 102
Contingent liabilities of associated companies and joint ventures		
Guarantees to third parties – Performance guarantees, suretyships and letters of credit of various associated companies and joint ventures	142	393
Contingent tax liabilities	98	103

Product liabilities – British American Tobacco Plc (BAT) has contingent liabilities arising when BAT group companies are named as defendants in court cases in various countries with respect to product liability and non-product liability litigation, and arising from overseas taxes, guarantees and other matters. Despite the quality of defences judged by BAT to be available, BAT states in their annual report, where full details may be found, that it is not impossible that its results of operations or cash flows in a particular quarter or financial year could be materially affected by the outcomes of such matters. This could give rise to a consequent effect on Remgro's share of BAT's results and attributable net assets.

Claims – There are a number of legal or potential claims against various associated companies, the outcome of which cannot be foreseen, but are not regarded as material individually or on a group basis.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

29. CASH FLOW INFORMATION

	CONSOLIDATED		THE COMPANY	
	2008 R million	2007 R million	2008 R million	2007 R million
29.1 Adjustments				
Amortisation of intangible assets and depreciation	263	237	–	–
Movement in provisions	5	(58)	–	–
Share scheme cost	68	18	–	–
Exchange rate gain on foreign cash	259	622	–	–
(Profit)/loss on the sale of property, plant and equipment	(114)	1	–	–
Other	1	–	–	–
	482	820	–	–
29.2 Decrease/(increase) in working capital				
Decrease/(increase) in inventories and biological agricultural assets	(341)	(180)	–	–
Decrease/(increase) in trade and other receivables	(327)	(109)	3	(1)
Increase/(decrease) in trade and other payables	393	86	2	3
Net movement in derivative instruments	(26)	33	–	–
	(301)	(170)	5	2
29.3 Reconciliation of dividends received				
Receivable at the beginning of the year	168	–	–	–
Per income statement	274	156	2 138	3 358
Dividends from associated companies set off against investments	3 297	2 748	–	–
Dividend in specie	(191)	–	–	–
Receivable at the end of the year	–	(168)	–	–
Cash received	3 548	2 736	2 138	3 358
29.4 Reconciliation of taxation paid with the amount disclosed in the income statement				
Paid in advance at the beginning of the year	14	67	–	–
Unpaid at the beginning of the year	(104)	(473)	–	–
Per income statement	(340)	(360)	–	–
– normal income	(296)	(339)	–	–
– capital gain	(17)	–	–	–
– STC	(27)	(21)	–	–
Unpaid at the end of the year	13	104	–	–
Paid in advance at the end of the year	(80)	(14)	–	–
Cash paid	(497)	(676)	–	–
29.5 Reconciliation of dividends paid				
Per statements of changes in equity	(2 178)	(3 748)	(2 233)	(3 782)
Paid by subsidiary companies to minority	(74)	(65)	–	–
Cash paid	(2 252)	(3 813)	(2 233)	(3 782)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008

	2008 R million	2007 R million
30. BUSINESSES ACQUIRED		
During the past two years a subsidiary company in the Group acquired various small businesses. The assets and liabilities arising from these acquisitions were as follows:		
Net assets acquired	3	4
Goodwill (note 5)	2	7
Cash paid	5	11
Cash acquired from business	(1)	3
Net cash flow on acquisition of business	4	14

31. FINANCIAL INSTRUMENTS

31.1 Classes of financial instruments and fair value

Financial instruments on the balance sheet include investments, loans receivable, debtors, cash, creditors, long-term loans and derivative instruments. Details of the nature, extent and terms of these instruments are explained in the notes to the relevant items.

The accounting policy for financial instruments was applied to the following balance sheet line items.

	Non-financial assets R million	Loans and receivables R million	Assets at fair value through profit and loss R million	Available- for-sale R million	Carrying value R million	Fair value R million
2008						
Investments – other				8 551	8 551	8 551
Loans		2			2	2
Debtors and short-term loans	124	1 261			1 385	1 385
Derivative instruments			19		19	19
Cash and cash equivalents		3 934			3 934	3 934
	124	5 197	19	8 551	13 891	13 891
2007						
Investments – other				6 245	6 245	6 245
Loans		2			2	2
Debtors and short-term loans	95	1 119			1 214	1 214
Derivative instruments			16		16	16
Cash and cash equivalents		5 004			5 004	5 004
	95	6 125	16	6 245	12 481	12 481

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

31. FINANCIAL INSTRUMENTS *(continued)*

31.1 Classes of financial instruments and fair value *(continued)*

Financial liabilities	<i>Liabilities at amortised cost R million</i>	<i>Liabilities at fair value through profit and loss R million</i>	<i>Carrying value R million</i>	<i>Fair value R million</i>
2008				
Long-term loans	189		189	189
Trade and other payables	1 826		1 826	1 826
Short-term loans	190		190	190
Derivative instruments		3	3	3
	2 205	3	2 208	2 208
2007				
Long-term loans	161		161	161
Trade and other payables	1 440		1 440	1 440
Short-term loans	233		233	233
Derivative instruments		27	27	27
	1 834	27	1 861	1 861

Fair value

On 31 March 2008 and 2007 the fair value of financial instruments approximates their carrying value.

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

Financial instruments available-for-sale: Fair value is based on quoted market prices or, in the case of unlisted instruments, appropriate valuation methodologies.

Cash and cash equivalents, debtors, creditors and short-term loans: Due to the expected short-term maturity of these financial instruments their carrying values approximate their fair value.

Borrowings: The fair value of long-term borrowings is based on discounted cash flows using the effective interest rate method. As the interest rates of long-term borrowings are all market related their carrying values approximate their fair value.

Derivative instruments: The fair value of derivative instruments is determined by using mark-to-market valuations.

31.2 Financial instruments and risk management

Various financial risks have an impact on the Group's results: market risk (including price, interest rate risk and foreign exchange risk), credit risk and liquidity risk. The Company and its subsidiary companies' risk management programmes, of which key aspects are explained below, acknowledge the unpredictability of financial markets and are aimed to minimise any negative effect thereof. Derivative instruments are used to hedge against certain financial risk exposures.

Risk management is performed by the central treasury department in terms of the policy that was approved by the Board of Directors. A treasury committee identifies, evaluates and hedges financial risks in terms of the Group's risk appetite, sets risk limits and monitors compliance to policy and procedures. The committee is assisted by the internal audit department that regularly, and on an ad hoc basis, reviews risk management controls and procedures. It is the responsibility of the Remgro Audit and Risk Committee to supervise these functions and assess the appropriateness of risk management strategies.

31. FINANCIAL INSTRUMENTS *(continued)*

31.2 Financial instruments and risk management *(continued)*

Relevant financial risks and risk management programmes are summarised as follows:

Market risk

Price risk

Exposure to share price risk is due to investments in listed and unlisted shares. "Investments available-for-sale" consists mainly of the investment in Impala Platinum Holdings Limited that is included at market value under "Investments – Other" in the balance sheet. The executive committee monitors all investments continuously and makes recommendations to the Board of Directors in this regard. Some operating subsidiaries have commodity options and futures contracts that are influenced by the prices of the underlying commodities.

