

Remgro
Limited

2009

ANNUAL REPORT

CONTENTS

INVESTMENT PHILOSOPHY	2
<i>Remgro's investment philosophy</i>	
GROUP PROFILE	3
<i>Summary of the Company's business and its principal investments</i>	
GROUP STRUCTURE	4
<i>Schematic presentation of the Group's principal investments</i>	
SALIENT FEATURES	8
<i>Headline earnings per share</i>	
<i>Dividends per share</i>	
<i>Net asset value per share</i>	
<i>Stock exchange prices</i>	
SHARE STATISTICS	9
<i>Information regarding transactions on the JSE Limited</i>	
CONSOLIDATED FINANCIAL STATISTICS	
SEVEN-YEAR CONSOLIDATED INCOME STATEMENTS	10
SEVEN-YEAR CONSOLIDATED BALANCE SHEETS AND CASH FLOW STATEMENTS	11
DIRECTORATE	12
<i>Non-executive and executive directors</i>	
GENERAL REPORT	
FINANCIAL REVIEW	14
<i>Commentary on the Group's results</i>	
INVESTMENT REVIEW	21
<i>Short review of the results of individual investments</i>	
INTRINSIC NET ASSET VALUE	32
<i>Composition of the intrinsic net asset value</i>	
CORPORATE GOVERNANCE	33
SUSTAINABILITY REPORT	40
<i>Stakeholder relations</i>	
<i>Group ethics</i>	
<i>Safety and environment</i>	
<i>HIV/Aids policy</i>	
<i>Employees</i>	
<i>Pandemics</i>	
<i>Employment equity</i>	
<i>BBBEE – broad-based black economic empowerment</i>	
<i>Social investment</i>	
FINANCIAL REPORT 2009	
STATUTORY CONSOLIDATED ANNUAL FINANCIAL STATEMENTS	
OF THE GROUP WITH CONTENTS	52
COMPANY INFORMATION	122
SHAREHOLDERS' INFORMATION	122
NOTICE TO SHAREHOLDERS	126
EXPLANATORY NOTES TO THE NOTICE TO SHAREHOLDERS	130
FORM OF PROXY	<i>attached</i>

Remgro *Limited*

REMGRO invests in businesses that can deliver superior earnings and dividend growth 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.

REMGRO LIMITED is a South African investment holding company established with effect from 1 April 2000, after the restructuring of the former Rembrandt Group Limited. 2009 was another watershed year with the successful unbundling of the Group's tobacco interests to shareholders as a dividend in specie.

The Group's interests now consist mainly of investments in 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 2009

REMGRO LIMITED

ASSOCIATED COMPANIES AND OTHER

FINANCIAL SERVICES

+ RMB Holdings	25.0%
+ FirstRand	9.2%

INDUSTRIAL INTERESTS

+ Air Products South Africa	50.0%
+ Distell	29.2%
+ Dorbyl	41.4%
+ Kagiso Trust Investments	42.5%
+ Medi-Clinic	45.9%
+ Nampak	13.3%
+ PGSI	29.1%
+ Total South Africa	24.9%
+ Unilever South Africa Holdings	25.8%

MINING INTERESTS

+ Trans Hex	28.5%
+ Implats	4.4%

OTHER INTERESTS

+ Business Partners	21.5%
+ Xicom	44.4%

SUBSIDIARY COMPANIES

INDUSTRIAL INTERESTS

+ Tsb Sugar	100.0%
+ Wispeco	100.0%
+ Rainbow	73.7%

CORPORATE AND OTHER INTERESTS

+ Remgro Finance Corporation	100.0%
+ M&I Group Services	100.0%
+ Remgro International – 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

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 (80%)
 - OUTsurance Limited (62%)
 - Discovery Holdings Limited (27%)
- Market capitalisation at 31 March 2009: R24 908 million
- Website: www.rmbh.co.za



FIRSTRAND

EFFECTIVE INTEREST: 9.2%

(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 financial services 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 2009: R67 994 million
- Website: www.firstrand.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 2009: R154 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 2009: R99 947 million
- Website: www.implats.co.za

GROUP STRUCTURE

INFORMATION ON THE COMPANIES IN WHICH INVESTMENTS ARE HELD

ASSOCIATED COMPANIES AND OTHER

INDUSTRIAL INTERESTS



EFFECTIVE INTEREST: 50.0%

- 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



EFFECTIVE INTEREST: 29.2%

- Listed on the JSE Limited.
- Managing Director: 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 58.4% share in Distell at 31 March 2009.
- Market capitalisation at 31 March 2009: R10 459 million
- Website: www.distell.co.za



EFFECTIVE INTEREST: 13.3%

- Listed on the JSE Limited.
- Chief Executive Officer: A B Marshall
- 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 in South Africa.
- Market capitalisation at 31 March 2009: R8 293 million
- Website: www.nampak.com



EFFECTIVE INTEREST: 45.9%

- 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 2009: R12 750 million
- Website: www.mediclinic.co.za



EFFECTIVE INTEREST: 42.5%

- Unlisted
- Chief Executive Officer: J Njeke
- 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



EFFECTIVE INTEREST: 25.8%

- 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 *Robertsons, Rama, Flora, Lipton, Joko, Mrs Ball's, Sunlight, Omo, Surf, Vaseline* and *Lux*.
- Website: www.unilever.co.za



EFFECTIVE INTEREST: 41.4%

- 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 2009: R119 million
- Website: www.dorbyl.co.za



EFFECTIVE INTEREST: 24.9%

- Unlisted
- Chief Executive Officer: J Royère
- 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



EFFECTIVE INTEREST: 29.1%

- 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 products.
- Website: www.pggroup.co.za

GROUP STRUCTURE

INFORMATION ON THE COMPANIES IN WHICH INVESTMENTS ARE HELD

ASSOCIATED COMPANIES AND OTHER

OTHER INTERESTS



EFFECTIVE INTEREST: 21.5%

- Unlisted
- Chief Executive Officer: N Martin
- 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: T Richardson
- Xicom is a recently established USA company that specialises in the deployment and operation of wireless broadband networks.
- Website: www.xicom.com

SUBSIDIARY COMPANIES

INDUSTRIAL INTERESTS



EFFECTIVE INTEREST: 100.0%

- Unlisted
- Chief Executive Officer: J du Plessis
- 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: 73.7%

- 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 2009: R5 292 million
- Website: www.rainbowchicken.co.za

CORPORATE AND OTHER INTERESTS

REMGRO FINANCE CORPORATION LIMITED, M&I GROUP SERVICES LIMITED and REMGRO INTERNATIONAL LIMITED – JERSEY

EFFECTIVE INTEREST: 100.0%

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

SALIENT FEATURES

	2009	2008	% change
HEADLINE EARNINGS PER SHARE	987.7c	1 692.8c	(41.7)
HEADLINE EARNINGS PER SHARE FROM CONTINUING OPERATIONS*	671.5c	964.1c	(30.3)
EARNINGS PER SHARE	9 607.9c	2 095.7c	358.5
HEADLINE EARNINGS	R4 660m	R7 991m	(41.7)
HEADLINE EARNINGS FROM CONTINUING OPERATIONS*	R3 168m	R4 551m	(30.4)
EARNINGS – net profit for the year	R45 330m	R9 893m	358.2

Dividends per share

Ordinary	190.00c	510.00c	(62.7)
– Interim	80.00c	180.00c	(55.6)
– Final	110.00c	330.00c	(66.7)

Net asset value per share

(attributable to own members)

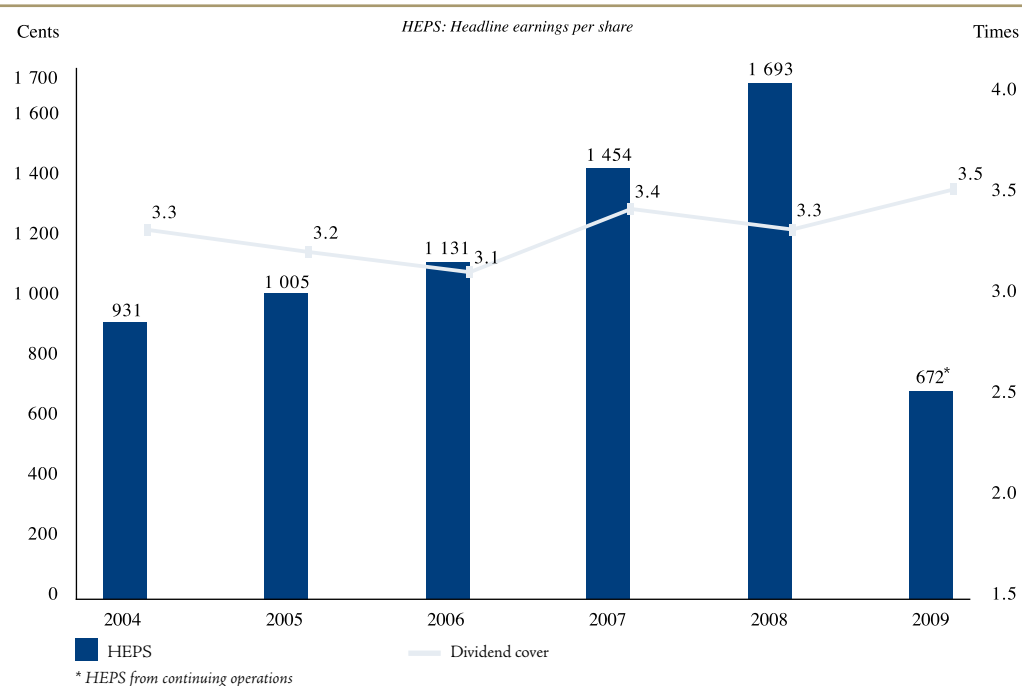
– at intrinsic value	R99.15	R253.67	(60.9)
Tobacco interests	–	R137.47	
Other investments	R99.15	R116.20	(14.7)

Stock exchange prices

Closing price per share at 31 March	R67.50	R195.93	(65.5)
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* During November 2008 the investment in British American Tobacco Plc (BAT) was distributed to Remgro shareholders as an interim dividend in specie. In order to facilitate year-on-year comparison, headline earnings and headline earnings per share are also presented for continuing operations, which excludes the equity accounted income of BAT, as well as all non-recurring costs relating to the unbundling. Refer to the Report of the Board of Directors for further details.

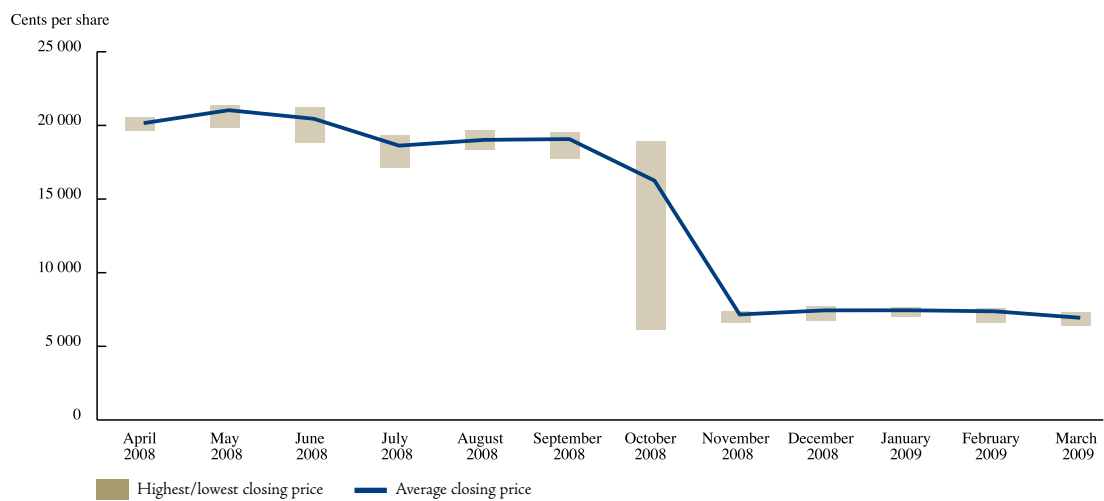
DIVIDEND COVER



SHARE STATISTICS

JSE Limited	2009	2008	2007	2006	2005	2004
Weighted number of Remgro ordinary shares in issue – excluding the unlisted B ordinary shares ('000)	436 292	436 547	438 617	447 648	461 786	467 774
Market capitalisation at 31 March (R million) – Ordinary shares only	29 665	87 973	81 233	60 588	45 633	35 028
Price (cents per share)						
– 31 March	6 750	19 593	18 100	13 500	9 380	7 200
– Highest	21 401	20 700	18 294	13 800	9 701	7 495
– Lowest	6 100	17 200	12 200	9 150	6 980	5 150
Number of shares traded ('000)	416 657	289 937	236 577	284 396	187 389	187 231
Value of shares traded (R million)	56 990	53 841	35 509	32 732	15 553	11 785
Shares traded/weighted number of ordinary shares (%)	95.5	66.4	53.9	63.5	40.6	40.0
Number of transactions	300 257	201 515	126 747	100 309	64 707	54 055

REMGRO SHARE PRICE



SEVEN - YEAR

CONSOLIDATED INCOME STATEMENTS

<i>R million</i>	2009	2008	2007	2006	2005	2004	2003
Profit before taking into account the following	1 218	1 578	1 476	1 938	1 384	1 292	1 209
Non-recurring and capital items and impairments	40 345	1 684	51	3 165	2 216	(132)	1 055
Consolidated profit before tax	41 563	3 262	1 527	5 103	3 600	1 160	2 264
Taxation	(945)	(419)	(403)	(857)	(417)	(397)	(394)
Consolidated profit after tax	40 618	2 843	1 124	4 246	3 183	763	1 870
Share in after-tax profit of associated companies and joint ventures	4 806	7 210	6 003	4 354	5 742	3 177	7 262
Net profit after tax	45 424	10 053	7 127	8 600	8 925	3 940	9 132
Minority interest	(94)	(160)	(185)	(398)	(407)	(335)	(446)
Attributable net profit for the year	45 330	9 893	6 942	8 202	8 518	3 605	8 686
Headline earnings	4 660	7 991	6 892	5 084	4 998	4 687	4 856
Headline earnings per share (cents)	987.7	1 692.8	1 453.6	1 052.3	1 005.0	931.3	940.1
Headline earnings per share from continuing operations (cents)#	671.5	964.1					
Headline earnings per share – excluding non-recurring portion of BEE costs (cents)*	987.7	1 700.7	1 453.6	1 130.9	1 005.0	931.3	940.1
Earnings per share (cents)	9 607.9	2 095.7	1 464.2	1 697.6	1 712.9	716.3	1 681.6
Dividends per share (cents)							
– Ordinary	190.00	510.00	434.00	361.00	314.00	285.00	248.00
– Special				400.00	600.00	200.00	

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

During November 2008 the investment in British American Tobacco Plc (BAT) was distributed to Remgro shareholders as an interim dividend in specie. Refer to the Report of the Board of Directors for further details.

In order to facilitate year-on-year comparison, headline earnings per share are also presented for continuing operations which excludes the equity accounted income of BAT, as well as all non-recurring costs relating to the unbundling. Also refer to note 1 to the annual financial statements for further details.

* 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 2008 financial year, Rainbow Chicken Limited also concluded a BEE transaction and accordingly headline earnings per share were again presented excluding the non-recurring portion of BEE costs.