Foreign exchange risk

The Company and its subsidiary companies operate internationally and are therefore exposed to foreign currency risk due to commercial transactions denominated in foreign currencies. These risks are limited using foreign exchange contracts when deemed necessary.

The Group has no significant exposure to foreign exchange risk.

Net assets of investments in foreign operations are exposed to foreign exchange translation risk. The most prominent of these is the investment in Remgro Investments Limited, Jersey, that owns the stake in R&R. At year-end the carrying value of the investment in R&R was £1 200 million (2007: £1 188 million) and it also had cash amounting to £165 million (2007: £219 million) abroad.

Interest rate risk

Due to significant cash investments, movements in market interest rates influence income. The profile of the cash and cash equivalents is explained in note 15. Interest rate risk is managed by the treasury department by using approved counterparties that offer the best rates.

The Company and its subsidiary companies are also exposed to interest rate risk due to long-term debt. The interest rate profile of the liabilities is disclosed in note 18.

The Group's sensitivity to market risk

The following table illustrates the sensitivity of the Group's profit and equity to market risk if markets change with the following percentages:

	Change	2008 Income statement R million	Equity R million	Change	2007 Income statement R million	Equity R million
Interest rates	2.0%	51		1.0%	33	
Foreign exchange:						
ZAR/UK pound	5.0%	1		5.0%	43	
Equity prices	10.0%		731	10.0%		534
Commodity prices	R50/ton	9		R50/ton	22	
		61	731		98	534

The above was calculated with reference to the carrying value of financial instruments at year-end and a possible change in the market risk factor.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

31. FINANCIAL INSTRUMENTS *(continued)*

31.2 Financial instruments and risk management *(continued)*

Credit risk

The Group's exposure to credit risk is the fair value of loans, debtors, short-term loans, derivative instruments and cash and cash equivalents as indicated above.

Loans receivable and debtors

At year-end no significant "Loans receivable" were outstanding. No significant concentration of credit risk existed regarding debtors as customers are spread over a wide geographical area. Policies and procedures are in place ensuring that sales occur only to customers with an acceptable credit history. Other debtors consist mainly of prepayments and dividends receivable.

Terms granted to trade debtors are determined by the relevant operating subsidiaries, i.e. Rainbow Chicken, Tsb Sugar and Wispeco, who each puts its own credit policy in place.

The following table indicates the age analysis of trade debtors in arrears and the corresponding outstanding amount of debtors at year-end:

Debtors	Age analysis of trade debtors in arrears			Total trade debtors in arrears R million
	60 days R million	90 days R million	120 days + R million	
2008	76	8	10	94
2007	85	7	20	112

A provision for doubtful debts of R44 million (2007: R49 million) was made. Refer note 12.

The credit quality of performing trade debtors against whom no impairment was provided, is as follows:

	2008	2007
New customers (history of less than six months)	125	57
Existing customers (history of six months +) – no past defaults	839	667
Existing customers (history of six months +) – with past defaults	82	34
	1 046	758

Derivative instrument transactions and cash investments

Derivative instrument transactions are limited to transactions with financial institutions with a good credit rating. The treasury committee approves these institutions and determines the limit of credit exposure of each separate entity.

Cash and cash equivalents are only held by approved institutions with an acceptable credit-worthiness. The treasury committee sets the limit for each financial institution. Refer to the cash and cash equivalents note (note 15) for additional information.

Liquidity risk

The Company and its subsidiary companies have substantial cash balances at their disposal and minimum long-term debt that limit their liquidity risk. Nevertheless it is ensured that adequate credit facilities are available to maintain flexibility in the funding of transactions.

31. FINANCIAL INSTRUMENTS (continued)

31.2 Financial instruments and risk management (continued)

The following schedule indicates the repayment terms of outstanding debt:

Financial liabilities	Carrying value R million	Contractual cash flow R million	Non-discounted cash flow		
			0 to 12 months R million	1 to 5 years R million	5 years and longer R million
2008					
Long-term loans	189	248	–	238	10
Trade and other payables	1 826	1 826	1 826	–	–
Short-term loans	190	211	211	–	–
Derivative instruments	3	56	56	–	–
	2 208	2 341	2 093	238	10
2007					
Long-term loans	161	206	–	172	34
Trade and other payables	1 440	1 440	1 440	–	–
Short-term loans	233	252	252	–	–
Derivative instruments	27	113	113	–	–
	1 861	2 011	1 805	172	34

32. CAPITAL MANAGEMENT

The Company manages its shareholders' equity, i.e. its issued capital (including share premium), reserves and treasury shares, as capital. The Group's objective when managing capital is to safeguard its ability to continue as a going concern in order to provide returns to shareholders in the form of dividends and capital appreciation.

In order to maintain or adjust the capital structure the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue shares or repurchase shares from shareholders. For the year under review dividends amounting to R2 471 million (2007: R2 102 million) were declared and shares to the value of R37 million (2007: RNil) were issued. The Group also repurchased its own shares to the value of R28 million (2007: R1 106 million).

Refer to the statements of changes in equity for further details regarding the Group's capital.

	2008 R million	2007 R million
33. COMMITMENTS		
Capital commitments	888	704
Uncompleted contracts for capital expenditure	114	106
Capital expenditure authorised but not yet contracted	161	253
Investment liabilities	613	345
Operating lease commitments	130	122
Due within one year	39	37
Due – two to five years	81	79
Due thereafter	10	6
	1 018	826

Above-mentioned commitments will be financed by internal sources and borrowed funds.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

34. BORROWING POWERS

There are no limitations on the borrowing powers of the Company and its subsidiaries in respect of loans and guaranteed debts.

	2008 R million	2007 R million
35. GUARANTEES AND CONTINGENT LIABILITIES		
35.1 Guarantees		
Guarantees by subsidiary companies	8	4
35.2 Contingent liabilities		
Legal actions pending	–	4
Contract grower guarantees*	50	53
Other	–	19
	50	76

* Certain subsidiary companies have contingencies relating to certain contract grower arrangements. It is not anticipated that any material liabilities will arise from these contingencies.

36. RELATED PARTY INFORMATION

Subsidiaries

Details of income from and investments in subsidiary companies are disclosed in note 27 and in Annexure A respectively.

Associated companies and joint ventures

Details of investments in and income from associated companies and joint ventures are disclosed in notes 6, 7 and 28 respectively, as well as in Annexures B and C.

Key management personnel

Only Remgro's directors are key management personnel. Information on directors' emoluments and their shareholding in the Company appears in notes 23 and 24 as well as in the Report of the Board of Directors.

Shareholders

Details of the principal shareholder appear in the Report of the Board of Directors. A detailed analysis of shareholders appears on pages 115 and 116 of the Annual Report.

Other

Certain contractually agreed upon, supporting and other services are rendered to VenFin Limited. Refer to note 26.

	2008 R million	2007 R million
Related party transactions		
CONSOLIDATED		
Transactions of Remgro Limited and its subsidiary companies with:		
<i>Controlling shareholder</i>		
Dividends paid	164	277
<i>Associates</i>		
Interest received	11	35
Dividends received	3 297	2 748
Sales	2	12
Administration fees	13	12
Purchases	113	200
Interest paid	1	–
Other expenses	–	1
<i>Key management personnel</i>		
Salaries and other benefits	19	18
Retirement benefits	3	3
Share-based payments	8	7

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008

	2008 R million	2007 R million
36. RELATED PARTY INFORMATION <i>(continued)</i>		
CONSOLIDATED <i>(continued)</i>		
Transactions of Remgro Limited and its subsidiary companies with <i>(continued)</i> :		
<i>Other</i>		
Fees received from VenFin Limited	17	21
Balances due from/(to) related parties		
Associated companies	(11)	(13)
THE COMPANY		
Transactions of Remgro Limited with:		
<i>Subsidiary companies</i>		
Dividends received	2 138	3 358
Administration fees received	5	4
Balances due by/(to) related parties		
Subsidiary companies	2 312	2 371

No security is given for any outstanding balances. No provisions for bad debts against outstanding balances with related parties have been made and no bad debt of related parties has been written off during the year.

ANNEXURE A

PRINCIPAL SUBSIDIARY COMPANIES AT 31 MARCH 2008

NAME OF COMPANY Incorporated in South Africa unless otherwise stated	Issued capital R (unless other- wise stated)	Effective interest		HELD BY COMPANY			
		2008 %	2007 %	Shares	Loan	2008	2007
				2008 R	2007 R	2008 R million	2007 R million
Tobacco interests							
Remgro International Holdings (Pty) Limited	2	100.0	100.0	2	2		
Remgro Investments Limited – Jersey (GBP)	1 315 000	100.0	100.0				
Financial services							
Financial Securities Limited	250 000	100.0	100.0	250 000	250 000		
Industrial interests							
Industrial Partnership Investments Limited	125 000	100.0	100.0	125 000	125 000		
IPI (Overseas) Limited – Jersey #	719 476	100.0	–				
Rainbow Chicken Limited *	1 157 092 000	74.0	61.4				
Remgro Investment Corporation (Pty) Limited	100	100.0	100.0	100	100		
Robertsons Holdings (Pty) Limited	1 000	100.0	100.0				
Tsb Sugar Holdings (Pty) Limited	100	100.0	100.0				
Wispeco Holdings Limited	5 000 000	100.0	100.0				
Mining interests							
Partnership in Mining Limited	100	100.0	100.0	100	100		
Tegniese Mynbeleggings Limited	2	100.0	100.0				
Corporate finance and other interests							
Eikenlust (Pty) Limited	100	100.0	100.0				
Entek Investments Limited	810 630	65.0	64.5				
Historical Homes of South Africa Limited	555 000	54.0	51.4				
M&I Group Services Limited	100	100.0	100.0			200	70
Remgro Finance Corporation Limited	300 000	100.0	100.0				
Remgro International Investments (Pty) Limited #	100	100.0	–				
Remgro Loan Corporation Limited	700	100.0	100.0			2 110	2 296
Remgro South Africa (Pty) Limited	48 614	100.0	100.0	96 506	96 506		
Stellenryck Trust Limited	700	100.0	100.0				
						2 310	2 366

(GBP) British pound

* Listed company

Newly incorporated

Details of sundry subsidiary companies which are not material to the evaluation of the business of the Group, are not shown.

ANNEXURE B

PRINCIPAL INVESTMENTS AT 31 MARCH 2008

NAME OF COMPANY Incorporated in South Africa unless otherwise stated		LISTED				UNLISTED			
		2008 Effective Shares interest held %		2007 Effective Shares interest held %		2008 Effective Shares interest held %		2007 Effective Shares interest held %	
Tobacco interests									
R&R Holdings SA – Luxembourg	(1)								
– ordinary shares						316 000	33.3	316 000	33.3
– debentures						682 291	38.7	682 291	38.7
– participating securities (2005)						19 281 686	100.0	19 281 686	100.0
– participating securities (2006)						1	33.3	1	33.3
– held by R&R Holdings SA:									
– BAT Plc – UK (30%)	(1)		10.6		10.4				
Financial services									
RMB Holdings Limited	(2)	302 279 403	25.0	280 946 517	23.7				
– held by RMB Holdings Limited:									
– FirstRand Limited (33%)			8.2		7.8				
FirstRand Limited	(2)	481 142 375	9.3	481 142 375	9.3				
Industrial interests									
Air Products South Africa (Pty) Limited	(1)					4 500 000	50.0	4 500 000	50.0
Dorbyl Limited	(1)	14 058 346	41.4	14 058 346	41.4				
Kagiso Trust Investments (Pty) Limited	*(2)					10 344	41.8	10 344	41.8
Medi-Clinic Corporation Limited	(1)	257 346 286	45.9	171 128 418	47.6				
Nampak Limited	(1)	78 096 694	13.3	78 096 694	13.4				
PGSI Limited – BVI	#*(3)					11 153 362	28.5	–	–
Unilever Bestfoods Robertsons (Holdings) Limited L.L.C. – USA	(4)					–	–	8 200	41.0
Unilever South Africa Holdings (Pty) Limited	(5)					5 348 135	25.8	–	–
Total South Africa (Pty) Limited	*(2)					12 872 450	33.2	12 872 450	33.2
Remgro-KWV Beleggings Limited	(2)					50	50.0	50	50.0
– held by Remgro-KWV Beleggings Limited:									
– Distell Group Limited (59%)			29.4		29.4				
Mining interests									
Impala Platinum Holdings Limited	**	26 687 288	4.4	26 687 288	4.2				
Trans Hex Group Limited	Δ (1)	30 215 000	28.5	30 215 000	33.6				
Other interests									
Business Partners Limited	(1)					36 204 249	21.1	35 766 919	21.3
Xiocom Wireless, Inc. – USA	(6)					11 250 000	44.4	–	–

Financial period accounted for:

(1) Twelve months to 31 March 2008

(2) Twelve months to 31 December 2007

(3) For five months from date of purchase to 31 December 2007

(4) For six months from 1 April 2007 to date of restructuring of interest in Unilever

(5) For six months from restructuring of interest in Unilever to 31 March 2008

(6) For eight months from date of purchase to 31 March 2008

* Effective interest, on a fully diluted basis:

– Total South Africa (Pty) Limited 24.9%

– Kagiso Trust Investments (Pty) Limited 37.1%

– Business Partners Limited 20.2% (2007: 20.0%)

– PGSI Limited 24.5%

** Not an associated company

Interest acquired on 31 July 2007

Δ During March 2008 Trans Hex converted 16 000 000 compulsorily convertible debentures, issued during 2002, into ordinary shares in the ratio of 1:1. Remgro's share therefore diluted to 28.5%.