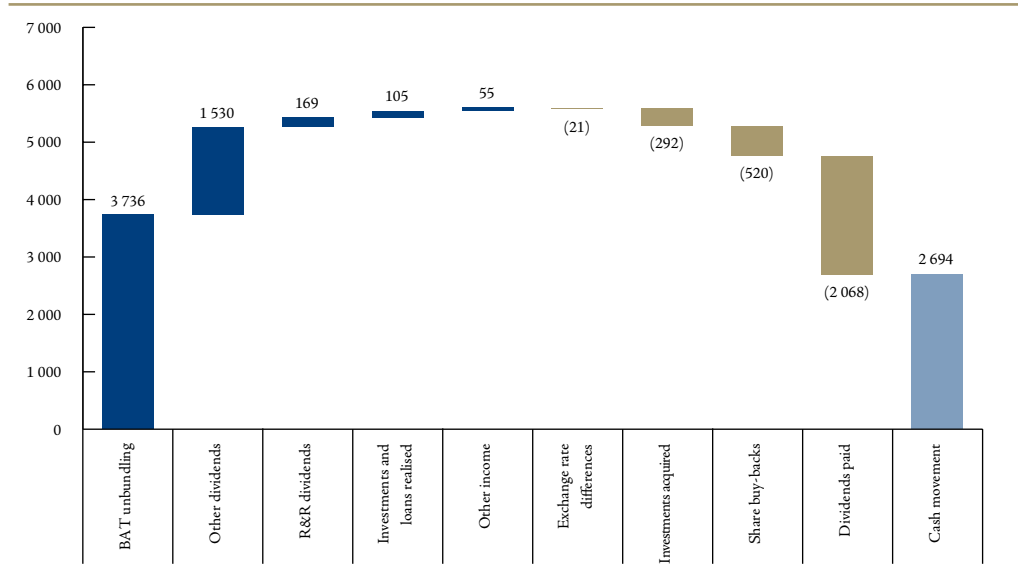
SEVEN - YEAR

CONSOLIDATED BALANCE SHEETS AND CASH FLOW STATEMENTS

<i>R million</i>	2009	2008	2007	2006	2005	2004	2003
BALANCE SHEETS							
Property, plant and equipment	2 866	2 668	2 564	2 444	4 120	3 515	3 253
Investments – Associated companies	23 795	43 175	33 033	26 098	28 201	22 737	19 844
Other non-current assets	5 430	9 132	6 802	4 584	2 645	2 106	3 607
Current assets	10 025	6 852	7 460	8 210	4 773	5 372	4 079
Total assets	42 116	61 827	49 859	41 336	39 739	33 730	30 783
Total equity	38 787	57 875	46 427	38 090	36 844	31 411	28 981
Non-current liabilities	1 172	1 872	1 580	1 144	866	685	472
Current liabilities	2 157	2 080	1 852	2 102	2 029	1 634	1 330
Total equity and liabilities	42 116	61 827	49 859	41 336	39 739	33 730	30 783
Net asset value per share (Rand) (attributable to own members)							
– at book value	80.75	121.11	96.69	78.14	71.51	59.26	54.19
– at intrinsic value	99.15	253.67	221.00	157.59	119.97	100.36	77.23
CASH FLOW STATEMENTS							
Cash generated from operations	883	1 232	1 666	1 474	1 566	1 383	1 055
Cash flow generated from returns on investments	1 642	3 801	3 040	4 200	2 670	2 013	2 542
Taxation paid	(280)	(497)	(676)	(369)	(546)	(363)	(220)
Cash available from operating activities	2 245	4 536	4 030	5 305	3 690	3 033	3 377
Dividends paid	(2 120)	(2 252)	(3 813)	(4 676)	(2 642)	(1 438)	(1 765)
Cash flow from operating activities	125	2 284	217	629	1 048	1 595	1 612
Net investing activities	1 053	(3 438)	(1 725)	3 364	(2 203)	(528)	(1 943)
Net financing activities	10	84	70	99	9	62	(82)
Net increase/(decrease) in cash and cash equivalents	1 188	(1 070)	(1 438)	4 092	(1 146)	1 129	(413)

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 (59)
CHAIRMAN

Directorships: Executive Chairman of Compagnie Financière Richemont SA and Reinet Investments Manager SA and Non-executive Chairman of VenFin Limited and Chairman of Business Partners Limited.



E de la H Hertzog (59)
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 (59)

Directorships: Distell Group Limited and Unilever South Africa Holdings (Pty) Limited.



J Malherbe (53)

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

EXECUTIVE DIRECTORS



M H Visser (55)
CHIEF EXECUTIVE OFFICER
Qualification: BComm (Hons), CA(SA)
Years of service with the Group: 29

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



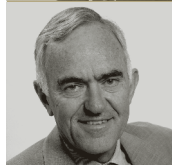
W E Bührmann (54)
INVESTMENTS
Qualification: BComm, CA(SA)
Years of service with the Group: 22

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



L Crouse (56)
GROUP FINANCE
Qualification: CA(SA)
Years of service with the Group: 1

Directorships: RMB Holdings Limited, Tsb Sugar Holdings (Pty) Limited, Wispeco Holdings Limited, Air Products South Africa (Pty) Limited, Dorbyl Limited, Kagiso Trust Investments (Pty) Limited, Trans Hex Group Limited and Business Partners Limited.



J W Dreyer (58)
INVESTMENTS
Qualification: BComm, LLB,
H Dip Co Law, H Dip Tax
Years of service with the Group: 9

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



J A Preller (Mrs) (59)
CORPORATE AFFAIRS
Qualification: BEcon
Years of service with the Group: 37



T van Wyk (61)
INVESTMENTS
Qualification: BComm, LLB, LLM, H Dip Tax
Years of service with the Group: 19

DIRECTORATE

AND MEMBERS OF COMMITTEES

INDEPENDENT NON-EXECUTIVE DIRECTORS



G D de Jager (58)

Directorships: *Anglo Suisse Investment Holdings Limited and Sharp Interpack Limited.*



P K Harris (59)

Directorships: *Chief Executive Officer of FirstRand Limited and director of RMB Holdings Limited, FirstRand Bank Holdings Limited, FirstRand Bank Limited and Momentum Group Limited.*



M M Morobe (52)

Directorships: *Chief Executive Officer of Kagiso Media Limited and director of Kagiso Media Limited group of companies, City Year South Africa, Resolve Group (Pty) Limited and Tokiso Commercial (Pty) Limited.*



F Robertson (54)

Directorships: *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.*



H Wessels (64)
Appointed: 22 August 2008

Directorships: *Naspers Investments Limited and Keeromstraat 30 Investments Limited.*

MEMBERS OF COMMITTEES

EXECUTIVE COMMITTEE

M H Visser (Chairman)

W E Bührmann

L Crouse (since 18 June 2008)

J W Dreyer (since 25 November 2008)

J A Preller

T van Wyk

AUDIT AND RISK COMMITTEE

D Prins (until 22 August 2008)

G D de Jager

F Robertson

H Wessels (Chairman) (since 22 August 2008)

REMUNERATION AND NOMINATION COMMITTEE

J P Rupert (Chairman)

G D de Jager

P K Harris

F Robertson

INTRODUCTION

The South African economy slowed sharply towards the end of 2008. A broad cyclical slowdown was already under way since the end of 2007 when the global financial crisis erupted in full force during September of 2008, sending the world economy into a tailspin. The South African economy registered its first quarterly decline in ten years during the fourth quarter of 2008 (-1.8%) and the annual growth rate receded to 3.1%, following four calendar years of growth of around 5% per annum.

Whilst electricity supply shortages caused major disruptions to economic growth during the first part of calendar 2008, the slowdown in economic activity for the full year was evident in the growth rate of real household consumption receding to 2.3% from 6.6% in 2007, reflecting that the level of real consumer spending actually contracted during the second half of the year. The contractions deepened during the first quarter of 2009. The growth momentum in real fixed investment spending (the private and public sectors in aggregate) slowed from above 16% in 2007 to 2.6% during the first quarter of 2009. Adding insult to injury, exports contracted sharply during the final quarter of the year and the first quarter of 2009 in response to the vicious world economic recession unfolding.

Business has been navigating exceptionally treacherous waters during the past calendar year and faces an equally treacherous and uncertain outlook, which is dominated by the unstable world economic conditions. Global real GDP is estimated to have contracted at a 6.7% annualised pace during the fourth quarter of 2008 and 5.6% during the first quarter of 2009. The contraction in economic activity was led by the advanced economies. The world economic recession is synchronised and the deepest since World War II. Global trade and financial flows shrunk sharply, commodity prices tumbled and production and employment losses have been and still are mounting. The economic woes are worst in the developed economies; however, emerging economies have been impacted via the close trade and financial linkages. The commodity price-induced global inflation shock of 2006 to 2008 has spectacularly reversed, and across the globe central banks, fiscal authorities and multilateral financial institutions are immersed in a full-on battle to arrest deflationary tendencies. From March 2009 the global economic crisis appears to have stabilised and optimism began building that a recovery was under way.

Whilst the South African economy has been shielded from the trigger of the global financial crisis (i.e. the bursting of the US sub-prime financial bubble), it is fully exposed to the indirect impact on export demand and prices flowing from the world recessionary conditions, as well as the contraction in capital flows. The local manufacturing sector experienced a particular strong downturn during the final quarter of 2008 and business survey indices in the sector declined to decade lows during the first quarter of 2009. Whilst the growth in real consumer spending has slowed and retail activity has contracted, a measure of resilience was still detected during the first quarter of 2009; however, the outlook is clouded by additional production cutbacks and threatening employment losses.

A number of positive fundamental factors bolster an otherwise worrying outlook for South Africa. Firstly, South Africa's banking sector has a negligible direct exposure to the sub-prime financial woes, is well capitalised and astutely regulated. Whilst the rand exchange rate took a hit initially, its resilience in the face of the global financial crisis and the return of inward equity investment during the first quarter of 2009 bode well. Secondly, in both the monetary and fiscal policy departments considerable space has been created in recent years for countervailing intervention. Prime overdraft interest rates have already declined by 450 basis points and could decline further should external conditions deteriorate again. The budgeted fiscal deficit is projected to increase from -1% in 2008/09 to -3.8% in 2009/10, which will still leave the public debt ratio (currently at 22.6%) well below the level of 48.1% recorded in 1996/97. Thirdly, South Africa has already embarked on an aggressive public fixed investment drive which will serve to counter some of the adverse tendencies expected in the private sector.

As heartening as these fundamentals are, the scope and intensity of the prevailing risks generated by the global financial/economic crisis are profound. For South Africa these risks centre on exports and the availability of foreign capital to finance the large current account deficit.

HEADLINE EARNINGS

With effect from 3 November 2008 the investment in British American Tobacco Plc (BAT) was distributed to Remgro shareholders as an interim dividend *in specie*. For the year under review the investment in BAT was accordingly only equity accounted for the seven months to 31 October 2008, resulting in distortions when comparing the financial results for the two years reported on.

For the year to 31 March 2009 both headline earnings and headline earnings per share decreased by 41.7% from R7 991 million to R4 660 million and from 1 692.8 cents to 987.7 cents respectively.

CONTRIBUTION TO HEADLINE EARNINGS

	Year ended 31 March	
	2009 R million	2008 R million
Tobacco interests	2 295	3 579
Financial services	1 576	2 120
Industrial interests	1 318	1 895
Mining interests	164	264
Corporate finance and other interests	(693)	133
	4 660	7 991

Currency movements continued to impact the tobacco interests' contribution to the Group's earnings. Due to the weaker rand, the positive currency impact on translation of R&R Holdings SA, Luxembourg's (R&R) contribution to headline earnings (consisting mainly of equity accounted income from BAT) was R141 million during the year under review, compared to R250 million in 2008, as set out in the table below.

	Year ended 31 March	
	2009	2008
Average exchange rate (R/£)	15.2235	14.2882
R&R's contribution (£'m)	151	251
R&R's contribution (R'm)	2 295	3 579
Favourable currency impact (R'm)	141	250

The combined contribution of FirstRand and RMBH to Remgro's headline earnings from financial services amounted to R1 576 million (2008: R2 120 million). The decrease of 25.7% can be attributed mainly to an increase in bad debts in the retail lending business of the banking division as well as to equity trading losses.

The contribution of the industrial interests decreased by 30.4% to R1 318 million (2008: R1 895 million). Total South Africa's contribution to headline earnings amounted to a loss of R25 million (2008: R207 million profit). The results of Total South Africa were materially impacted by the lower international oil price during the second half of 2008, resulting in substantial stock losses. Kagiso Trust Investments' (KTI) contribution to headline earnings amounted to a loss of R139 million (2008: R88 million profit). KTI's results were negatively impacted by unfavourable fair value adjustments amounting to R368 million (2008: R38 million favourable) relating to its holding of Metropolitan Holdings

FINANCIAL REVIEW

Limited convertible preference shares. Distell reported good results with its contribution to headline earnings amounting to R304 million (2008: R261 million). Rainbow reported lower results with its contribution to Remgro's headline earnings amounting to R235 million (2008: R377 million), while Unilever's contribution to headline earnings amounted to R231 million (2008: R229 million). Tsb Sugar reported excellent results with its contribution to headline earnings amounting to R187 million (2008: R121 million). Tsb Sugar's results were favourably impacted by the current high world price of sugar as well as favourable climatic conditions resulting in high levels of sugar production. Medi-Clinic and Nampak's contribution to headline earnings amounted to R288 million and R105 million respectively (2008: R285 million and R163 million).

Mining interest's contribution to headline earnings decreased by 37.9% to R164 million (2008: R264 million). Dividends received from Implats amounted to R346 million (2008: R267 million). Trans Hex reported a headline loss of R637 million for the year under review (2008: R8 million loss). Remgro's share of this loss amounted to R182 million (2008: R3 million loss). Included in Trans Hex's results for the 2009 financial year are impairment losses amounting to R370 million.

The contribution of corporate finance and other interests decreased to a headline loss of R693 million (2008: R133 million profit). The decrease can be attributed mainly to secondary taxation on companies (STC) amounting to R686 million payable on the dividend *in specie*, as well as losses amounting to R108 million which were equity accounted from the investment in Xicom (2008: R38 million loss for eight months of the year). Lower interest rates than in the comparative year also resulted in a decrease in the contribution from the central treasury division of R36 million. Also included in headline earnings are foreign currency profits amounting to R50 million realised on the repatriation of R&R dividends.

HEADLINE EARNINGS FROM CONTINUING OPERATIONS

In order to facilitate year-on-year comparison, headline earnings and headline earnings per share are also presented for continuing operations, which excludes the equity accounted income of BAT, as well as all non-recurring costs relating to the unbundling, as set out in the following table.

	2009 R million	2008 R million
Headline earnings as reported	4 660	7 991
Equity accounted income of BAT	(2 211)	(3 440)
STC on the BAT unbundling	686	–
Other non-recurring costs relating to the unbundling	33	–
Headline earnings from continuing operations	3 168	4 551
Headline earnings per share as reported (cents)	987.7	1 692.8
Headline earnings per share from continuing operations (cents)	671.5	964.1

Headline earnings from continuing operations decreased by 30.4%, from R4 551 million to R3 168 million, while headline earnings per share from continuing operations decreased by 30.3% from 964.1 cents to 671.5 cents.

EARNINGS

Total earnings increased by 358.2% to R45 330 million (2008: R9 893 million), mainly as a result of the capital gain amounting to R40 805 million realised on the unbundling of the investment in BAT.

During the year under review Remgro made a provision for impairment amounting to R438 million on three of its investments, i.e. Dorbyl, Trans Hex and PGSI, as their carrying values exceeded their estimated recoverable amounts.

REPURCHASE OF REMGRO SHARES

At 31 March 2008, 8 554 019 Remgro ordinary shares (1.9%) were held as treasury shares. During the six months ended 30 September 2008 a wholly owned subsidiary company of Remgro acquired 3 500 000 Remgro ordinary shares at an average price of R189.71 for a total amount of R666.4 million. These shares were acquired for the purpose of hedging the new share appreciation right scheme that was implemented subsequent to the unbundling of the investment in BAT. At 30 September 2008, 12 054 019 Remgro ordinary shares (2.7%) were held as treasury shares.

During the year under review no Remgro ordinary shares were purchased by The Remgro Share Trust, while 1 042 426 shares were delivered to participants against payment of the subscription price.

Subsequent to 30 September 2008, as part of the preliminary steps to the unbundling of the investment in BAT, the 8 554 019 Remgro ordinary shares held as treasury shares and 969 836 of the Remgro ordinary shares held by The Remgro Share Trust were cancelled after the unbundling of the investment in BAT was approved by Remgro shareholders. The balance of the Remgro ordinary shares held by The Remgro Share Trust were delivered to participants and a wholly owned subsidiary company of Remgro provided a direct finance facility to the participants to allow them to settle the outstanding purchase price.

At 31 March 2009, 3 500 000 Remgro ordinary shares (0.8%) were held as treasury shares.

DIVIDENDS

The final ordinary dividend per share was determined at 110 cents (2008: 330 cents). Total ordinary dividends per share in respect of the financial year to 31 March 2009 therefore amount to 190 cents (2008: 510 cents).