BVI – British Virgin Islands

UK – United Kingdom

USA – United States of America

Details of investments which are not material to the evaluation of the business of the Group, are not shown.

ANNEXURE C

SIGNIFICANT ASSOCIATED COMPANIES – ADDITIONAL INFORMATION

	RMB Holdings (Financial services) 2008	FirstRand (Financial services) 2008	Medi-Clinic (Industrial interests) 2008	R&R (Tobacco interests) 2008
	R million	R million	R million	R million
Effective interest	25.0%	9.3%	45.9%	33½%
Carrying value of investments	5 493	5 085	4 091	19 229
Share of retained equity income				
– Current year	715	676	1 150	1 866
Normal income	1 030	1 090	286	3 579
Dividends	(433)	(611)	(97)	(1 893)
Non-recurring and capital items and impairments	38	67	–	(55)
Other changes in reserves and exchange rates	80	130	961	235
– Cumulative	2 168	2 330	2 028	16 216
Summarised financial information:	Per Interim Report 31/12/2007	Per Interim Report 31/12/2007	Per Annual Report 31/03/2008	Per Annual Report 31/03/2008
				<i>Note 1</i>
BALANCE SHEET				
Assets				
Net advances, loans and bank-related securities	1 612	40 654	–	–
Intangible assets	22	4 409	6 079	129 915
Property, plant and equipment and other	110	3 788	30 972	38 117
Investments and loans	17 850	22 812	34	46 147
Net current assets/(liabilities)	–	(14 352)	(3 812)	13 016
	19 594	57 311	33 273	227 195
Equity and liabilities				
Shareholders' funds and long-term debt	19 594	57 311	33 273	227 195
	12 months ended 31/12/2007	12 months ended 31/12/2007	12 months ended 31/03/2008	12 months ended 31/03/2008
				<i>Note 2</i>
INCOME STATEMENT				
Headline earnings	4 332	11 695	607	9 874
Net profit for the year	4 491	12 429	609	9 719
Dividends paid	1 681	4 266	189	5 165

There are no loans to these associated companies.

Note 1: In the audited balance sheet of R&R, its interest in British American Tobacco Plc (BAT) is only shown as a single item representing the carrying value thereof as an equity accounted associated company. So as to disclose more meaningful information, BAT's abridged balance sheet is presented above instead. This balance sheet is at 31 December 2007 as BAT has not included a balance sheet in its quarterly report to 31 March 2008.

Note 2: Headline earnings and net profit for the year relate to the income statement of R&R which includes its share of the net profit of BAT.

Note 3: The investments above represent 78% of the total carrying value of associated companies.

ANNEXURE C

SIGNIFICANT ASSOCIATED COMPANIES – ADDITIONAL INFORMATION

	RMB Holdings (Financial services) 2007	FirstRand (Financial services) 2007	Medi-Clinic (Industrial interests) 2007	R&R (Tobacco interests) 2007
Effective interest	23.7%	9.3%	47.6%	33 $\frac{1}{3}$ %
	R million	R million	R million	R million
Carrying value of investments	4 054	4 539	987	17 047
Share of retained equity income				
– Current year	403	552	197	4 015
Normal income	715	813	280	2 964
Dividends	(345)	(354)	(91)	(1 405)
Non-recurring and capital items and impairments	86	101	–	(190)
Other changes in reserves and exchange rates	(53)	(8)	8	2 646
– Cumulative	1 453	1 654	878	14 350
Summarised financial information:	Per Interim Report 31/12/2006	Per Interim Report 31/12/2006	Per Annual Report 31/03/2007	Per Annual Report 31/03/2007
				<i>Note 1</i>
BALANCE SHEET				
Assets				
Net advances, loans and bank-related securities	1 257	50 804	–	–
Intangible assets	10	4 261	419	107 242
Property, plant and equipment and other	100	941	3 124	31 659
Investments and loans	13 703	17 894	46	38 760
Net current assets/(liabilities)	–	(21 875)	356	13 456
	15 070	52 025	3 945	191 117
Equity and liabilities				
Shareholders' funds and long-term debt	15 070	52 025	3 945	191 117
	12 months ended 31/12/2006	12 months ended 31/12/2006	12 months ended 31/03/2007	12 months ended 31/03/2007
				<i>Note 2</i>
INCOME STATEMENT				
Headline earnings	3 155	9 048	581	8 190
Net profit for the year	3 524	10 126	582	7 653
Dividends paid	1 347	3 267	178	3 964

There are no loans to these associated companies.

Note 1: In the audited balance sheet of R&R, its interest in British American Tobacco Plc (BAT) is only shown as a single item representing the carrying value thereof as an equity accounted associated company. So as to disclose more meaningful information, BAT's abridged balance sheet is presented above instead. This balance sheet is at 31 December 2006 as BAT has not included a balance sheet in its quarterly report to 31 March 2007.

Note 2: Headline earnings and net profit for the year relate to the income statement of R&R which includes its share of the net profit of BAT.

Note 3: The investments above represent 81% of the total carrying value of associated companies.

ANNEXURE D

INFORMATION ON BUSINESS AND GEOGRAPHICAL SEGMENTS FOR THE YEAR ENDED 31 MARCH 2008

<i>R million</i>	Tobacco interests	Financial services	Industrial interests	Mining interests	Corporate finance and other interests	CONSOLIDATED 2008 Total
BUSINESS SEGMENT ANALYSIS						
Sales	–	–	9 447	–	–	9 447
Results						
Subsidiary companies	167	2	1 170	267	15	1 621
Associated companies and joint ventures	3 525	2 226	1 458	(6)	7	7 210
						8 831
Finance costs						(43)
Profit on sale of investments and negative goodwill						1 684
Profit before tax						10 472
Taxation						(419)
Net profit						10 053
Attributable to:						
Equity holders						9 893
Minority interests						160
						10 053
Headline earnings	3 579	2 120	1 895	264	133	7 991
OTHER INFORMATION						
Segment assets	2 660	–	6 481	8 353	1 010	18 504
Investments in associated companies	19 229	10 579	12 758	283	326	43 175
Investments in joint ventures	2	–	24	–	38	64
						61 743
Taxation – Deferred						4
– Current						80
Consolidated total assets						61 827
Segment liabilities	2	–	2 368	–	115	2 485
Taxation – Deferred						1 454
– Current						13
Consolidated total liabilities						3 952
Additions to property, plant and equipment and intangible assets	–	–	454	–	10	464
Depreciation and amortisation	–	–	256	–	7	263
Net recovering of impairment	–	(4)	(15)	–	–	(19)

The interests of the Group have been classified into five main operating divisions/business segments – tobacco interests, financial services, industrial interests, mining interests and corporate finance/other interests. Each segment represents the main business sector of the investments classified thereunder. No adjustment has been made where companies are mainly active in one sector but have also interests in other sectors.

Income and expenses, as well as the attributable portion of the income from associated companies and joint ventures, are directly attributable to the segment.