For a Remgro shareholder who continues to hold ordinary shares in BAT as well as Reinet depositary receipts (DRs), this means an increase of 8.0% in dividend income when compared to the previous financial year.

The dividend is covered 52 times by headline earnings against 3.3 times 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
- ✦ Cash flow projections

It is the policy of Remgro not to apply a control premium to the valuation of investments where it holds a majority interest. Where Remgro holds a minority interest a 10% tradeability discount is applied.

Remgro's unlisted investments were valued as follows:

AIR PRODUCTS SOUTH AFRICA

The discounted cash flow method was used to value this investment. A weighted average cost of capital of 12.2% and terminal growth rate of 5.0% were used in calculating the equity value. No tradeability discount is applied to the Air Products South Africa valuation due to the 50% shareholding.

BUSINESS PARTNERS

The last material share trade, at 600 cents per share, was used to value this investment.

KAGISO TRUST INVESTMENTS

A sum-of-the-parts valuation, with an effective date of 28 February 2009, was used as valuation basis. A 10% tradeability discount was applied to the valuation.

KIEF

This investment is still in a start-up phase and is therefore valued at its accounting carrying value.

PGSI

The discounted cash flow method was used to value this investment. A weighted average cost of capital of 12.8% and terminal growth rate of 4.0% were used in calculating the equity value, whereafter a 10% tradeability discount was applied.

TOTAL SOUTH AFRICA

A forward price-earnings ratio of 7.6 was used to determine the equity value of this investment, whereafter a 10% tradeability discount was applied.

TSB SUGAR

A historical price-earnings ratio of 14.0 was used to value this investment. No control premium was applied to this valuation.

UNILEVER SOUTH AFRICA

The investment is valued at the put option value at which the investment can be put to the other shareholder. The option value implies a historical price-earnings ratio of 18.3.

WISPECO

A historical price-earnings ratio of 6.0 was used to value this investment. The after-tax inventory writedown of R27.8 million for the year under review was ignored for valuation purposes. No control premium was applied to this valuation.

XIOCOM

This investment is still in a start-up phase and is therefore valued at its accounting carrying value.

The intrinsic net asset value at the end of March 2009 amounted to R99.15 per share. A schedule, setting out the analysis of the intrinsic net asset value per share at 31 March 2009 and 2008, 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:

	2009	2008
	R million	R million
Per balance sheet	5 050	3 934
Investment in money market funds	1 578	–
Less: Cash of operating subsidiaries	(661)	(661)
Cash at the centre	5 967	3 273
– Local	874	619
– Offshore	5 093	2 654

On 31 March 2009, R1 578 million was invested in money market funds which are not classified as cash and cash equivalents on the balance sheet.

Cash held by associated companies are not included in cash at the centre. For information and comparative purposes, R&R's cash and cash equivalents attributable to Remgro at 31 March 2008, when R&R was still an associate and its cash therefore not included in cash at the centre, amounted to £152 million or R2 433 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. The material decrease in the Remgro share price and intrinsic net asset value per share reflects the unbundling of Remgro's interest in BAT on 3 November 2008 to Remgro shareholders.

	2009	2008	2007	2006	2005	2004
Intrinsic net asset value –						
Rand per share	99.15	253.67	221.00	157.59	119.97	100.36
JSE – All share index	20 364	29 588	27 267	20 352	13 299	10 693
– Fin & Ind 30 index	18 080	23 868	24 960	19 491	13 477	9 953
– Financial 15 index	5 438	7 424	9 345	7 616	5 258	3 782
– Resource 20 index	38 767	64 543	50 018	34 923	21 585	19 961
Remgro share price (Rand)	67.50	195.93	181.00	135.00	93.80	72.00

The relative share performance of Remgro's share price and intrinsic net asset value per share are calculated on the assumption that on 31 March 2009 a Remgro shareholder was still in possession of the unbundled shares in BAT and Reinet Investments S.C.A. (Reinet) depositary receipts, and also that a Remgro shareholder followed his rights in terms of the Reinet warrant receipts by exchanging BAT shares for additional Reinet depositary receipts.

Relative performance	1 year to	5 years to
	31 March 2009	31 March 2009
	(% year on year)	(% compounded per annum)
Intrinsic net asset value	(22.95)	14.3
JSE – All share index	(31.2)	13.7
– Fin & Ind 30 index	(24.3)	12.7
– Financial 15 index	(26.8)	7.5
– Resource 20 index	(39.9)	14.2
Remgro share price	(16.4)	17.9

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 2009
	(% compounded per annum)
JSE – All share index	15.02
– Fin & Ind 30 index	9.01
– Financial 15 index	8.64
– Resource 20 index	20.43
Remgro share	27.14

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

	2009 R million	2008 R million
R&R Holdings	2 295	3 579

R&R HOLDINGS

Prior to the unbundling of the investment in British American Tobacco Plc (BAT) during November 2008, Remgro's interest in BAT was represented by its one-third holding of the ordinary shares and all of the "2005" participation securities issued by R&R. The balance of the ordinary share capital of R&R was held by Compagnie Financière Richemont SA. In addition to the above, Remgro also held one-third of the "2006" participation securities issued by R&R.

For the seven months to 31 October 2008 Remgro's share of R&R's headline earnings consisted of 35.46% of R&R's share of the attributable profit of BAT and its share of R&R's non-BAT income (including income attributable to its investment in the "2006" participation securities referred to above).

	2009 £ million	2008 £ million
Attributable profit of BAT before non-recurring and capital items	1 359	2 275

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

– 30.06% to 30.20% (2008: 29.62% to 29.97%)	410	679
R&R's non-BAT income	10	12
R&R's headline earnings for the year ended 31 March	420	691

Remgro's share thereof:

– 35.46% of R&R's share of the attributable profit of BAT	145	241
– portion of R&R's non-BAT income	6	10
	151	251

	R million	R million
Translated at an average R/£ rate of 15.2235 (2008: 14.2882)	2 295	3 579

BAT has a 31 December year-end and reports to its shareholders on a quarterly basis. Additional information in respect of BAT, including copies of the annual and quarterly reports, is available from the BAT website at www.bat.com.

FINANCIAL SERVICES

CONTRIBUTION TO HEADLINE EARNINGS

	2009	2008
	R million	R million
FirstRand	815	1 090
RMBH	761	1 030
	1 576	2 120

Both FirstRand Limited ("FirstRand") and RMB Holdings Limited ("RMBH") have June year-ends and therefore their results for the twelve months ended 31 December 2008 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 9.2% 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 2008 reported that headline earnings decreased by 20% to R4 553 million (2007: R5 702 million). Pro forma headline earnings, after taking into account the unbundling of FirstRand's share in Discovery during November 2007, decreased by 17% to R4 553 million (2007: R5 517 million). These results are reflective of an extremely difficult operating environment, characterised by declines in asset prices, continued market volatility and a deteriorating economic outlook, both locally and internationally.

The earnings of the commercial bank, FNB, decreased by 15%, mainly as a result of a significant increase in the bad debt charge. RMB, the investment bank, had lower earnings by 20% despite a strong performance by its investment banking division. The continued liquidation of the international trading portfolios and the default of Dealstream led to losses of R798 million reported by the Equity Trading division. The earnings of WesBank, the instalment finance business, declined by 62% due to a combination of a higher bad debt charge and slowing book growth in its local lending business. This earnings excludes a loss of R206 million incurred on the sale of the Australia MotorOne advances book. The significant drop in equity markets has led to a 19% decrease in the earnings of Momentum to R740 million (2007: R913 million).

FirstRand believes that the benefits to consumers of reducing interest rates will only start to show in late 2009 or the early part of 2010 and economic activity will remain subdued. Therefore, earnings from its local retail franchises will remain under pressure in the second half of the year. The local investment and corporate banking activities of FirstRand are expected to remain resilient in the second six months which will mitigate to some extent the strain in the local retail business.

RMBH – LISTED

For the six months ended 31 December 2008, 79.6% (2007: 88.9%) of RMBH's headline earnings, before taking into account other net income and funding costs, was from FirstRand, while its other interests contributed 20.4% (2007: 11.1%). RMBH's other interests include Discovery Holdings Limited, OUTsurace Limited and RMB Structured Insurance Limited.

The Discovery Group is active in the insurance and healthcare funding markets in South Africa and the United Kingdom, and performed exceptionally well. Strong performances from Discovery Health and Discovery Life increased headline earnings by 19% to R489 million for the six months ended 31 December 2008. The short-term insurer, OUTsurace, posted excellent results for the period under review, with net earned premium income exceeding R1.9 billion and reflecting a 19% increase. After allowing for start-up costs of "Youi", an Australia-based direct insurer, OUTsurace reported an

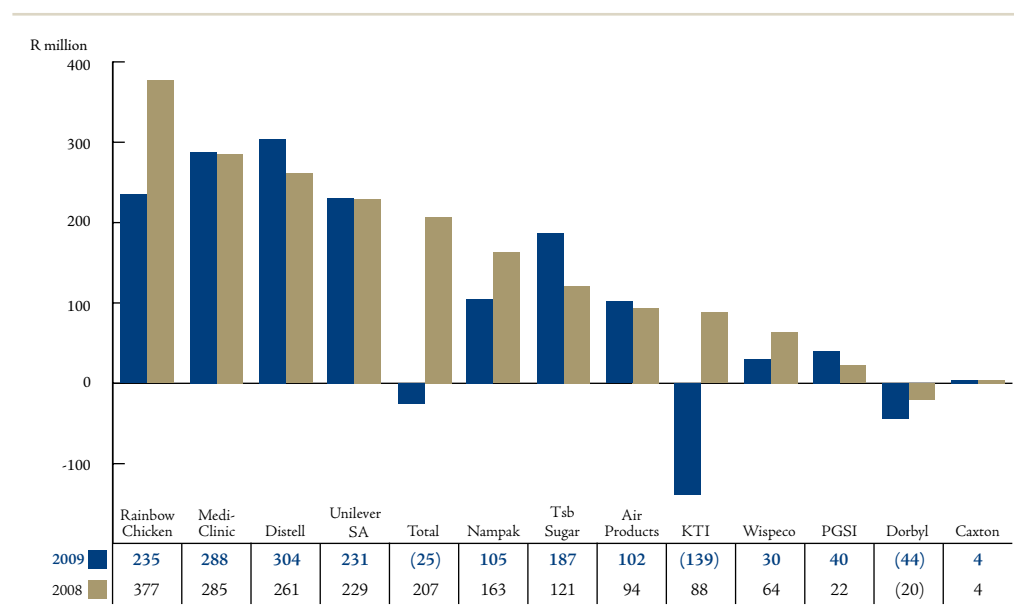
INVESTMENT REVIEW

increase in headline earnings for the six-month period by 17% to R331 million (2007: R282 million). RMB Structured Insurance ("RMBSI") creates individual insurance and financial risk solutions for large corporates by using innovative financial structures. RMBSI's contribution to RMBH's headline earnings for the period under review amounted to R25 million and is relatively small compared to the R205 million and R131 million from OUTsurance and Discovery respectively.

RMBH has sold its 12.3% interest in Glenrand M.I.B at the end of December 2008. The gain arising on the sale of Glenrand M.I.B and its contribution to headline earnings for the period under review do not have a material effect on RMBH and are included in its other net income.

INDUSTRIAL INTERESTS

CONTRIBUTION TO HEADLINE EARNINGS

**RAINBOW CHICKEN LIMITED ("RAINBOW") – LISTED**

For the year ended 31 March 2009, Rainbow's headline earnings decreased by 39.6% from R528.1 million to R318.8 million, but by only 14.8% if unrealised losses on financial instruments used in the feed raw material procurement strategy are excluded from headline earnings. The decline in headline earnings is mainly a reflection of the 32.2% feed cost increases which could not entirely be recovered by increased chicken pricing.

Rainbow's total revenue increased by 14.4%, underpinned by a 17.2% growth in chicken revenue which contributed 79% of total revenue. Overall chicken sales volumes increased by 2%. Feed raw material prices peaked at historically high levels during the past twelve months and remain exceptionally volatile.

On 30 July 2008, Rainbow's BEE transaction was concluded with the issue of the 15% shares to the BEE consortium. The only impact of this transaction on Rainbow's results will be the recurring employee portion of the option charge and STC payable on dividends declared in respect of these shares.

Consumer spending is expected to remain under pressure, given the global economic recession and its spill-over impact locally. Maize prices are likely to remain at the current lower levels, while soya prices are likely to remain under pressure due to lower anticipated crops. By virtue of Rainbow's forward

procurement policy, feed prices are only expected to be meaningfully lower in the second half of the 2010 financial year. The lower anticipated feed prices and the benefit of the unrealised procurement losses accounted for in 2009 are likely to have a favourable impact on the earnings for the 2010 year.

The Rainbow range of products can be classified as 'core' and 'added value'. Added-value products which now include Rainbow Viennas and Polonies, Rainbow Crumbed as well as Rainbow Grill and Braai, have shown tremendous growth and now contribute a meaningful percentage to retail sales. Rainbow Simply Chicken Polony has become the market leader in the polony sector through the focus on driving growth in the added value portfolio.

Rainbow's focus on innovation, differentiation and communication continues to prove successful. Rainbow's brand strategy has been effective in delivering an acceptable margin during a period of extreme input cost pressure.

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

Medi-Clinic's turnover increased by 71% to R16 351 million (2008: R9 579 million) for the year under review, while headline earnings increased by 3% to R624 million (2008: R608 million). As a result of the Hirslanden acquisition during the second half of 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, 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. For the previous financial year, Hirslanden's revenue included in Medi-Clinic's results was R3 041 million and operating income before interest, taxation, depreciation and amortisation ("EBITDA") was R710 million. Hirslanden's revenue and EBITDA for the year under review amounted to R8 737 million and R1 961 million, respectively.

The Southern African group revenue increased by 12% to R6 792 million (2008: R6 056 million) for the year under review due to a 3.3% increase in bed-days sold and an 8.6% increase in the average income per bed-day. EBITDA increased by 12% to R1 458 million (2008: R1 302 million) despite inflationary pressure during the last six months of the 2008 calendar year, and the Southern African operations contributed R553 million (2008: R527 million) to the attributable income of Medi-Clinic.

Medi-Clinic has a controlling interest (50% plus one share) in Emirates Healthcare Holdings Limited which owns and operates the Welcare Hospital and The City Hospital in Dubai. Emirates Healthcare also has the right to develop another hospital, which will make it the largest healthcare provider in Dubai. Revenue from the United Arab Emirates increased by 71% to R822 million (2008: R482 million) for the year under review, while EBITDA declined by 76% to R12 million (2008: R50 million), mainly due to start-up losses at The City Hospital.

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 2008.

Distell reported for the six months ended 31 December 2008 that turnover grew by 21.6% (2007: 12.9%) to R6.1 billion (2007: R5.0 billion) on a sales volume increase of 15.9%. Sales volume in the South African market increased by 10.7% (2007: 5.4%). International sales volume, including Africa, grew by 37.1%, resulting in an increase of 54.3% in international turnover. Turnover derived from Africa delivered exceptional growth, contributing 54.0% to international turnover.

The increase of 19.9% (2007: 17.9%) in Distell's headline earnings for the six-month period to R650 million (2007: R542 million) was largely due to continued revenue growth and productivity improvements.

UNILEVER SOUTH AFRICA HOLDINGS (PTY) LIMITED ("UNILEVER SOUTH AFRICA") – UNLISTED

Remgro included R231 million (2008: R229 million) of the earnings of Unilever South Africa in its headline earnings for the twelve months ended 31 March 2009. Included in Remgro's share of Unilever South Africa's earnings are restructuring costs amounting to R23 million (2008: R19 million).

During the previous financial year, Unilever restructured its South African business by merging the Foods, Ice-cream and Home and Personal care businesses into one legal entity, Unilever South Africa. Remgro has an interest of 25.75% in Unilever South Africa since the restructuring.

The combined turnover for the businesses grew by 24.5% for the year ended 31 March 2009. This growth came predominantly through pricing strategy, as prices were increased substantially in the second half of 2008 to mitigate the impact of rising material costs. Growth was further enhanced by improved product supply due to the non-recurrence of the previous year's poor stock levels.