Segment assets mainly include cash and cash equivalents, debtors and short-term loans, inventories, property, plant and equipment, intangible assets and other investments. Investments in associated companies and joint ventures, accounted for on the equity method, are stated separately.

Segment liabilities include all operating liabilities, except for taxation.

GEOGRAPHICAL SEGMENTAL ANALYSIS

The Group's interests can be divided into two main geographical areas, namely South Africa and abroad.

<i>R million</i>	Capital expenditure 2008	Sales 2008	Headline earnings 2008	Total assets 2008
South Africa	464	9 447	4 293	39 852
Abroad	–	–	3 698	21 891
	464	9 447	7 991	61 743

Total assets include assets and investments in associated companies and joint ventures, but exclude deferred tax assets and taxation paid in advance.

ANNEXURE D

INFORMATION ON BUSINESS AND GEOGRAPHICAL SEGMENTS FOR THE YEAR ENDED 31 MARCH 2007

<i>R million</i>	Tobacco interests	Financial services	Industrial interests	Mining interests	Corporate finance and other interests	CONSOLIDATED 2007 Total
BUSINESS SEGMENT ANALYSIS						
Sales	–	–	7 872	–	–	7 872
Results						
Subsidiary companies	218	1	967	147	171	1 504
Associated companies	2 774	1 716	1 499	14	–	6 003
						7 507
Finance costs						(28)
Profit on sale of investments and negative goodwill						51
Profit before tax						7 530
Taxation						(403)
Net profit						7 127
Attributable to:						
Equity holders						6 942
Minority interests						185
						7 127
Headline earnings	2 964	1 568	1 924	155	281	6 892
OTHER INFORMATION						
Segment assets	3 139	–	5 840	6 085	1 616	16 680
Investments in associated companies	17 047	8 593	6 782	316	295	33 033
Investments in joint ventures	–	–	8	–	–	8
						49 721
Taxation – Deferred						124
– Current						14
Consolidated total assets						49 859
Segment liabilities	3	–	1 980	–	140	2 123
Taxation – Deferred						1 205
– Current						104
Consolidated total liabilities						3 432
Additions to property, plant and equipment and intangible assets	–	–	474	–	65	539
Depreciation and amortisation	–	–	229	–	8	237

The interests of the Group have been classified into five main operating divisions/business segments – tobacco interests, financial services, industrial interests, mining interests and corporate finance/other interests. Each segment represents the main business sector of the investments classified thereunder. No adjustment has been made where companies are mainly active in one sector but have also interests in other sectors.

Income and expenses, as well as the attributable portion of the income from associated companies, are directly attributable to the segment.

Segment assets mainly include cash and cash equivalents, debtors and short-term loans, inventories, property, plant and equipment, intangible assets and other investments. Investments in associated companies, accounted for on the equity method, are stated separately.

Segment liabilities include all operating liabilities, except for taxation.

GEOGRAPHICAL SEGMENTAL ANALYSIS

The Group's interests can be divided into two main geographical areas, namely South Africa and abroad.

<i>R million</i>	Capital expenditure 2007	Sales 2007	Headline earnings 2007	Total assets 2007
South Africa	539	7 872	3 834	29 535
Abroad	–	–	3 058	20 186
				49 721

Total assets include assets and investments in associated companies, but exclude deferred tax assets and taxation paid in advance.

COMPANY INFORMATION

SECRETARY

M Lubbe (Mrs)

BUSINESS ADDRESS AND REGISTERED OFFICE

Carpe Diem Office Park
Quantum Street
Techno Park
Stellenbosch
7600

PO Box 456
Stellenbosch
7599

TRANSFER SECRETARIES

Computershare Investor Services (Pty) Limited
70 Marshall Street
Johannesburg
2001

PO Box 61051
Marshalltown
2107

AUDITORS

PricewaterhouseCoopers Inc.
Cape Town

LISTING

JSE Limited
Sector: Industrials – Diversified Industrials

AMERICAN DEPOSITARY RECEIPT (ADR) PROGRAM

Cusip number 75956M107
ADR to ordinary share 1:1

Depository:

The Bank of New York
101 Barclay Street
New York, NY 10286

SPONSOR

Rand Merchant Bank
(A division of FirstRand Bank Limited)

WEBSITE

www.remgro.com

SHAREHOLDERS' INFORMATION

DATES OF IMPORTANCE TO SHAREHOLDERS

Financial year-end	31 March
Annual general meeting	Thursday, 21 August 2008
FINANCIAL REPORTS	
Announcement of interim results	November
Interim report	December
Announcement of annual results	June
Annual financial statements	July
DIVIDENDS	
Interim dividend	
– declared	November
– paid	January
Final dividend	
– declared	June
– paid	August
FINAL DIVIDEND NUMBER 16	
Ordinary dividend per share	330 cents
Last day to trade in order to participate in the final dividend	Friday, 8 August 2008
Trading on or after this date will be ex the final dividend	Monday, 11 August 2008
Record date	Friday, 15 August 2008
Payment date	Monday, 18 August 2008

SHAREHOLDERS' INFORMATION

STATISTICS AT 31 MARCH 2008

	2008		2007	
	%	Number of shares	%	Number of shares
MAJOR BENEFICIAL SHAREHOLDERS				
Ordinary shares				
Public Investment Commissioner	14.22	63 829 870	15.68	70 376 263
Old Mutual Life Assurance Company SA	5.35	24 044 096	5.47	24 558 168
Other	80.43	361 129 640	78.85	353 867 776
	100.00	449 003 606	100.00	448 802 207
B ordinary shares				
Rembrandt Trust (Pty) Limited	100.00	35 506 352	100.00	35 506 352
Total		484 509 958		484 308 559

No other shareholder held a beneficial interest of more than 5% in the ordinary shares in your Company on 31 March.

	2008	2007	2006	2005
DISTRIBUTION OF SHAREHOLDERS				
Ordinary shares				
<i>Public shareholders</i>	41 832	28 728	30 929	27 321
Percentage of shareholders	99.94	99.90	99.92	99.91
Number of shares	433 151 212	432 253 223	440 740 885	448 808 224
Percentage of shares issued	96.47	96.31	98.20	92.25
<i>Non-public shareholders</i>				
Directors and their associates/Share Trust/Treasury shares	27	29	26	24
Percentage of shareholders	0.06	0.10	0.08	0.09
Number of shares	15 852 394	16 548 984	8 061 322	37 685 426
Percentage of shares issued	3.53	3.69	1.80	7.75
<i>Number of shareholders</i>	41 859	28 757	30 955	27 345