The strongest revenue growth came from the Washing powders, Savoury & Dressing ("S&D"), Face care and Deodorant categories. Washing powders' revenue growth is as a result of improved product supply and price increase during 2009. S&D continued its good performance across its soups range. The Deodorant category marketing drive successfully extended into the first quarter of 2009 which resulted in higher growth. Face care categories showed good growth after improvement of poor service levels in 2008.

The Spreads and Culinary business came under pressure as a result of market softening and competitor activity.

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 2008 have been included in Remgro's headline earnings. Total's contribution to Remgro's headline earnings for the period under review decreased from a profit of R207 million in the previous year to a loss of R25 million, mainly driven by the significant drop in oil prices.

Total reported a loss of R101 million for 2008 compared to a profit of R713 million during the previous year. The loss is mainly due to the significant decrease in oil prices, which resulted in stock writedowns of R622 million for the year. Oil prices were very volatile during 2008, trading at record high levels of \$144 per barrel and levels as low as \$33 per barrel during the second half of the year.

Total's sales of main fuels have slightly decreased by 1.5% from the previous year, while retail sales decreased by 3.6%. This is a reflection of the reduced demand as a result of the global economic slowdown towards the end of 2008. The company has maintained the same level of investment in its marketing operations, including the revamping of fuel stations and further health, safety, environment and quality investments at the depots.

Natref, in which Total has an interest of 36%, experienced a better reliability rate compared to 2007, despite unscheduled shutdowns which mainly occurred during the first half of the year. Refining margins were lower as a result of the drop in oil prices and the weakening of the rand against the US dollar.

Increased working capital requirements, due to higher oil prices during the first part of the year, led to an increase of R45 million in financing costs, compared to the previous financial year.

NAMPAK LIMITED (“NAMPAK”) – LISTED

Nampak has a September year-end. Nampak's contribution of R105 million (2008: R163 million) to Remgro's headline earnings relates to its results for the twelve months to 31 March 2009.

For the six months ended 31 March 2009, Nampak reported 14% growth in revenue to R10 091 million (2008: R8 875 million) mainly as a result of the recovery of raw material cost increases through price increases and an improvement in trading activity in the rest of Africa. Sales volumes were flat in South Africa and lower in Europe.

Nampak's headline earnings for the interim period decreased by 39% to R392 million (2008: R643 million). The decrease was mainly as a result of fair value losses on re-measurement of financial instruments during the current period, compared to fair value gains in the corresponding period of the previous year. The reversal of a tax provision of R103 million during the previous year's interim period also contributed to higher headline earnings for that period.

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, animal feed and citrus. 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 market share in the other geographic areas is increasing. Tsb Sugar's two sugar mills are situated near Malelane and Komatipoort. Tsb Sugar also holds a 27.4% shareholding in Royal Swaziland Sugar Corporation Limited, a company 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 55% to R187 million (2008: R121 million) notwithstanding increased cost pressure throughout the value chain. Turnover, driven by an increase in volume and prices, increased by 49% to R3 732 million (2008: R2 509 million). Sugar, citrus and animal feed respectively accounts for 82%, 6% and 8% of turnover (2008: 77%, 9% and 9%).

The South African sugar industry's production decreased by 0.5% in 2008/09. In comparison, Tsb Sugar's raw sugar production increased by 16.9%. This was due to the favourable climatic conditions, an increase in cane production yields and the expansion the past few years in the area under cane. During the year under review the Komati mill produced the most sugar of all the mills in the sugar industry, with Malelane mill in the fourth position.

A total of 4.093 million tons of cane were crushed this season (2008: 3.952 million tons), with a record production of 508 473 tons raw sugar (2008: 475 452 tons) at the two mills operated by Tsb Sugar. The cane crushed to raw sugar ratio of 8.04 compares favourably to the South African sugar industry average of 8.49 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 342 489 tons of refined sugar during the year (2008: 333 762 tons).

Tsb Sugar's animal feed operation, Molatek, produces various feed products for the livestock market. The major raw materials (molasses and bagasse) used in the production process are by-products of sugar production. Molatek's production was at the same level as the previous year despite adverse conditions in the marketplace.

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 43 000 tons of grapefruit and 21 000 tons of oranges. The percentage of total production exported was 70% (2008: 68%). GFC also leases a citrus farm from, and manages banana farms on behalf of, newly established BEE companies.

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

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

Air Products has a September year-end. For the twelve months ended 31 March 2009, Air Products' turnover grew by 13.1% (2008: 15.3%) from R1 006.6 million to R1 138.5 million and Remgro's share in its headline earnings by 8.3% (2008: 30.5%) from R94 million to R102 million.

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.

A new air separation plant has been recently commissioned in Newcastle, KwaZulu-Natal, to meet growing demand for gaseous and liquid products in the region.

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 its interests in Metropolitan Holdings Limited and Kagiso Media Limited.

KTI's financial year-end is 30 June. However, included in Remgro's headline earnings is KTI's results for the twelve months ended 31 December 2008.

KTI posted a headline loss of R332 million for the twelve months ended 31 December 2008, compared to headline earnings of R211 million in the prior twelve-month period. The headline loss is mainly due to an unfavourable fair value adjustment on the conversion rights attached to its holding of Metropolitan Holdings Limited convertible preference shares as well as a significant drop in the platinum price.

KTI restructured its investment in Alstom, whereby its interest of 22.5% in Alstom SA was disposed of, and acquired 9.5% interest in newly formed Alstom Investment Holdings. The profit on this transaction of R367 million is included in 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 amounted to R30 million (2008: R64 million).

Wispeco’s financial performance was influenced by reducing sales volumes linked to economic downturn and inventory devaluation due to the significant reduction in aluminium prices worldwide. Turnover decreased by 7% on the previous year while inventory devaluation absorbed in the year under review amounted to R39 million.

The building industry represents a prominent market segment for Wispeco’s products and was negatively affected by the credit crunch and global economic slowdown. Although residential building activity reduced markedly, infrastructure development and commercial building activity proved more resilient. During the year under review, Wispeco expanded its capability to service previously untapped extrusion market segments with larger, heavier and technically more challenging products.

Apart from the opening of a new stockist branch in Randburg, the year under review was one of consolidation while increasing the focus on productivity and customer service effectiveness. Wispeco continued to drive the development of technical skills in the industry through its variety of training initiatives.

PGSI LIMITED (“PGSI”) – UNLISTED

PGSI’s financial year-end is 31 December and therefore its results for the twelve months ended 31 December 2008 have been included in Remgro’s headline earnings. PGSI’s contribution to Remgro’s headline earnings for the period under review was R40 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 is also a significant exporter of building and auto glass finished products to Africa, Europe and the USA.

For the year ended 31 December 2008, PGSI reported 2% growth in turnover, and 21.8% growth in headline earnings to R174 million. The results for 2008 include a decrease of the liability for cash-settled equity compensation schemes, driven by lower profits reported at PG Group. Operating profits, excluding any impact of compensation schemes, reduced from R330 million in 2007 to R164 million in 2008, mainly due to the pressure of high inflation, electricity cost escalations and sharp price increases in key raw materials on operating margins.

The results of PG Group were negatively impacted by the difficult macro-economic environment. The electricity crisis earlier in the year, high interest rates and a decline in business confidence domestically and globally significantly impacted demand for PG Group’s products in both the building and automotive industry. The bedding down of the extensive capital investment programme in both its major flat-glass facility in Springs and its three automotive plants also contributed substantially to the lower returns. These implementation problems were substantially resolved by year-end.

INVESTMENT REVIEW

The automotive industry has been severely impacted, with passenger vehicle sales decreasing by 24% from the prior year, and downward pricing pressure from international automotive manufacturers in the light of the global economic downturn. The building industry, however, performed better than the previous year due to a number of large construction projects such as airports, football stadiums, office buildings and hotels. The performance of the residential building market was disappointing, impacted mainly by the high interest rate regime. Overall, the building glass market had a sound year, which to some extent offset the negative automotive environment.

Net financing costs were significantly higher than the prior year, as the capital expenditure programmes at PG Group were financed by debt. These programmes are nearing completion and the group will be well invested in new, world-class equipment and capacity which will improve efficiencies and capabilities to service the market as the economy recovers.

DORBYL LIMITED (“DORBYL”) – LISTED

For the financial year ended 31 March 2009, Dorbyl contributed headline losses of R44 million (2008: losses of R20 million) to Remgro’s headline earnings.

The deterioration in the results for the year under review was mainly due to massive volume reductions and the ongoing negative impact of global price pressures from automotive original equipment manufacturers preventing increased input costs from being fully recoverable.

The group is in the process of implementing various strategic interventions and actions to dispose of or close certain businesses and to dispose of certain properties.

MINING INTERESTS

CONTRIBUTION TO HEADLINE EARNINGS

	2009	2008
	R million	R million
Implats	346	267
Trans Hex	(182)	(3)
	164	264

IMPLATS LIMITED (“IMPLATS”) – LISTED

Remgro’s interest in Implats is 4.4% and only dividend income has been accounted for. Dividend income of R346 million (2008: R267 million) increased by 30% year on year.

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

Trans Hex reported a headline loss of R637 million (2008: R8 million) for the year ended 31 March 2009. The headline loss was primarily due to the impairment of assets relating to its Angolan operations.

Trans Hex’s revenue from continuing operations decreased by 28% to R637 million (2008: R881 million) for the year and losses from continuing operations, before impairments and taxation, amounted to R280 million. South African carat production decreased to 88 933 carats (2008: 107 305 carats), due to lower grades, while diamond prices dropped significantly from September 2008.

The demand for diamonds and the strengthening in prices thereof have improved during the last month of the year under review and Trans Hex anticipates this trend to continue throughout the next financial year. Trans Hex had a net cash position of R205 million (2008: R194 million) at year-end and costs will be controlled to ensure its sustainability in current market conditions.

INVESTMENT REVIEW

CORPORATE FINANCE AND OTHER INTERESTS

CONTRIBUTION TO HEADLINE EARNINGS

	2009 R million	2008 R million
Central treasury	144	180
Foreign currency profits	50	–
Net corporate costs	(807)	(56)
STC on dividend <i>in specie</i>	(686)	–
Share scheme costs – non-recurring costs	(33)	–
Other	(88)	(56)
Other interests	(80)	9
Business Partners	28	47
Xiocom	(108)	(38)
	(693)	133

CORPORATE FINANCE

The central treasury division's contribution to headline earnings decreased from R180 million to R144 million. Lower interest rates than in the comparative year resulted in lower interest income being earned. Foreign currency profits amounting to R50 million were realised on the repatriation of R&R dividends (2008: RNil).

The net after-tax corporate costs, which include salaries, donations and the cost of the share incentive schemes, increased by R751 million, from R56 million in 2008 to R807 million in 2009. This increase can be attributed mainly to secondary taxation on companies (STC) amounting to R686 million payable on the dividend *in specie*.

OTHER INTERESTS

Other interests' contribution decreased from a profit of R9 million in 2008 to a loss of R80 million for the year under review. This decrease can be attributed mainly to losses amounting to R108 million which were equity accounted from the investment in Xiocom (2008: R38 million loss for eight months of the year).

Business Partners Limited (“Business Partners”) – Unlisted

Business Partners is a specialist investment group, providing risk finance, mentorship and property management services to small and medium enterprises in South Africa.

Headline earnings for the twelve months ended 31 March 2009 amounted to R129.8 million (2008: R213.1 million), representing a decrease of 39.1% compared to the previous year. Headline earnings attributable to Remgro for the period was R28 million (2008: R47 million). The decrease in headline earnings is primarily due to the negative impact of the decline in the macro-economic environment over the past twelve months on the small business sector. The operating income has thus been negatively impacted by increases in bad debts and provisions for bad debts.

Investments to the value of R873.5 million (2008: R725.3 million) were advanced during the year, an increase of 20.4% in investment activity.

Xiocom Wireless, Inc. ("Xiocom") – Unlisted

Xiocom is a global provider of integrated wireless broadband solutions to network operators in underserved markets. Xiocom offers a range of flexible, market-driven services that substantially reduces the cost to design, deploy and manage broadband wireless networks.

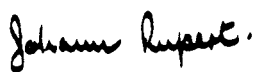
The company made good progress in its first full year of operations. The major events were:

- Setting up of Main Street Broadband, a company that obtained a \$34 million low interest rate, non-recourse loan from a government agency to roll out 66 networks in the rural areas of South Georgia and North Florida in the USA
- Establishing a joint venture, Xiotel, in the Dominican Republic to deploy a wireless network for which the building of the infrastructure has commenced
- Acquisition of a wireless network in Madison City, USA

The business was re-organised and re-focused to take account of the current economic environment. Both Main Street Broadband and Xiotel will be operational during the course of the next financial year.

ACKNOWLEDGEMENT

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



Thys Visser

Stellenbosch
22 June 2009

INTRINSIC NET ASSET VALUE

AT 31 MARCH 2009

	Notes	Shares held million	Stock exchange closing price cents	31 March 2009 R million	31 March 2008 R million
Tobacco interests					
R&R Holdings				–	69 018
Financial services					
FirstRand		481.1	1 206	5 803	7 698
RMB Holdings		302.3	2 060	6 227	7 406
Industrial interests					
Medi-Clinic Corporation		257.3	2 150	5 533	5 070
Distell Group		58.7	5 201	3 052	2 992
Unilever South Africa Holdings				4 110	3 663
Rainbow Chicken		214.6	1 545	3 315	3 133
Total South Africa				1 136	2 620
Tsb Sugar				2 631	2 097
Nampak		78.1	1 260	984	1 281
Kagiso Trust Investments				955	1 432
Air Products South Africa				1 563	1 538
PGSI				368	773
Wispeco				345	447
Dorbyl		14.1	350	49	112
Caxton		7.8	1 200	94	113
Mining interests					
Implats		26.7	15 825	4 223	8 353
Trans Hex Group		30.2	145	44	317
Other					
Sundry investments and loans				358	344
Deferred taxation asset/(liability)				(422)	(1 027)
Other net assets/(liabilities)				1 301	441
Cash and liquid assets at the centre					
Local	1			874	619
Offshore				5 093	2 654
Intrinsic net asset value				47 636	121 094
Potential CGT liability				(887)	(1 233)
Intrinsic net asset value after tax				46 749	119 861
Issued shares after deduction of shares repurchased and the shares in The Remgro Share Trust (million)				471.5	472.5
INTRINSIC VALUE PER SHARE				R99.15	R253.67

Notes

- Cash at the centre excludes cash held by subsidiaries and associated companies that are separately valued above.
- 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.
- Unlisted investments are shown at directors' valuation. Listed investments are shown at stock exchange prices.
- The intrinsic net asset value per share (ex BAT) on 31 March 2008 was R116.20. For purposes of determining this number, the market value of the investment in BAT of R64 956 million was excluded from the intrinsic net asset value per share reported at 31 March 2008.

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 therefore 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.

COMPOSITION OF THE BOARD

Remgro has a fully functional Board that leads and controls the Group. On 31 March 2009, the Board comprised of six executive and nine non-executive directors of whom five 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 12 and 13.

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 independent 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.

As required in terms of the Companies Act, as amended by the Corporate Laws Amendment Act (No. 24 of 2006), the committee is satisfied that it complied with and performed its functions and that the Company's external auditors are independent of the Company.

The JSE Limited (JSE) Listings Requirements were amended with effect from 1 September 2008, requiring all listed companies to have a financial director, with which requirement the Company has always complied. The committee has considered and has satisfied itself of the appropriateness of the expertise and experience of the financial director.

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 six executive directors, 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.

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 means of 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 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.

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 include strategic risk, opportunity risk, reputational 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 subsidiaries. These 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.

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.

The Audit and Risk Committee is also required to:

- ♦ Approve the external auditor's terms of engagement, audit approach and fees (including non-audit fees)
- ♦ Ensure the independence of the external auditor
- ♦ Approve external auditor's appointment for the ensuing financial year
- ♦ Pre-approve all fees paid to the external auditor for non-audit services

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

The directors are of the opinion that, based on enquiries 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 and Rainbow Chicken 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	2
Attendance by directors			
J P Rupert	7		2
M H Visser	7		
P E Beyers	6		
W E Bührmann	7		
L Crouse	7		
G D de Jager	6	4	2
J W Dreyer	7		
P K Harris	5		2
E de la H Hertzog	7		
J Malherbe	7		
M M Morobe	7		
J A Preller (Mrs)	7		
F Robertson	7	4	2
T van Wyk	7		
H Wessels ⁽¹⁾	4	3	

(1) On 22 August 2008, Mr H Wessels was appointed as a director of the Company and as chairman of the Audit and Risk Committee. He attended all meetings since his appointment.