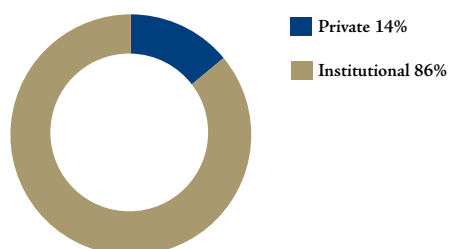
SHAREHOLDERS' INFORMATION

STATISTICS AT 31 MARCH 2008

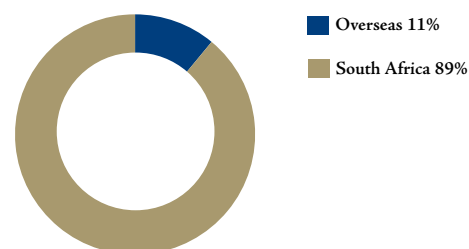
	2008	2007	2006	2005
NUMBER OF SHARES IN ISSUE				
– Ordinary shares of 1 cent each	449 003 606	448 802 207	448 802 207	486 493 650
Issued at 1 April	448 802 207	448 802 207	486 493 650	486 493 650
Issued during the year	201 399	–	–	–
Cancelled during the year	–	–	(37 691 443)	–
– Unlisted B ordinary shares of 10 cents each	35 506 352	35 506 352	35 506 352	35 506 352
Total number of shares in issue	484 509 958	484 308 559	484 308 559	522 000 002
Number of shares held in treasury	(11 972 555)	(11 948 372)	(4 473 004)	(34 903 000)
Ordinary shares repurchased and held in treasury	(8 554 019)	(8 554 019)	(1 379 635)	(30 521 841)
Ordinary shares purchased by The Remgro Share Trust and accounted for as treasury shares	(3 418 536)	(3 394 353)	(3 093 369)	(4 381 159)
	472 537 403	472 360 187	479 835 555	487 097 002
Weighted number of shares	472 052 993	474 123 689	483 154 691	497 292 403

ADDITIONAL INFORMATION (2008)

Institutional and private shareholding in Remgro Limited ordinary shares

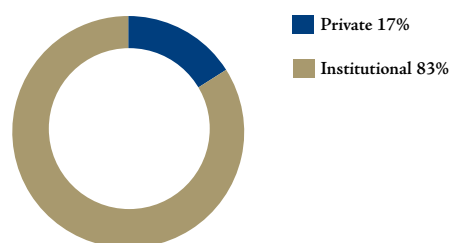


Overseas and local shareholding in Remgro Limited ordinary shares

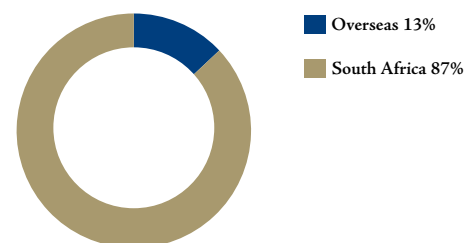


ADDITIONAL INFORMATION (2007)

Institutional and private shareholding in Remgro Limited ordinary shares



Overseas and local shareholding in Remgro Limited ordinary shares



SHAREHOLDERS' INFORMATION
STATISTICS AT 31 MARCH 2008

Interests of the directors in the issued capital of the Company
Ordinary shares

Directors	Direct beneficial	Indirect beneficial	Associates	Total
31 March 2008				
P E Beyers	70 024	13 000	–	83 024
W E Bührmann	223 256	–	–	223 256
G D de Jager	57 740	108 300	–	166 040
J W Dreyer	–	–	2 600	2 600
D M Falck	200	18 133	–	18 333
P K Harris	–	169 118	–	169 118
E de la H Hertzog	228 245	1 671 903	129 984	2 030 132
J Malherbe	26 826	222 511	22 500	271 837
J A Preller	75 069	–	–	75 069
F Robertson	–	5 000	–	5 000
J P Rupert	–	–	2 600	2 600
T van Wyk	117 585	–	100	117 685
M H Visser	–	715 145	–	715 145
	798 945	2 923 110	157 784	3 879 839

31 March 2007

P E Beyers	70 024	13 000	–	83 024
W E Bührmann	223 256	–	–	223 256
G D de Jager	38 740	108 300	–	147 040
J W Dreyer	–	–	2 600	2 600
D M Falck	200	18 133	–	18 333
P K Harris	–	169 118	–	169 118
E de la H Hertzog	228 245	1 671 903	129 984	2 030 132
J Malherbe	26 826	222 511	22 500	271 837
J A Preller	75 069	–	–	75 069
F Robertson	–	5 000	–	5 000
J P Rupert	–	–	2 600	2 600
T van Wyk	117 585	–	100	117 685
M H Visser	–	715 145	–	715 145
	779 945	2 923 110	157 784	3 860 839

B ordinary shares

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

Since the end of the financial year to the date of this report the interests of directors remained unchanged.

NOTICE TO SHAREHOLDERS

The 2008 Annual General Meeting of the Company will be held on Thursday, 21 August 2008, at 15:30 in Magnifica 2 & 3, Protea Hotel Stellenbosch, Techno Avenue, Techno Park, Stellenbosch, 7600, to, if approved, pass the following ordinary and special resolutions with or without modification:

1. APPROVAL OF ANNUAL FINANCIAL STATEMENTS

Ordinary Resolution Number 1

Resolved that the audited annual financial statements of the Company and the Group for the year ended 31 March 2008 be accepted and approved.

2. APPROVAL OF DIRECTORS' REMUNERATION

Ordinary Resolution Number 2

Resolved that directors' fees for services rendered as directors for the past financial year ended 31 March 2008 as well as the following financial year ending 31 March 2009 be determined on the following basis:

Type of fee	Fee for the past financial year 31 March 2008 R	Fee for the following financial year 31 March 2009 R
Board Member	150 000	160 000
Chairman of the Audit and Risk Committee	100 000	108 000
Member of the Audit and Risk Committee	50 000	54 000
Member of the Remuneration and Nomination Committee	25 000	27 000

3. ELECTION OF DIRECTOR

Ordinary Resolution Number 3

Resolved that Mr G D de Jager who retires in terms of article 31.1.1 of the Company's Articles of Association and who has offered himself for re-election, be re-elected as a director of the Company.

4. ELECTION OF DIRECTOR

Ordinary Resolution Number 4

Resolved that Mr J W Dreyer who retires in terms of article 31.1.1 of the Company's Articles of Association and who has offered himself for re-election, be re-elected as a director of the Company.

5. ELECTION OF DIRECTOR

Ordinary Resolution Number 5

Resolved that Dr E de la H Hertzog who retires in terms of article 31.1.1 of the Company's Articles of Association and who has offered himself for re-election, be re-elected as a director of the Company.

6. ELECTION OF DIRECTOR

Ordinary Resolution Number 6

Resolved that Mrs J A Preller who retires in terms of article 31.1.1 of the Company's Articles of Association and who has offered herself for re-election, be re-elected as a director of the Company.

7. ELECTION OF DIRECTOR

Ordinary Resolution Number 7

Resolved that Mr F Robertson who retires in terms of article 31.1.1 of the Company's Articles of Association and who has offered himself for re-election, be re-elected as a director of the Company.

8. ELECTION OF DIRECTOR**Ordinary Resolution Number 8**

Resolved that Mr T van Wyk who retires in terms of article 31.1.1 of the Company's Articles of Association and who has offered himself for re-election, be re-elected as a director of the Company.

9. ELECTION OF DIRECTOR**Ordinary Resolution Number 9**

Resolved that Mr L Crouse who retires in terms of article 31.4.1.1 of the Company's Articles of Association and who has offered himself for re-election, be re-elected as a director of the Company.

Biographical details of all directors of the Company are set out on pages 10 and 11 of the Annual Report.

10. AUTHORITY TO REPURCHASE SHARES**Special Resolution Number 1**

Resolved that the Board of Directors of the Company be hereby authorised, by way of a renewable general authority, to approve the purchase of its own shares by the Company, or to approve the purchase of ordinary shares in the Company by any subsidiary of the Company, provided that:

- this general authority shall be valid until the Company's next annual general meeting or for 15 months from the date of this resolution, whichever period is shorter;
- the ordinary shares be purchased through the order book of the JSE trading system and done without any prior understanding or arrangement between the Company and/or the relevant subsidiary and the counterparty, provided that if the Company purchases its own shares from any wholly owned subsidiary of the Company for the purposes of cancelling such treasury shares pursuant to this general authority, the above provisions will not be applicable to such purchase transaction;
- an announcement complying with paragraph 11.27 of the Listings Requirements of the JSE ("Listings Requirements") be published by the Company (i) when the Company and/or its subsidiaries cumulatively repurchased 3% of the ordinary shares in issue as at the time when the general authority was given ("the initial number") and (ii) for each 3% in the aggregate of the initial number of the ordinary shares acquired thereafter by the Company and/or its subsidiaries;
- the repurchase by the Company of its own ordinary shares shall not in the aggregate in any one financial year exceed 20% of the Company's issued share capital of that class, provided that the acquisition of ordinary shares as treasury stock by a subsidiary of the Company shall not exceed 10% in the aggregate of the number of issued shares of the Company;
- repurchases must not be made at a price more than 10% above the weighted average of the market value of the ordinary shares for the five business days immediately preceding the date on which the transaction is effected;
- at any point in time the Company may only appoint one agent to effect any repurchase on the Company's behalf or on behalf of any subsidiary of the Company;
- the Company will after a repurchase of shares still comply with the provisions of the Listings Requirements regarding shareholder spread;
- subject to the exceptions contained in the Listings Requirements, the Company and the Group will not repurchase ordinary shares during a prohibited period (as defined in the Listings Requirements) unless they have in place a repurchase programme where the dates and quantities of securities to be traded during the relevant period are fixed (not subject to any variation) and full details of the programme have been disclosed in an announcement over SENS prior to the commencement of the prohibited period; and
- such repurchases will be subject to the provisions of the Companies Act (No. 61 of 1973), as amended ("Companies Act"), the Company's Articles of Association and the Listings Requirements.

It is the intention of the Board of Directors to use this general authority should prevailing circumstances (including the tax dispensation and market conditions) warrant it in their opinion.

NOTICE TO SHAREHOLDERS

The Company's directors undertake that they will not implement any such repurchases while this general authority is valid, unless:

- the Company and the Group will be able, in the ordinary course of business, to pay its debts for a period of 12 months after the date of the notice of the annual general meeting at which this resolution is proposed ("the annual general meeting");
- the assets of the Company and the Group will exceed the liabilities for a period of 12 months after the date of the notice of the annual general meeting. For this purpose, the assets and liabilities will be recognised and measured in accordance with the accounting policies used in the Company's latest audited annual group financial statements;
- the Company and the Group will have adequate share capital and reserves for ordinary business purposes for a period of 12 months after the date of the notice of the annual general meeting;
- the working capital of the Company and the Group will be adequate for ordinary business purposes for a period of 12 months after the date of the notice of the annual general meeting; and
- upon entering the market to proceed with the repurchase, the Company's sponsor has confirmed the adequacy of the Company's working capital for the purposes of undertaking a repurchase of shares in writing to the JSE.

Reason for and effect of Special Resolution Number 1

The reason for and the effect of the special resolution is to grant the Company's directors a general authority to approve the Company's repurchase of its own shares and to permit a subsidiary of the Company to purchase shares in the Company.

For the purposes of considering Special Resolution Number 1 and in compliance with paragraph 11.26 of the Listings Requirements, the information listed below has been included in the Annual Report, in which this notice of annual general meeting is included, at the places indicated:

- Directors and management (pages 10 and 11);
- Major shareholders (page 115);
- No material changes;
- Directors' interests in securities (page 117);
- Share capital of the Company (pages 90 and 115);
- The directors, whose names are set out on pages 10 and 11 of this report, collectively and individually accept full responsibility for the accuracy of the information contained in this Special Resolution Number 1 and certify, to the best of their knowledge and belief, that there are no other facts, the omission of which would make any statement false or misleading and that they have made all reasonable queries in this regard and that this resolution contains all information required by law and the Listings Requirements;
- There are no legal or arbitration proceedings (including any such proceedings that are pending or threatened of which the Company is aware), which may have or have had a material effect on the Company's financial position over the last 12-month period.

11. AUTHORITY TO ENTER INTO DERIVATIVE TRANSACTIONS

Special Resolution Number 2

Resolved that, subject to the passing of Special Resolution Number 1, the Board of Directors of the Company be authorised, by way of a general renewable authority, to enter into derivative transactions which will or may lead to the Company being required to purchase its own shares, subject to the provisions of the Companies Act and the limitations contained in paragraph 5.84(a) of the Listings Requirements.

Reason for and effect of Special Resolution Number 2

The reason for and the effect of the special resolution is to grant the Company's directors a general authority to, subject to the provisions of the Companies Act and the Listings Requirements, enter into derivative transactions which will or may lead to the Company being required to purchase its own shares.

And to transact any other business that may be transacted at an annual general meeting.

Members who have not dematerialised their shares or who have dematerialised their shares with “own name” registration are entitled to attend and vote at the meeting and are entitled to appoint a proxy or proxies (for which purpose a form of proxy is attached hereto) to attend, speak and vote in their stead. The person so appointed as proxy need not be a member of the Company. Proxy forms must be lodged with the transfer secretaries of the Company, Computershare Investor Services (Pty) Limited, 70 Marshall Street, Johannesburg, 2001, South Africa, or posted to the transfer secretaries at PO Box 61051, Marshalltown, 2107, South Africa, to be received by them not later than Tuesday, 19 August 2008, at 15:30 (South African time).

Proxy forms must only be completed by members who have not dematerialised their shares or who have dematerialised their shares with “own name” registration.

On a show of hands, every member of the Company present in person or represented by proxy shall have one vote only. On a poll, every member shall be entitled to that proportion of the total votes in the Company which the aggregate amount of the nominal value of the shares held by such member bears to the aggregate amount of the nominal value of all the shares issued by the Company.