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 a balance between long-term growth and the viability of the Company and the environment in which it operates.

GROUP ETHICS

The late Dr Anton Rupert, founder of the Group, 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 is measured against formal standard systems and is subjected to independent review.

Tsb Sugar has set itself performance measures and consumption targets to minimise its environmental impact, for example bagasse, a by-product of the sugar production process, that is utilised to generate electricity. Most of Tsb Sugar mills' electricity needs are generated from bagasse. Surplus electricity is supplied into the Eskom national network. Given the moisture content in sugar cane, Tsb Sugar also repatriates more water back into the environment than originally used in the production process.

The environmental sustainability initiative also extends into nature conservation, education and awareness.

CLIMATE CHANGE

Remgro participated in the carbon emission disclosure project (CPD6) during the previous year and was recognised for its leadership in this regard. This initiative will be continued in CPD7.

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

	2009	2008
Rainbow Chicken	7 417	7 653
Wispeco	1 041	1 039
Tsb Sugar (excluding contract workers)	3 008	3 010
Other	11	11
	11 477	11 713
M&I	168	172
	11 645	11 885

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.

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 which 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.

Remgro was awarded a score of 44.18% in the FM Empowerdex 2009 "Top Empowerment Companies". Performance is assessed against the Generic Scorecard as there is no charter for investment holding companies. Remgro monitors the performance of its investees as regards BBBEE performance through its Board representation in these investee companies.

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 relationship 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 self-esteem. This is done in the belief that such investments will provide sound dividends in the future.

Donations to deserving institutions are usually made over specific periods and, although they cover quite a wide range, there is one noticeable exception: 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:

ENTREPRENEURSHIP AND TRAINING

Tsiba – for the Tertiary School in Business Administration (Tsiba), founded five years ago in Cape Town, 2008 has been a year of many firsts. Most significantly, Tsiba's first students graduated with B degrees in Business Administration (BBA). It was also the first year that Tsiba implemented an Independent Assessment and Evaluation Board to oversee its quality assurance processes.

Another achievement was that 95% of the foundation class proceeded with the degree course – a significant improvement from previous years. A pass rate of 64% was achieved and a full tuition scholarship awarded to these students to study for a BBA degree. In recent years, Tsiba has improved its capacity to the extent that 120 students could be admitted to the foundation class at the beginning of 2009 – an increase of 50% compared to 2008.

Tsiba's Entrepreneurship Centre also made headlines when a computer training centre, supported in Khayelitsha, won the first prize in the Western Cape division of a business plan competition for beginner enterprises. Many small businesses have already benefited from their involvement in Tsiba's centre.

Remgro has committed itself to supporting Tsiba for a full student cycle of four years.

Shalamuka Foundation – it is the objective of this foundation to ensure long-term funding for the highly successful Penreach Programme by which teacher development is supported, especially in Mpumalanga.

Penreach is an excellent example of what can be achieved when people really want to make a difference and when they are voluntarily committed to change and development. More than 2 000 black teachers (95% women), are reached by Penreach annually, impacting the lives of more than 350 000 learners in rural areas.

Besides working with teachers and school management, Penreach is also working with Gr. 10 to 12 mathematics and science learners. These young learners attend regular tutorial lessons on Saturday mornings and it is heart-warming and rewarding to see them improving their marks substantially during the year.

With its mission statement to improve the quality and accessibility of education for teachers and learners in disadvantaged schools, Penreach has established a model which can be implemented elsewhere. The preparation work is currently under way to do just that.

Beyers Naudé School Development Programme (BNSDP) – fighting poverty through education, with a particular emphasis on rural communities, has from the outset been the guiding principle of the BNSDP, which falls under the auspices of the Kagiso Trust.

The philosophy behind the programme is that rural communities have the potential to play a vital part in building the national economy, provided that all young people have access to good education. The role of schools in rural communities is crucial, not only because of the provision of essential education, but also because they are often the only institutions in these communities and are therefore used for a variety of purposes.

BNSDP was established with the aim of restoring the culture of learning and teaching in schools, while at the same time developing functional and sustainable relationships between stakeholders within the school community. At present the organisation is involved in 50 schools in Limpopo, Mpumalanga, KwaZulu-Natal, Eastern Cape and Free State.

SciMathUS – for this post-matric programme of the University of Stellenbosch, 2008 has been a challenging and fulfilling year. The students' hunger for success was a driving force, enabling them to embrace the new curriculum with enthusiasm and zest.

The programme achieved a 100% pass rate and most of the students showed a significant improvement in their marks. The use of problem-based learning proved to be a very effective method of bridging the curriculum gap. The end of the year examination started later than in previous years, giving the students an extra month for tuition and revision.

Of the final 2008 group of 62 students, all drawn from disadvantaged communities, 27 were female and 35 male; 22 were black and 40 Coloured and Indian. Forty-two students came from the Western Cape, six from Gauteng, four each from the Northern Cape and KwaZulu-Natal, two each from the Eastern Cape and North West and one each from Mpumalanga and Limpopo. All 62 students completed the course successfully and applied for tertiary education.

Since 2001, more than 450 students have gone through the programme. It is probably fair to say that as long as Gr. 12 learners are leaving school with results in mathematics and physical sciences preventing them from entering tertiary education, SciMathUS will have a role to play.

Paul Roos Academy – during its sixth year of operation, the Academy shifted its focus from learners with the potential to pass matric to those with the ability to pass mathematics in matric. This decision has partly been influenced by the withdrawal of one of the leading sponsors and has resulted in a drop in numbers from 233 learners in 2008 to 180 in 2009.

2008 also saw the first group of learners writing their matriculation examination. They were members of the first enrolment of 60 Gr. 7 learners in 2002. Because of a lack of experience in the selection process at the time, all the learners were not academically the strongest in their particular group. Eventually 25 (42%) persevered of whom 22 were successful.

Besides financial support, the Academy benefits from voluntary contributions by various organisations. Thus the Creative Education Foundation, with two members each from the United States, the Netherlands and South Africa, presented their course on creative problem-solving and youth leadership for the sixth consecutive year.

Bergzicht Training Centre – based in Stellenbosch this centre provides education in job-related skills to unskilled and unemployed people from a disadvantaged background and assists qualified learners to find employment. By providing the tools needed to break cycles of poverty, Bergzicht is addressing one of the most pressing needs faced by vulnerable communities in our country.

Since its inception in 1992, the Bergzicht Centre has trained more than 9 000 people and has established a reputation for quality training and the delivery of results in areas where they matter most. Through its infrastructure, skills and competencies, Bergzicht has become an important role player in developing the country's human potential.

Remgro has committed itself to supporting the Training Centre for three years.

Equip – this development programme of the National Business Initiative in five schools in the Stellenbosch area has been sponsored by Remgro since 2005. After a shaky start, the programme gathered momentum and in 2008 some outstanding results were achieved. Kayamandi High improved its overall pass rate for Gr. 12s from 71% to 86%, while the secondary school Stellenzicht achieved an increase from 62% to 74.4%.

At the handing-over function of the last tranche of money to the schools in November, it was reported that in every area of school life – from academic to sport to the school grounds and facilities – tremendous improvements were evident. The increased motivation and energy of teachers were also noticeable.

During the past year the growth in the learner population, especially in Kayamandi, has led to the establishment of two additional schools. When approached by Equip, Remgro has decided to extend its support for another year to accommodate the two newcomers.

ORT SEED – is a partnership project between ORT-Tech, the Winelands District of the Western Cape Education Department and Remgro to offer specialised training and support in curriculum development and implementation for teaching mathematics, natural science, technology and literacy from Gr. R to 7.

ORT-Tech facilitates on-site curriculum development at Idas Valley and Rietenbosch primary schools. They receive supportive expertise and other resources and act as anchor schools for an outreach programme to 15 primary schools in the surrounding area. Remgro has committed itself to the programme for three years as an extension of its support to the Equip project.

The main goals of ORT SEED include the following: to make sure that learners in anchor schools benefit fully from the expertise of ORT-Tech in terms of methods of teaching; to become a role model to other schools in technology, mathematics, natural science and literacy implementation; to support the professional development of educators through on-site training in their classrooms; to provide educators with access to resources and to upgrade their skills and knowledge; and to create, through outreaching, the opportunity for educators to network and share the best teaching, learning and assessment practices.

ENVIRONMENT

WWF South Africa (WWF-SA) – since the establishment of the Southern African branch of this international conservation body by Remgro's founder more than 40 years ago, the Company has used WWF-SA as its sole channel of involvement in conserving the region's rich natural resources. In recent years WWF-SA has increasingly become our national conscience regarding environmental matters.

WWF-SA plays a fundamental role in the conservation sector, both by executing in-house conservation projects and by making it financially possible for others to undertake related work. As part of the global WWF network, which operates in nearly 100 countries, WWF-SA is in a unique position, within a developing economy, to generate pragmatic, science-based solutions to global environmental challenges.

Climate change is the greatest human-induced crisis facing the world today. Southern Africa, in particular, will most probably be affected due to extreme temperature rises coupled with severe reductions in rainfall. Therefore WWF-SA has moved from merely focusing on conserving species and the natural environment, to tackling global environmental challenges such as climate change, water shortage and the human footprint.

Ultimately WWF-SA believes that, by engaging business and the society at large, it is still possible to change behaviour and to leave a living planet for future generations.

CULTURAL DEVELOPMENT

Klein Karoo National Arts Festival (KKNK) – has experienced a very successful 15th year, with a good balance achieved between ticket-buyers and casual visitors to the festival. Performances attained a 65% attendance rate against 40% in 2008.

The Remgro/VenFin scholarship for the development of a career in the arts was awarded to a learner of George High School, Zaida Fortuin, who intends to use the money to further a career in professional dancing.

Remgro's contribution was also partially used for audience development. As part of this process a committee of art and cultural representatives was appointed to consider free and cheaper tickets. More than 3 000 such tickets were made available to choirs, drama societies, dancing schools, school groups and senior citizens – the emphasis mainly being on classical music, dancing theatre and drama.

Field Band Foundation (FBF) – a combination of inadequate education, depressed socio-economic circumstances and low employment prospects threatens to marginalise the youth of our country. This is the challenge the FBF has accepted with enthusiasm.

2008 has once again been a busy year for the FBF. Both the USA and the Norwegian exchange programmes enabled a handful of youngsters to have a lifetime experience while improving their musical skills. The FBF is also working hard to create a Know Your Status culture among its members. During an HIV workshop 338 FBF members, between the ages of 14 and 24, were tested, four positively. The results were lower than expected and give a positive indication of the FBF's success in helping its members to take responsibility for their personal development.

A profile of the Stellenbosch Field Band gives an indication of the social fabric of our society and the trying circumstances under which the FBF operates. The band has 313 members comprising sister bands in Cloeteville and Macassar. It boasts a total of 153 boys and 160 girls from a total of 30 schools in the region. One hundred and thirty seven members (43.8%) stay with both parents, 83 with mothers only, nine with fathers and the rest with either grandparents, relatives or guardians. Of the parents 24% of mothers and 75% of fathers are unemployed.

WAT – the Dictionary of the Afrikaans Language (WAT) had a tough start in 2008 when its annual PanSALB subsidy was reduced by one third. Sterling support from sponsors fortunately neutralised this substantial loss.

Good operational progress has been made during the year. The manuscript of the 14th volume of the dictionary (the letter R) was completed by the end of October when the layout, setting and proof-reading commenced. WAT plans to start with the letter S this year.

One of the highlights of the year involved presenting the 13th international Afrilex congress (Afrilex being the acronym for African Association for Lexicography). Approximately 100 people registered for the congress during which 35 papers were delivered.

WAT is accessible on the internet and the fact that the six largest South African universities have bought the right to use the internet version of the dictionary, benefiting some 300 000 students, bears testimony to its relevance.

Children's Art Festival (CAF) – since its inception 21 years ago, the CAF has grown steadily, and during the past three years some 2 000 children have attended its workshops, making it an established feature of the Grahamstown National Arts Festival. CAF's mission is to provide pre-primary children and primary school learners from every segment of society with a stimulating and exciting education in the arts.

CAF focuses on elevating the status of art and culture, which, for a number of reasons, is still lacking in the majority of South African primary schools. It believes that well-rounded, healthy learners result from a balance between academic and creative endeavours. The heartbeat of the programme is to release the latent artist within every child by exposing him or her to new skills involving hand/eye co-ordination as well as to diverse cultures and talents of craftsmen, artists, actors, dancers and musicians.

In 2008, 227 pupils who attended CAF's workshops during the National Arts Festival were sponsored. Because of Remgro's contribution the scope of the workshops could be increased and better equipment and more sophisticated techniques introduced. The sponsored workshops are structured in such a way that the children can take things home that would be useful to them, such as candles, mosaic mirrors and name boards.

SPORT DEVELOPMENT

SA Golf Development Board (SAGDB) – by providing coaching and playing opportunities for children from underprivileged areas, the SAGDB has been able to make golf accessible to many who would otherwise not have had the resources to play. During the past nine years, some 16 000 young South Africans have benefited from this programme.

However, the focus is not on the game only. The SAGDB continues using the sport to teach valuable life lessons that are important off the golf course as well as on it. Young players learn that dedication, integrity and self-belief are key elements to success which can be applied to all aspects of life. While expanding the game, SAGDB is also assisting in building safe, sustainable and healthy communities, one child at a time.

A landmark development, with huge implications for SAGDB, was announced in September last year when the SA Golf Association (SAGA) made a critical decision to support the growth of golf across the country. From January 2010 the SAGA will increase its annual affiliation fees, the proceeds of which will be channelled to the SAGDB. This means that the body responsible for expanding the game across South Africa will now be guaranteed an ongoing source of support.

Because of this far-reaching decision, SAGDB, with 3 000 children in its national programme and a recognised source of new talent, will be able to sustain its current operations as well as extending its support for the first time to North West, Mpumalanga and Limpopo.

Western Cape Cricket Academy – Remgro has been associated with the Academy since the early 1990s and has witnessed its growth in the number of players and its stature within the South African cricket community.

Over the past years it has produced many excellent players for Western Province, Boland as well as for other provinces. In the recent past, we have seen two exceptional players, JP Duminy and Paul Harris, making headlines.

The current Cobras Franchise Squad of 22 is made up of no fewer than 17 present and former Academy players, while the Western Province and Boland amateur teams comprise respectively 17 and 16 present and former players of the Academy.

Excellent progress has also been made in the women's section. Notably, six players represented South Africa during the past year at the World Cup in Australia.

COMMUNITY DEVELOPMENT

Ikamva Labantu – is a broad-based community development project for black urban dwellers in the Western Cape. It caters for the needs of pre-school children, orphans, seniors and the youth, and has become a model of what can be achieved by people with initiative, dedication and an intimate knowledge of the communities they serve.

During the past two years the vulnerable children's programme, sponsored by Remgro/VenFin, in a sense has redefined the activities of Ikamva's family support sector – a sector which aims to build the capacity of affiliated carers who will, in turn, enhance the care of orphans and vulnerable children in other areas.

The project was designed as a pilot model with the potential for replicating it in similar communities elsewhere in the country. The pilot project involves seven different areas: education (enrolling children, school fees, uniforms, stationery, etc.), financial assistance, food security, accessing documentation and grants, emotional support and accessing health services and food gardens.

The great success and the impact of the pilot project enabled Ikamva to apply this accepted, effective and sustainable model of intervention across its vulnerable children's programme which is currently reaching approximately 1 000 children in the townships of Philippi East, Gugulethu, Khayelitsha, Langa, New Crossroads, Blue Downs, Du Noon and Nyanga.

In an external evaluation of the vulnerable children's programme the following was said about Ikamva: "An organisation that constantly questions itself with the objective of improving is more likely to do so than one that does not attempt it. Ikamva is not afraid of re-examining things to see how these can be rendered more efficiently and effectively."

u Mephi – takes care of children in need through its network of satellite, halfway and foster homes. Ten years ago children in need were mostly abused and abandoned children. Today the picture has changed dramatically and nearly 80% of all children in need are Aids-affected.