Members who have dematerialised their shares, other than those members who have dematerialised their shares with “own name” registration, should contact their Central Securities Depository Participant (“CSDP”) or broker in the manner and time stipulated in their agreement:

- to furnish them with their voting instructions; or
- in the event that they wish to attend the meeting, to obtain the necessary authority to do so.

By order of the Board of Directors.

M Lubbe

Secretary

Stellenbosch

18 June 2008

EXPLANATORY NOTES TO THE NOTICE TO SHAREHOLDERS

ORDINARY RESOLUTIONS

ORDINARY RESOLUTION NUMBER 1

Approval of annual financial statements

In terms of the Companies Act (No. 61 of 1973), as amended (“the Companies Act”), the directors are obliged to present the Company’s annual financial statements and Group annual financial statements to the members of the Company at the annual general meeting for consideration.

ORDINARY RESOLUTION NUMBER 2

Approval of directors’ remuneration

In terms of the Company’s Articles of Association, the remuneration payable to the directors must be determined at the Company’s annual general meeting.

ORDINARY RESOLUTIONS NUMBERS 3–9

Election of directors

In terms of the Company’s Articles of Association, one-third of the directors, or if their number is not a multiple of three, then the number nearest to but not less than one-third are required to retire at each annual general meeting. A person appointed by the directors shall retire at the following annual general meeting and shall not form part of the one-third of directors who are required to retire by rotation. Directors may offer themselves for re-election. Biographical details of all the directors of the Company are set out on pages 10 and 11 of the Annual Report.

SPECIAL RESOLUTIONS

SPECIAL RESOLUTION NUMBER 1

Authority to repurchase shares

The annual renewal of this authority is required in terms of the Companies Act and the Listings Requirements of the JSE (“the Listings Requirements”). The existing authority to the directors is due to expire at the forthcoming annual general meeting, unless renewed.

SPECIAL RESOLUTION NUMBER 2

Authority to enter into derivative transactions

The general authority is given to the directors to enable them, subject to the provisions of the Companies Act and the Listings Requirements, to enter into derivative transactions, which may or will lead to the Company being required to purchase its own shares.

Remgro Limited

(Incorporated in the Republic of South Africa)
(Registration number 1968/006415/06)
(Share code: REM ISIN: ZAE000026480)
("the Company")

FORM OF PROXY

THIS FORM OF PROXY IS ONLY FOR USE BY:

1. REGISTERED MEMBERS WHO HAVE NOT YET DEMATERIALIZED THEIR REMGRO LIMITED ORDINARY SHARES; AND
2. REGISTERED MEMBERS WHO HAVE ALREADY DEMATERIALIZED THEIR REMGRO LIMITED ORDINARY SHARES AND ARE REGISTERED IN THEIR OWN NAMES IN THE COMPANY'S SUBREGISTER *

* See explanatory note 3 overleaf.

For completion by the aforesaid registered members who hold ordinary shares of the Company ("member") and who are unable to attend the 2008 Annual General Meeting of the Company to be held on Thursday, 21 August 2008, at 15:30 in Magnifica 2 & 3, Protea Hotel Stellenbosch, Techno Avenue, Techno Park, Stellenbosch, 7600 ("the annual general meeting").

I/We _____

being the holder/s of _____ ordinary shares in the Company, hereby appoint (see instruction 1 overleaf)

1. _____ or, failing him/her,
2. _____ or, failing him/her,
3. the chairman of the annual general meeting, as my/our proxy to attend, speak and vote for me/us and on my/our behalf or to abstain from voting at the annual general meeting of the Company and at any adjournment thereof, as follows (see note 2 and instruction 2 overleaf):

	Insert an "X" or the number of votes exercisable (one vote per ordinary share)		
	In favour of	Against	Abstain
Ordinary resolutions			
1. Approval of annual financial statements			
2. Approval of directors' remuneration			
3. Election of director – Mr G D de Jager			
4. Election of director – Mr J W Dreyer			
5. Election of director – Dr E de la H Hertzog			
6. Election of director – Mrs J A Preller			
7. Election of director – Mr F Robertson			
8. Election of director – Mr T van Wyk			
9. Election of director – Mr L Crouse			
Special resolutions			
10. Authority to repurchase shares			
11. Authority to enter into derivative transactions			

Signed at _____ on _____ 2008

Signature/s _____

Assisted by _____
(where applicable)

Please read the notes and instructions overleaf.

NOTES

1. A member entitled to attend and vote at the annual general meeting is entitled to appoint one or more proxies to attend, speak and vote in his/her stead. A proxy need not be a registered member of the Company.
2. Every member present in person or by proxy and entitled to vote at the annual general meeting of the Company shall, on a show of hands, have one vote only, irrespective of the number of shares such member holds. In the event of a poll, every member shall be entitled to that proportion of the total votes in the Company which the aggregate amount of the nominal value of the shares held by such member bears to the aggregate amount of the nominal value of all the shares issued by the Company.
3. Members registered in their own name are members who elected not to participate in the Issuer-Sponsored Nominee Programme and who appointed Computershare Limited as their Central Securities Depository Participant ("CSDP") with the express instruction that their uncertificated shares are to be registered in the electronic subregister of members **in their own names**.

INSTRUCTIONS ON SIGNING AND LODGING THE FORM OF PROXY

1. A member may insert the name of a proxy or the names of two alternative proxies of the member's choice in the space/s provided overleaf, with or without deleting "the chairman of the annual general meeting", but any such deletion must be initialled by the member. Should this space/s be left blank, the proxy will be exercised by the chairman of the annual general meeting. The person whose name appears first on the form of proxy and who is present at the annual general meeting will be entitled to act as proxy to the exclusion of those whose names follow.
2. A member's voting instructions to the proxy must be indicated by the insertion of an "X", or the number of votes exercisable by that member, in the appropriate spaces provided overleaf. Failure to do so will be deemed to authorise the proxy to vote or to abstain from voting at the annual general meeting as he/she thinks fit in respect of all the member's exercisable votes. A member or his/her proxy is not obliged to use all the votes exercisable by him/her or by his/her proxy, but the total number of votes cast, or those in respect of which abstention is recorded, may not exceed the total number of votes exercisable by the member or by his/her proxy.
3. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries.
4. To be valid, the completed forms of proxy must be lodged with the transfer secretaries of the Company, Computershare Investor Services (Pty) Limited at 70 Marshall Street, Johannesburg, 2001, South Africa, or posted to the transfer secretaries at PO Box 61051, Marshalltown, 2107, South Africa, to be received by them not later than Tuesday, 19 August 2008, at 15:30 (South African time).
5. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the transfer secretaries or waived by the chairman of the annual general meeting.
6. The completion and lodging of this form of proxy will not preclude the relevant member from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such member wish to do so.
7. The completion of any blank spaces overleaf need not be initialled. Any alterations or corrections to this form of proxy must be initialled by the signatory/ies.
8. The chairman of the annual general meeting may accept any form of proxy which is completed other than in accordance with these instructions provided that he is satisfied as to the manner in which a member wishes to vote.