By 2015 there will be approximately 3.5 million children in need in South Africa and u Mephi estimates that it will need to grow its services by 25% annually to help care for the children affected by this pandemic. It plans to establish three new halfway houses in each province by the end of 2009.

Since 2001, u Mephi has moved more than 2 500 babies through its homes, while more than 1 400 babies could be placed with adoptive parents. More than 45% of babies admitted have been reunited with their parents or extended families.

Stellenbosch Community Development Programme (SCDP) – daily between 900 and 1 000 primary school children in Kayamandi are fed as part of this nutritional programme. According to recent surveys the number of malnourished children in this township has decreased significantly.

The mothers who are participating in the food parcel programme continue to express their gratitude for the help received from the SCDP in their desperately poor lives. Their dedication to the vegetable garden and craft club is testimony to this.

SCDP reports that the improvements which have been seen since the start of the programme four years ago, are tangible and real – lives are being changed for the good and the feedback from the children and their mothers is most heart-warming.

HEALTHCARE

Wits/Donald Gordon Medical Centre (WDGMC) – the past year was effectively the second year of the official integration of WDGMC into the training programme of the Wits Faculty of Health Sciences. This integration was made possible only by the generous financial contributions received from donors. Regarding developments in the academic programme in 2008, it was a year of introspection into the relationships between WDGMC and its partners, the Wits Faculty of Health Sciences and Medi-Clinic.

In December 2007, a strategic planning session was held with senior members of the Faculty and the WDGMC academic leadership during which both the vision of WDGMC and its strategic importance within the faculty were reaffirmed. This was followed in May 2008 by a strategic planning day where issues such as the governance of the board and the difficulties in managing the differences which exist between WDGMC and other private hospitals were debated. How to manage the hospital efficiently and cost-effectively without stifling development is a question which needs to be addressed in the current year.

WDGMC is likely to have an impact on the specialist and subspecialist training within the Wits Faculty of Health Sciences in a number of ways. Within the next five years the centre aims to increase the number of subspecialists produced in the country by as much as 40%. The last twelve months have sadly seen a resurgence in the wave of doctors choosing to leave South Africa. WDGMC has been relatively spared from this loss and hopes to continue to offer doctors a reasonable alternative to emigration by giving them the opportunity of having the benefits of both private and academic medical practices in one facility.

Organ Donor Foundation of SA (ODF) – celebrated its 20th anniversary in June 2008 and can be proud of its role over so many years in addressing the critical shortage of organ and tissue donors in South Africa. 2008 was also a very positive year for the ODF, with the number of individuals registering as organ donors increasing enormously. Statistics over the past three years show that more and more South Africans are educated and informed on the subject of organ donation.

Remgro once again made its contribution to this admirable cause by sponsoring four flights for the transport of organs. A special thank you must go to the staff of Falconair for their wonderful support in this regard.

2009

FINANCIAL REPORT

CONTENTS

STATEMENT OF RESPONSIBILITY BY THE BOARD OF DIRECTORS	53
STATEMENT BY THE COMPANY SECRETARY	53
AUDIT AND RISK COMMITTEE REPORT	54
REPORT OF THE INDEPENDENT AUDITOR	54
REPORT OF THE BOARD OF DIRECTORS	55
ACCOUNTING POLICIES	62
BALANCE SHEETS	76
INCOME STATEMENTS	77
STATEMENTS OF CHANGES IN EQUITY	78
CASH FLOW STATEMENTS	79
NOTES TO THE ANNUAL FINANCIAL STATEMENTS	80
ANNEXURE A – PRINCIPAL SUBSIDIARY COMPANIES	116
ANNEXURE B – PRINCIPAL INVESTMENTS	117
ANNEXURE C – SIGNIFICANT ASSOCIATED COMPANIES	118
ANNEXURE D – INFORMATION ON BUSINESS AND GEOGRAPHICAL SEGMENTS	120
COMPANY INFORMATION	122
SHAREHOLDERS' INFORMATION	122
NOTICE TO SHAREHOLDERS	126
EXPLANATORY NOTES TO THE NOTICE TO SHAREHOLDERS	130
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.

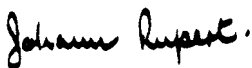
The directors are satisfied that the information contained in the financial statements fairly represents the results of operations for the year and the financial position of the Group at year-end. The accuracy of the other information included in the Annual Report was considered by the directors and 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 auditor's report is presented on page 54.

Signed on behalf of the Board of Directors.



Johann Rupert
Chairman

Stellenbosch
22 June 2009



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
22 June 2009

AUDIT AND RISK COMMITTEE REPORT

TO THE MEMBERS OF REMGRO LIMITED

The Audit and Risk Committee has pleasure in submitting this report, as required in terms of the Companies Act (No. 61 of 1973), as amended ("Companies Act"). The Audit and Risk Committee consists of three non-executive directors who act independently as described in section 269A of the Companies Act. During the year under review four meetings were held and the committee members attended all the meetings. At the meetings the members fulfilled all their functions as prescribed by the Companies Act. A detailed list of the functions of the audit and risk committee is contained in the corporate governance report. The Audit and Risk Committee has satisfied itself that the auditors are independent of the Company and are thereby able to conduct their audit functions without any influence from the Company.



Herman Wessels
Chairman of Audit and Risk Committee

Stellenbosch
22 June 2009

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 2009, 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 55 to 121.

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 (IFRS) 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 at 31 March 2009, and of their financial performance and their cash flows for the year then ended in accordance with IFRS and in the manner required by the Companies Act of South Africa.



PRICEWATERHOUSECOOPERS 

Director: N H Döman
Registered Auditor

Cape Town
22 June 2009

REPORT OF THE BOARD OF DIRECTORS

FOR THE YEAR ENDED 31 MARCH 2009

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.

During the year under review the investment in British American Tobacco Plc (BAT) was unbundled to shareholders as an interim dividend *in specie* amounting to R55.2 billion. Refer to the section on "Investments" below for further details of the unbundling.

After the unbundling referred to above the Group's interests consist mainly of investments in 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:	2009	2008
Headline earnings (R million)	4 660	7 991
– per share (cents)	987.7	1 692.8
– diluted (cents)	954.8	1 649.0
Headline earnings from continuing operations (R million)*	3 168	4 551
– per share (cents)	671.5	964.1
– diluted (cents)	659.2	928.3
Earnings – net profit for the year (R million)	45 330	9 893
– per share (cents)	9 607.9	2 095.7
– diluted (cents)	9 570.4	2 048.9
Dividends (R million)**	902	2 471
– ordinary – per share (cents)	190.00	510.00

* *Headline earnings from continuing operations is calculated by excluding the equity accounted income of BAT, as well as all non-recurring costs relating to the unbundling.*

** *A final dividend of 110 cents (2008: 330 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:

GROUP RESTRUCTURING

On 7 October 2008 Remgro shareholders approved the unbundling of the investment in BAT by way of an interim dividend *in specie*, and on 3 November 2008 Remgro distributed 192.9 million ordinary shares in BAT and 302.6 million Reinet Investments S.C.A. (Reinet) depositary receipts (DRs) to Remgro shareholders in the ratio of 40.6054 BAT ordinary shares and 63.6977 Reinet DRs for every 100 Remgro shares held.

The interim dividend *in specie* amounted to a total amount of R55.2 billion and secondary taxation on companies (STC) of R686.0 million was payable on this dividend. In addition to the STC payable, Securities Transfer Tax (STT) amounting to R144.1 million was also payable. As R129.7 million of the STT was paid on behalf of Remgro shareholders

with the unbundling of the ordinary shares in BAT to them, this amount is included in the interim dividend *in specie* referred to above.

Due to the fact that the ordinary shares in BAT and Reinet DRs were distributed at market value, a capital gain of R40 805.0 million was realised on the dividend *in specie*.

All cautionary and other announcements relating to the unbundling of the investment in BAT are available on Remgro's website at www.remgro.com.

REPURCHASE OF REMGRO SHARES

At 31 March 2008 8 554 019 Remgro ordinary shares (1.9%) were held as treasury shares. During the six months ended 30 September 2008 a wholly owned subsidiary company of Remgro acquired 3 500 000 Remgro ordinary shares at an average price of R189.71 for a total amount of R666.4 million. These shares were acquired for the purpose of hedging the new share appreciation right scheme that was implemented subsequent to the unbundling of the investment in BAT. At 30 September 2008, 12 054 019 Remgro ordinary shares (2.7%) were held as treasury shares.

During the year under review no Remgro ordinary shares were purchased by The Remgro Share Trust, while 1 042 426 shares were delivered to participants against payment of the subscription price.

Subsequent to 30 September 2008, as part of the preliminary steps to the unbundling of the investment in BAT, the 8 554 019 Remgro ordinary shares held as treasury shares and 969 836 of the Remgro ordinary shares held by The Remgro Share Trust were cancelled after the unbundling of the investment in BAT was approved by Remgro shareholders. The balance of the Remgro ordinary shares held by The Remgro Share Trust, were delivered to participants and a wholly owned subsidiary company of Remgro provided a direct finance facility to the participants to allow them to settle the outstanding purchase price. At 31 March 2009 the outstanding amount of the direct finance facility amounted to R73.6 million and this amount is included in the balance sheet as a non-current asset under "Loans".

At 31 March 2009, 3 500 000 Remgro ordinary shares (0.8%) were held as treasury shares.

As a result of the 3.5 million treasury shares acquired and as part of the unbundling of the investment in BAT, the wholly owned subsidiary company that acquired the treasury shares, also received ordinary shares in BAT and Reinet DRs. At 31 March 2009, 1 252 712 ordinary shares in BAT and 1 966 260 Reinet DRs were held. These investments were classified as financial instruments "available-for-sale" for accounting purposes and only dividend income from these investments will in the future be accounted for in the income statement. The unbundling of the investment in BAT also resulted in Remgro receiving 196 626 Reinet warrant receipts. These warrant receipts were sold during December 2008 and an after-tax capital gain of R2.9 million was realised on this transaction.

XIOCOM WIRELESS, INC. (XIOCOM)

During the 2008 financial year Remgro acquired a 37.5% interest, on a fully diluted basis, in Xicom, a 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 and on 31 March 2008 \$11.25 million had already been invested. During the year under review Remgro invested a further \$17.5 million in Xicom.

For the year under review Xicom was equity accounted for the twelve months to 31 March 2009, compared to eight months in the comparative year.

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. PGSI is the foreign holding company of the Plate Glass group. During the year under review Remgro invested a further \$1.0 million (or R7.9 million) in PGSI. On 31 March 2009, Remgro's interest in PGSI, on a fully diluted basis, was 25.0%.

During March 2009 Remgro advanced a bridging loan amounting to R29.0 million to PGSI in anticipation of a PGSI rights offer intending to raise up to R300 million from shareholders.

For the year ended 31 March 2009 PGSI, which has a December year-end, has been equity accounted for the twelve months to December 2008 compared to the five months to December 2007 in the comparative year.

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 2008, Remgro invested R50.4 million of the R350 million committed. During the year under review Remgro invested a further R24.7 million in KIEF.

BUSINESS PARTNERS LIMITED (BUSINESS PARTNERS)

During the year under review Remgro acquired a further 930 900 Business Partners shares for a total amount of R5.8 million. On 31 March 2009, Remgro's interest in Business Partners was 20.8% (31 March 2008: 20.2%) on a fully diluted basis.

Tsb SUGAR HOLDINGS (PTY) LIMITED (Tsb SUGAR)

With effect from 1 April 2007 Tsb Sugar concluded the Tenbosch land claim whereby it disposed of 4 800 hectares (ha) of irrigated sugar cane 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 of approximately 6 000 ha is currently in progress and consists of the remaining claimed land, situated mainly in the Malelane area. This transaction is expected to be completed in the next financial year.

Post balance sheet events:

KWV INVESTMENTS LIMITED (KWV INVESTMENTS)

On 14 April 2009, Remgro acquired 4 028 136 KWV Investments shares (9.6% shareholding) for a total consideration of R258.5 million. As Remgro's interest in Distell Group Limited (Distell) is held through Remgro-KWV Investments Limited, in which both Remgro and KWV Investments have a 50% interest, this acquisition effectively increases Remgro's indirect interest in Distell by 2.8% to 32.0% (31 March 2009: 29.2%).

For accounting purposes the investment in KWV Investments will be classified as a financial instrument "available-for-sale" and only dividend income will in the future be accounted for in the income statement.

XIOCOM

Since 31 March 2009 a further \$3.0 million was invested in Xicom. Currently \$31.75 million of the \$50.0 million conditional commitment has already been invested.

GROUP RESTRUCTURING

On 8 June 2009 Remgro and VenFin Limited announced that they are engaged in discussions regarding a possible merger of the two companies.

The boards of directors of the respective companies have proposed that the possible merger will be implemented on a net asset value (NAV) basis and will exclude VenFin's shareholding in Dimension Data Plc (Didata). Based on the NAV of Remgro and VenFin (excluding VenFin's shareholding in Didata) as at 5 June 2009, the agreed value date of the transaction, it is anticipated that VenFin shareholders will receive 1 Remgro share for every 6.25 VenFin shares held.

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

REPORT OF THE BOARD OF DIRECTORS

FOR THE YEAR ENDED 31 MARCH 2009

CASH RESOURCES

The Company's cash resources at 31 March 2009 were as follows:

	Local R million	Offshore R million	Total R million
Per consolidated balance sheet	1 507	3 543	5 050
Investment in money market funds	–	1 578	1 578
Less: Cash of operating subsidiaries	(633)	(28)	(661)
Cash at the centre	874	5 093	5 967

On 31 March 2009, approximately 31% (R1 578 million) of the available offshore cash at the centre was invested in money market funds which are not classified as cash and cash equivalents on the balance sheet. Refer to note 15 to the annual financial statements for further details.

GROUP FINANCIAL REVIEW

COMPARISON WITH PRIOR YEAR

With effect from 3 November 2008 the investment in BAT was distributed to Remgro shareholders as an interim dividend *in specie*. For the year under review the investment in BAT was accordingly only equity accounted for the seven months to 31 October 2008.

In order to facilitate year-on-year comparison, headline earnings and headline earnings per share are also presented for continuing operations, which excludes the equity accounted income of BAT, as well as all non-recurring costs relating to the unbundling.

BALANCE SHEET

The analysis of "Equity" and of "Source of headline earnings" below reflects the sectors into which the Group's investments have been classified. No adjustment has been made where investments are active mainly in one sector but also have interests in other sectors.

	2009		2008	
	R million	R per share	R million	R per share
<i>Equity employed</i>				
Attributable to equity holders	38 072	80.75	57 227	121.11
<i>Employment of equity</i>				
Tobacco interests	–	–	21 891	46.33
Financial services	10 969	23.27	10 559	22.34
Industrial interests	10 025	21.26	15 182	32.14
Mining interests	11 329	24.03	7 619	16.12
Corporate finance and other interests	5 749	12.19	1 976	4.18
	38 072	80.75	57 227	121.11

REPORT OF THE BOARD OF DIRECTORS

FOR THE YEAR ENDED 31 MARCH 2009

INCOME STATEMENT

	2009		2008	
	R million	%	R million	%
<i>Source of headline earnings</i>				
Tobacco interests	2 295	49	3 579	45
Financial services	1 576	34	2 120	26
Industrial interests	1 318	28	1 895	24
Mining interests	164	4	264	3
Corporate finance and other interests	(693)	(15)	133	2
	4 660	100	7 991	100

	2009	2008
	R million	R million
<i>Composition of headline earnings</i>		
Subsidiary companies	142	910
Profits	159	933
Losses	(17)	(23)
Associated companies and joint ventures	4 518	7 081
Profits	5 023	7 148
Losses	(505)	(67)
	4 660	7 991

SHARE SCHEMES

During the year under review a new share scheme, the Remgro Equity Settled Share Appreciation Right Scheme (the SAR Scheme), was implemented in addition to the existing Remgro Share Scheme. No new allocations under the Remgro Share Scheme have been made during the year under review. In terms of the SAR scheme participants are offered shares to the value of the appreciation of a specified number of Remgro ordinary shares that can be exercised at different intervals but before the expiry of seven years from date of grant.

The earliest intervals at which the share appreciation rights are exercisable are as follows:

- One-third after the third anniversary of the grant date
- Two-thirds after the fourth anniversary of the grant date
- The remainder after the fifth anniversary of the grant date

Refer to note 25 to the annual financial statements for full details on the Remgro Share Scheme as well as the SAR Scheme.

PRINCIPAL SHAREHOLDER

Rembrandt Trust (Pty) Limited (Rembrandt Trust) holds all the issued unlisted B ordinary shares of the Company and is entitled to 44.89% (2008: 44.83%) of the total votes.

An analysis of the shareholders appears on pages 123 and 124.

SUBSIDIARY COMPANIES AND INVESTMENTS

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

REPORT OF THE BOARD OF DIRECTORS

FOR THE YEAR ENDED 31 MARCH 2009

DIRECTORS

The names of the directors appear on pages 12 and 13.

Mr D Prins and Mrs M Ramos resigned as independent non-executive directors on 22 August 2008 and 26 February 2009 respectively. The Board of Directors wishes to thank them for their contribution. On 22 August 2008 Mr H Wessels was appointed as an independent non-executive director and was also appointed as the chairman of the Audit and Risk Committee.

In terms of the provision of the Articles of Association, Messrs J P Rupert, P E Beyers, W E Bührmann, P K Harris, M M Morobe and H Wessels retire from the Board by rotation. These directors are eligible and offer themselves for re-election.

DIRECTORS' INTERESTS

At 31 March 2009 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 1.26% (2008: 0.94%).

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 125.

DIRECTORS' EMOLUMENTS

The total directors' fees for services rendered as directors during the past financial year amounted to R2 697 000 (2008: R2 525 000).

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 to the Board are incorporated in the notice of the annual general meeting that appears on page 126.

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.

DIVIDENDS

The final ordinary dividend per share was determined at 110 cents (2008: 330 cents). Total ordinary dividends per share in respect of the financial year to 31 March 2009 therefore amount to 190 cents (2008: 510 cents).

For a Remgro shareholder who continues to hold ordinary shares in BAT as well as Reinet DRs, this means an increase of 8.0% in dividend income when compared to the previous financial year.

REPORT OF THE BOARD OF DIRECTORS

FOR THE YEAR ENDED 31 MARCH 2009

DECLARATION OF CASH DIVIDEND

DECLARATION OF DIVIDEND NO. 18

A final dividend of 110 cents (2008: 330 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 2009.

PAYMENT

The final dividend is payable on Monday, 24 August 2009, to shareholders of the Company registered at the close of business on Friday, 21 August 2009.

Shareholders may not dematerialise or rematerialise their holdings of ordinary shares between Monday, 17 August 2009, and Friday, 21 August 2009, both days inclusive.

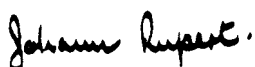
SECRETARY

The name and address of the Company Secretary appears on page 122.

APPROVAL

The annual financial statements set out on pages 55 to 121 have been approved by the Board.

Signed on behalf of the Board of Directors.



Johann Rupert
Chairman

Stellenbosch
22 June 2009



Thys Visser
Chief Executive Officer

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2009

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.

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

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.

"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.

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2009

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 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.

Pre-production and borrowing costs – Pre-production 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:

Sugar cane – 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.

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

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2009

(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 indefinite useful 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.

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2009

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.

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.

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2009

The Group classifies a component as a discontinued operation when that component has been disposed of, or is classified as held for sale; and

- it represents a separate major line of business or geographical area of operations;
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

A component of the Group comprises operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes from the rest of the Group.

(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 for 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. The functional currency of the Company and the presentation currency of both the Company and the Group is rand. 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. Translation 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.

(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 associated companies**

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 if there is objective evidence of impairment and written down 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.

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2009

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.

Equity compensation plans

The Remgro Group operates various equity settled share-based compensation plans. All 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 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 schemes 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, short-term government debt instruments, 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.

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2009

(xvii) DIVIDEND DISTRIBUTION

Distribution of assets to the shareholders of the Company are accounted for at fair value.

(xviii) 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.

(xix) CRITICAL ACCOUNTING JUDGEMENTS AND CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

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.

Critical judgements in applying the Group's accounting policies

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.

Critical judgement is also exercised with regards to the determination of the functional currency of the offshore entities that holds the group's cash and short-term financial investments. The functional currencies of these entities are determined with reference to the currency in which the entities receive their operating cash inflows, as these most faithfully represent the economic effects of the underlying transactions, events and conditions. The operations of these entities are clearly separated from those of the parent and are managed separately from each other in terms of a strategic investment plan to invest in hard currencies based on specific and pre-determined portfolio allocations. As a result, exchange differences arising on the translation of those entities into the reporting currency of the Group are deferred in equity until being realised, as opposed to being reported in the income statement on a continuous basis.

Critical accounting estimates and assumptions

A 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 taxation is provided. Deferred taxation is provided on temporary differences that arise on the revaluation of available-for-sale investments based on the future economic benefits the entity expects to realise from that asset, i.e. a combination of dividends and capital gains or losses.

Other estimates and assumptions relate to the determination of the useful lives of assets, impairments, 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.

(xx) NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

Management considered all new accounting standards, interpretations and amendments to IFRS that were issued prior to 31 March 2009, 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.

✦ **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 15: Agreements for the Construction of Real Estate**

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

This interpretation provides guidance on how to determine whether an agreement for the construction of real estate falls within the scope of IAS 11: Construction Contracts or IAS 18: Revenue and when revenue from the construction should be recognised.

✦ **IFRIC 16: Hedges of a Net Investment in a Foreign Operation**

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

This interpretation provides guidance on the accounting treatment for a hedge of a net investment in a foreign operation in an entity’s consolidated financial statements and states that:

- ✦ The presentation currency does not create an exposure to which an entity may apply hedge accounting. Consequently, a parent entity may only designate the foreign exchange differences arising from a difference between its own functional currency and that of its foreign operation as a hedged risk.
- ✦ The hedging instruments may be held by any entity or entities within the Group.
- ✦ While IAS 39: Financial Instruments – Recognition and Measurement is applied to determine the amount that needs to be transferred from equity to profit or loss in respect of the hedging instrument, IAS 21: The Effects of Changes in Foreign Exchange Rates must be applied in respect of the hedged item.

✦ **IFRIC 17: Distributions of Non-cash Assets to Owners**

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

This interpretation provides guidance on how an entity should account for and measure:

- ✦ distributions of non-cash assets to its owners; and
- ✦ distributions that give owners a choice of receiving either cash or another asset.

An entity should measure the dividend payable at the fair value of the net assets to be distributed. The difference between the dividend paid and the carrying amount of the net assets distributed should be accounted for in profit or loss.

• **IFRIC 18: Transfers of Assets from Customers**

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

This interpretation clarifies the requirements of IFRSs for agreements in which an entity receives property, plant and equipment from a customer that the entity must use to connect the customer to a network or to provide the customer with ongoing access to a supply of goods or services.

IFRIC 18 provides guidance on how to identify the entity's obligation to provide one or more separately identifiable services in exchange for the transferred asset and how to recognise revenue.

• **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 derecognises the assets and liabilities and related equity components of the former subsidiary. Any gain or loss is recognised in the income statement. Any investment retained in the former subsidiary is measured at its fair value at the date when control is lost.

✦ **Amendment to IFRS 1: First-Time Adoption of International Financial Reporting Standards and IAS 27 – Consolidated and Separate Financial Statements (Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate)**

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

The amendment allows entities a choice between the previous GAAP carrying amount and the fair value as deemed cost when adopting IFRS for the first time and it also removed the definition of the cost method in IAS 27. The amendment further specifies that dividends from subsidiaries, jointly controlled entities or associated companies are recognised as income in separate financial statements. Consequently, the requirement to separate the retained earnings of these investments into pre- and post-acquisition components has been removed from IFRS.

✦ **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.

✦ **Amendment to IAS 39: Financial Instruments – Recognition and Measurement (Eligible Hedged Items)**

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

The amendment clarifies how the principles that determine whether a hedged risk or portion of cash flows of a hedged item is eligible for designation in a hedging relationship, should be applied in particular situations.

✦ **Amendment to IFRIC 9: Reassessment of Embedded Derivatives and IAS 39: Financial Instruments – Recognition and Measurement**

(effective date – financial periods ending on/after 30 June 2009)

The amendment clarifies that an entity shall reassess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative when a financial asset is reclassified out of the “at fair value through profit and loss” category.

The amendment also prohibits the reclassification of a hybrid instrument out of the fair value through profit and loss category in the event that the entity is unable to separate the embedded derivative from the host contract.

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2009

- **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, except for the following:

- Revised IFRS 3: Business Combinations and revised IAS 27: Consolidated and Separate Financial Statements – These standards will be applied prospectively to all business combinations and changes in a parent's ownership interest in a subsidiary from 1 April 2010 and it will therefore only affect the Group after this date.
- IFRS 8: Operating Segments and IAS 1 (revised): Presentation of Financial Statements – These standards are expected to have an impact on disclosure only.

BALANCE SHEETS

AT 31 MARCH 2009

R million	Notes	CONSOLIDATED		THE COMPANY	
		2009	2008	2009	2008
ASSETS					
Non-current assets					
Property, plant and equipment	2	2 756	2 568	–	–
Biological agricultural assets	3	76	67	–	–
Investment properties	4	34	33	–	–
Intangible assets	5	394	408	–	–
Investments – Associated companies	6	23 795	43 175	–	–
– Joint ventures	7	84	64	–	–
– Other	8	4 742	8 551	–	–
Retirement benefits	9	100	103	–	–
Loans		100	2	–	–
Deferred taxation	10	10	4	–	–
		32 091	54 975	–	–
Current assets		10 025	6 852	12 799	2 313
Inventories	11	911	953	–	–
Biological agricultural assets	3	430	369	–	–
Debtors and short-term loans	12	1 799	1 292	12 799	2 313
Derivative instruments	13	16	19	–	–
Taxation		65	80	–	–
Assets held for sale	14	176	205	–	–
Investment in money market funds	15	1 578	–	–	–
Cash and cash equivalents	16	5 050	3 934	–	–
Total assets		42 116	61 827	12 799	2 313
EQUITY AND LIABILITIES					
Share capital	17	8	8	8	8
Share premium	17	–	37	–	37
Reserves	18	38 324	58 697	159	2 255
Treasury shares	17	(260)	(1 515)	–	–
Shareholders' equity		38 072	57 227	167	2 300
Minority interest		715	648	–	–
Total equity		38 787	57 875	167	2 300
Non-current liabilities		1 172	1 872	–	–
Retirement benefits	9	156	229	–	–
Long-term loans	19	191	189	–	–
Deferred taxation	10	825	1 454	–	–
Current liabilities		2 157	2 080	12 632	13
Trade and other payables	20	1 999	1 826	56	13
Short-term loans	21	117	190	12 576	–
Provisions	22	23	48	–	–
Derivative instruments	13	18	3	–	–
Taxation		–	13	–	–
Total equity and liabilities		42 116	61 827	12 799	2 313

INCOME STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

<i>R million</i>	Notes	CONSOLIDATED		THE COMPANY	
		2009	2008	2009	2008
CONTINUING OPERATIONS					
Sales		11 455	9 447	–	–
Inventory expenses		(7 245)	(5 415)	–	–
Personnel costs	23	(1 744)	(1 621)	–	–
Depreciation	26	(271)	(251)	–	–
Other net operating expenses	26	(1 480)	(1 109)	(5)	(3)
Trading profit/(loss)		715	1 051	(5)	(3)
Dividends received	27	355	274	59 469	2 138
Interest received	26	197	296	–	–
Finance costs		(49)	(43)	–	–
Net impairment of investments, assets and goodwill		(442)	19	–	–
Profit/(loss) on sale, distribution and restructuring of investments	26	24	1 665	(2 012)	–
Consolidated profit before tax		800	3 262	57 452	2 135
Taxation	10	(268)	(419)	(686)	–
Consolidated profit after tax		532	2 843	56 766	2 135
Share of after-tax profit of associated companies and joint ventures	28	2 389	3 825	–	–
Net profit for the year from continuing operations		2 921	6 668	56 766	2 135
DISCONTINUED OPERATIONS					
Profit for the year from discontinued operations	37	42 503	3 385	–	–
Net profit for the year		45 424	10 053	56 766	2 135

Attributable to:

Equity holders	45 330	9 893	56 766	2 135
Continuing operations	2 827	6 508	56 766	2 135
Discontinued operations	42 503	3 385	–	–
Minority interest	94	160	–	–
	45 424	10 053	56 766	2 135

EARNINGS PER SHARE

	1	Cents	Cents
Basic		9 607.9	2 095.7
Continuing operations		599.2	1 378.7
Discontinued operations		9 008.7	717.0
Diluted		9 570.4	2 048.9
Continuing operations		584.6	1 339.5
Discontinued operations		8 985.8	709.4

ASSOCIATED COMPANIES AND JOINT VENTURES

	R million	R million
Share of after-tax profit of associated companies and joint ventures (continuing operations)		
Profit before taking into account impairments, non-recurring and capital items	3 208	5 070
Net impairment of investments, assets and goodwill	(253)	(18)
Profit on the sale of investments	360	188
Other non-recurring and capital items	(11)	32
Profit before tax and minority interest	3 304	5 272
Taxation	(809)	(1 153)
Minority interest	(106)	(294)
	2 389	3 825

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2009

CONSOLIDATED

ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

<i>R million</i>	Issued capital	Equity reserves	Other reserves	Fair value reserves	Retained earnings	Treasury shares	Share-holders' equity	Minority interest	Total equity
2009									
Balances at 1 April	45	25 340	1 586	6 977	24 794	(1 515)	57 227	648	57 875
Total income accounted for		(1 492)	(1 125)	(3 588)	44 820		38 615	94	38 709
Exchange rate adjustments		(351)	(82)		(3)		(436)		(436)
Net fair value adjustments for the year			7	(3 570)			(3 563)		(3 563)
Net loss directly accounted for in equity		(351)	(75)	(3 570)	(3)		(3 999)		(3 999)
Realised to the income statement		(1 141)	(1 050)	(18)	(507)		(2 716)		(2 716)
Net profit for the year					45 330		45 330	94	45 424
Dividends paid					(1 938)		(1 938)	(52)	(1 990)
Dividend <i>in specie</i>					(55 225)	406	(54 819)		(54 819)
Purchase of shares by wholly owned subsidiary (treasury shares)						(666)	(666)		(666)
Capital invested by minorities								14	14
Transfer between reserves and other movements		(18 168)	63		18 134		29	(6)	23
Change in reserves of associated companies and joint ventures		(530)	(1)				(531)		(531)
Transfer of retained income of associated companies and joint ventures		3 492	(155)		(3 337)		-		-
Net disposal of shares by The Remgro Share Trust						213	213		213
Long-term share incentive scheme reserve			(54)				(54)	17	(37)
Cancellation of treasury shares	(37)				(1 269)	1 302	(4)		(4)
Balances at 31 March	8	8 642	314	3 389	25 979	(260)	38 072	715	38 787

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

THE COMPANY

<i>R million</i>	2009	2008
Balances at 1 April	2 300	2 361
Issued capital	45	8
Retained earnings	2 255	2 353
Shares issued	-	37
Shares cancelled	(1 695)	-
Net profit for the year	56 766	2 135
Dividends paid	(1 979)	(2 233)
Dividend <i>in specie</i>	(55 225)	-
Balances at 31 March	167	2 300

CASH FLOW STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

<i>R million</i>	Notes	CONSOLIDATED		THE COMPANY	
		2009	2008	2009	2008
Cash flows – operating activities					
Trading profit/(loss)		715	1 051	(5)	(3)
Adjustments	29.1	214	223	–	–
Consolidated profit/(loss) before working capital changes		929	1 274	(5)	(3)
Working capital changes	29.2	52	(301)	40	5
Cash generated from operations		981	973	35	2
Cash flow generated from returns on investments		1 691	3 844	59 469	2 138
Interest received		197	296	–	–
Dividends received	29.3	1 494	3 548	59 469	2 138
Finance costs		(49)	(43)	–	–
Taxation paid	29.4	(280)	(497)	(686)	–
Cash available from operating activities		2 343	4 277	58 818	2 140
Dividends paid	29.5	(2 120)	(2 252)	(2 109)	(2 233)
Cash inflow/(outflow) from operating activities		223	2 025	56 709	(93)
Cash flows – investing activities					
Net investments to maintain operations		(221)	198	–	–
Replacement of property, plant and equipment		(273)	(100)	–	–
Proceeds on disposal of property, plant and equipment and other assets		52	298	–	–
Investments to expand operations		(479)	(3 889)	(57 108)	–
Additions to – property, plant and equipment and other assets		(191)	(405)	–	–
– investments and loans		(277)	(2 820)	(57 108)	–
– subsidiaries		–	(660)	–	–
Businesses acquired	30	(11)	(4)	–	–
Proceeds from disposal of investments and loans		115	274	–	–
Proceeds from the BAT unbundling		3 736	–	–	–
Purchase of treasury shares		(520)	(21)	–	–
Net cash generated/(utilised) before financing activities		2 854	(1 413)	(399)	(93)
Cash flows – financing activities					
Shares issued		–	37	–	37
Shares cancelled		(4)	–	(1 695)	–
(Increase)/decrease in loans		–	(15)	2 094	56
Issue of new shares by subsidiary companies		9	30	–	–
Capital contributed by minorities of subsidiary company		5	32	–	–
Net increase/(decrease) in cash and cash equivalents		2 864	(1 329)	–	–
Investment in money market funds		(1 578)	–	–	–
Exchange rate gain/(loss) on foreign cash		(98)	259	–	–
Cash and cash equivalents at the beginning of the year		3 831	4 901	–	–
Cash and cash equivalents at the end of the year		5 019	3 831	–	–
Cash and cash equivalents – per balance sheet		5 050	3 934		
Bank overdraft		(31)	(103)		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

1. EARNINGS

	2009		2008	
	Gross R million	Net R million	Gross R million	Net R million
HEADLINE EARNINGS RECONCILIATION				
CONTINUING OPERATIONS				
Net profit for the year attributable to equity holders		2 827		6 508
Plus/(minus):				
– Net impairment of investments, assets and goodwill	442	442	(15)	(8)
– Profit on sale and restructuring of investments	(24)	(21)	(1 665)	(1 627)
– Net (surplus)/loss on disposal of property, plant and equipment	3	2	(114)	(138)
– Non-headline earnings items included in equity accounted earnings of associated companies and joint ventures	(117)	(82)	(208)	(184)
Headline earnings from continuing operations		3 168		4 551
DISCONTINUED OPERATIONS				
Net profit for the year attributable to equity holders		42 503		3 385
Plus/(minus):				
– Profit on the distribution of investments	(40 805)	(40 805)	–	–
– Non-headline earnings items included in equity accounted earnings of associated companies	(223)	(206)	86	55
Headline earnings from discontinued operations		1 492		3 440
Total headline earnings from continuing and discontinued operations		4 660		7 991
			2009	2008
			Cents	Cents
EARNINGS PER SHARE				
Headline earnings per share				
– Basic			987.7	1 692.8
Continuing operations			671.5	964.1
Discontinued operations			316.2	728.7
– Diluted			954.8	1 649.0
Continuing operations			659.2	928.3
Discontinued operations			295.6	720.7
Earnings per share				
– Basic			9 607.9	2 095.7
Continuing operations			599.2	1 378.7
Discontinued operations			9 008.7	717.0
– Diluted			9 570.4	2 048.9
Continuing operations			584.6	1 339.5
Discontinued operations			8 985.8	709.4

Earnings per share

In determining earnings per share and headline earnings per share the weighted number of shares in issue, being 471 798 001 (2008: 472 052 993), 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 offers accepted by participants in the Remgro Share Scheme and the Remgro Equity Settled Share Appreciation Right Scheme, but not yet delivered.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

1. EARNINGS (continued)

EARNINGS PER SHARE (continued)

Diluted earnings per share (continued)

The delivery of scheme shares 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 115 156 (2008: 1 908 925) 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 from continuing operations, R57 million (2008: R151 million) and R68 million (2008: R159 million) were offset against headline earnings and earnings respectively to account for the potential diluted effect. R97 million (2008: R24 million) and R98 million (2008: R23 million) were offset against headline earnings and earnings respectively, to account for the potential diluted effect on earnings from discontinued operations.

2. PROPERTY, PLANT AND EQUIPMENT

	<i>Land and buildings</i> R million	<i>Machinery and equipment</i> R million	<i>Vehicles</i> R million	<i>Office equipment</i> R million	<i>Total</i> R million
Carrying value at 1 April 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)
Additions	113	263	83	4	463
Disposals	(2)	(2)	(7)	–	(11)
Depreciation	(34)	(203)	(31)	(3)	(271)
Businesses acquired	–	–	7	–	7
Other	(56)	56	–	–	–
Carrying value at 31 March 2009	917	1 486	319	34	2 756
Cost	1 377	3 015	489	53	4 934
Accumulated depreciation	(460)	(1 529)	(170)	(19)	(2 178)

	2009	2008
	%	%
Depreciation rates are as follows:		
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 R4 million (2008: R3 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.

3. BIOLOGICAL AGRICULTURAL ASSETS

Included in non-current assets:

Reconciliation of carrying value at the beginning and end of the year	<i>Sugar cane roots</i> R million	<i>Sugar cane plants</i> R million	<i>Other</i> R million	2009 R million	<i>Sugar cane roots</i> R million	<i>Sugar cane plants</i> R million	<i>Other</i> R million	2008 R million
Balances at 1 April	27	25	15	67	55	22	14	91
Fair value adjustment	6	2	1	9	14	27	1	42
Transfer to assets held for sale	–	–	–	–	(28)	(16)	–	(44)
Other	–	–	–	–	(14)	(8)	–	(22)
Balances at 31 March	33	27	16	76	27	25	15	67

The quantity at 31 March is as follows:

Sugar cane roots (ha)	3 649	3 654
Sugar cane plants (ha)	3 649	3 654
Other (ha)	1 754	1 787

Included in current assets:

Reconciliation of carrying value at the beginning and end of the year	<i>Breeding stock</i> R million	<i>Broiler stock</i> R million	2009 R million	<i>Breeding stock</i> R million	<i>Broiler stock</i> R million	2008 R million
Balances at 1 April	213	156	369	160	109	269
Additions	729	3 578	4 307	576	2 810	3 386
Decrease due to harvest	(700)	(3 559)	(4 259)	(526)	(2 775)	(3 301)
Fair value adjustment	3	10	13	3	12	15
Balances at 31 March	245	185	430	213	156	369

4. INVESTMENT PROPERTIES

	2009	Net value	2008	Net value
	<i>Accumulated depreciation</i> R million	<i>Cost</i> R million	<i>Accumulated depreciation</i> R million	<i>Cost</i> R million
Land	–	3	–	3
Buildings	–	31	–	30
		34		33

Reconciliation of carrying value at the beginning and end of the year	<i>Land</i> R million	<i>Buildings</i> R million	2009 R million	<i>Land</i> R million	<i>Buildings</i> R million	2008 R million
Balances at 1 April	3	30	33	3	29	32
Additions	–	1	1	–	1	1
Balances at 31 March	3	31	34	3	30	33

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 (2008: R345 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.

FOR THE YEAR ENDED 31 MARCH 2009

5. INTANGIBLE ASSETS

	2009			2008		
	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	347	–	347	345	–	345
Trade marks and other	144	(97)	47	154	(91)	63
	491	(97)	394	499	(91)	408

Amortisation rates are as follows:	2009	2008
	%	%
Trade marks and other	5 – 100	5 – 100

Reconciliation of carrying value at the beginning and end of the year	Goodwill R million	Trade marks and other R million	2009 R million	Goodwill R million	Trade marks and other R million	2008 R million
Balances at 1 April	345	63	408	342	71	413
Amortisation	–	(11)	(11)	–	(12)	(12)
Businesses acquired	4	–	4	2	–	2
Other	(2)	(5)	(7)	1	4	5
Balances at 31 March	347	47	394	345	63	408

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	2009 Total
Goodwill allocated (R million)	292	39	16	347
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	13.5%
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.

FOR THE YEAR ENDED 31 MARCH 2009

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

	2009			2008		
	Listed R million	Unlisted R million	Total R million	Listed R million	Unlisted R million	Total R million
Shares – at cost	9 075	3 530	12 605	9 182	6 930	16 112
Equity adjustment	7 763	3 385	11 148	7 483	19 538	27 021
Carrying value	16 838	6 915	23 753	16 665	26 468	43 133
Long-term loans	–	42	42	–	42	42
	16 838	6 957	23 795	16 665	26 510	43 175
Market values of listed investments	18 904		18 904	22 147		22 147
Directors' valuation of unlisted investments		11 407	11 407		82 286	82 286
Market values and directors' valuation	18 904	11 407	30 311	22 147	82 286	104 433
Excess of market values and directors' valuation over the carrying value of investments:						
– attributable to equity holders			6 516			61 258
– attributable to minority			–			–
			6 516			61 258

Of the directors' valuations of unlisted investments stated above, a substantial proportion amounting to R3 052 million (2008: R72 010 million) was based on the stock exchange prices of underlying listed shares held by the unlisted investments concerned.

	2009 R million	2008 R million
Reconciliation of carrying value at the beginning and end of the year		
Carrying value at 1 April	43 175	33 033
Exchange rate differences on translation of carrying value at the beginning of the year to year-end rate	(418)	2 003
<i>Income of associated companies retained</i>	3 492	4 100
Share of net attributable profit of associated companies	4 947	7 230
Dividends received from associated companies	(1 526)	(3 297)
Exchange rate differences on translation from average rate to year-end rates	71	167
Equity-accounted movements on reserves	(530)	(154)
Loans repaid	–	(147)
Disposals/capital reductions	(78)	(236)
Investments made	29	3 411
Restructuring of interest in Unilever	–	1 167
Unbundling of BAT	(21 432)	–
Impairment of investments	(438)	–
Other	(5)	(2)
Carrying value at 31 March	23 795	43 175

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

	2009 R million	2008 R million
7. INVESTMENTS – JOINT VENTURES (Annexure B)		
Unlisted shares – at cost	284	97
Equity adjustment	(201)	(34)
Carrying value	83	63
Long-term loans	1	1
	84	64
Directors' valuation of unlisted investments	84	64
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	64	8
Exchange rate differences on translation of carrying value at the beginning of the year to year-end rate	26	10
<i>Losses of joint ventures recognised</i>	(155)	(25)
Share of net attributable losses of joint ventures	(141)	(20)
Dividends received from joint ventures	(2)	–
Exchange rate differences on translation from average rate to year-end rates	(12)	(5)
Equity accounted movements on reserves	(1)	(11)
Loans granted/(repaid)	–	(7)
Investments made	150	89
Carrying value at 31 March	84	64
The Group's share in the results, assets and liabilities of joint ventures is as follows:		
Profit/(loss)	(141)	(20)
Sales	113	71
Assets	176	124
Liabilities	154	66

The Group's share in capital commitments of joint ventures amounted to R8 million (2008: R11 million).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

8. INVESTMENTS – OTHER (Annexure B)

	<i>Listed</i> R million	2009 <i>Unlisted</i> R million	<i>Total</i> R million	<i>Listed</i> R million	2008 <i>Unlisted</i> R million	<i>Total</i> R million
Investments – other						
Shares – available-for-sale	4 651	91	4 742	8 483	68	8 551
Market values of listed investments	4 651		4 651	8 483		8 483
Directors' valuation of unlisted investments		91	91		68	68
Market values and directors' valuation	4 651	91	4 742	8 483	68	8 551
Reconciliation of carrying value of investments available-for-sale at the beginning and end of the year					2009 R million	2008 R million
Balances at 1 April					8 551	6 245
Fair value adjustments for the year					(4 205)	2 258
Investments made					431	48
Disposals					(35)	–
Balances at 31 March					4 742	8 551

9. RETIREMENT BENEFITS

Balance sheet obligations

Retirement benefits	(9)	(91)
Post-retirement medical benefits	(147)	(138)

	(156)	(229)
Balance sheet assets	100	103

Retirement benefits	9	10
Defined contribution fund employer's surplus**	91	93

Net defined benefit post-retirement obligation	(56)	(126)
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Represented by:

Retirement benefits (refer note 9.1)	–	(81)
Post-retirement medical benefits (refer note 9.2)	(147)	(138)
Defined contribution fund employer's surplus**	91	93
	(56)	(126)

Income statement

Retirement benefits*	5	2
Post-retirement medical benefits	13	10
Expense/(income)	18	12

* Refer note 23 on page 97.

** The defined contribution fund employer's surplus was included under "Debtors and short-term loans" in the 2008 financial statements.

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 2007	771	(767)	(45)	(34)	(75)	
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
Current service cost	–	(2)	–	–	(2)	2
Interest cost	–	(54)	–	–	(54)	54
Expected return on assets	66	–	–	–	66	(66)
Surplus limitation utilisation	–	–	(47)	32	(15)	15
Contributions	79	–	–	–	79	–
Exchange rate differences	(88)	108	(13)	–	7	–
Benefit payments	(43)	43	–	–	–	–
Actuarial movements:						
fund obligation	–	53	(53)	–	–	–
Actuarial movements:						
plan assets	(171)	–	171	–	–	–
Balances at 31 March 2009	718	(697)	60	(81)	–	5

* 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 yet been finalised.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

	2009 R million	2008 R million
9. RETIREMENT BENEFITS (continued)		
9.1 Retirement benefits (continued)		
Amount of plan assets represented by investment in the entity's own financial instruments	6	20
Actual return on plan assets	(105)	115
Adjustment for experience on funded obligations	3	(21)
Expected contributions to retirement funds for the year ended 31 March 2010: R9 million		
	Number	Number
Number of members	7 870	7 425
Composition of plan assets		
	%	%
Cash	7.16	6.81
Equity	21.23	22.48
Bonds	1.80	1.67
Property	1.15	1.39
International	68.66	67.65
	100.00	100.00
Principal actuarial assumptions on balance sheet date		
Discount rate	6.50 – 9.25	6.50 – 9.62
Expected rates of return on plan assets*	6.76 – 10.25	6.43 – 10.25
Future salary increases	6.25 – 7.25	6.25 – 7.25
Future pension increases	3.00 – 5.25	3.50 – 6.25
Inflation rate	5.25	6.25

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

Fund history for the current and previous 3 years	2009 R million	2008 R million	2007 R million	2006 R million
Fair value of plan assets	718	875	771	722
Present value of funded obligations	(697)	(845)	(767)	(633)
Surplus/(deficit)	21	30	4	89

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	Unrecognised actuarial (gains)/losses R million	Amount recognised in balance sheet R million	Included in staff costs R million
Balances at 1 April 2007	35	(146)	(18)	(129)	
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
Current service cost	–	(5)	–	(5)	5
Interest cost	–	(13)	–	(13)	13
Expected return on assets	3	–	–	3	(3)
Amortisation of actuarial (gains)/losses	–	–	2	2	(2)
Contributions	–	2	–	2	–
Benefit payments	(2)	4	–	2	–
Actuarial movements	(4)	(29)	33	–	–
Balances at 31 March 2009	34	(194)	13	(147)	13
				2009 R million	2008 R million
Amount of plan assets represented by investment in the entity's own financial instruments				2	2
Actual return on plan assets				(1)	2
Expected contributions to retirement funds for the year ended 31 March 2010: R14 million					
				Number 959	Number 987
Fund history for the current and previous 3 years	2009 R million	2008 R million	2007 R million	2006 R million	
Fair value of plan assets	34	37	35	16	
Present value of funded obligations	(194)	(153)	(146)	(121)	
Surplus/(deficit)	(160)	(116)	(111)	(105)	
Composition of plan assets			2009 %	2008 %	
Cash			16.00	3.00	
Equity			81.00	92.00	
Bonds			3.00	5.00	
			100.00	100.00	

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

	2009 %	2008 %
9. RETIREMENT BENEFITS <i>(continued)</i>		
9.2 Post-retirement medical benefits <i>(continued)</i>		
Principal actuarial assumptions on balance sheet date		
Discount rate	8.25 – 9.00	8.75 – 9.00
Expected rates of return on plan assets*	10.00	9.75
Annual increase in healthcare costs	5.25 – 7.25	5.50 – 7.50

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

	2009 Increase R million	2009 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	34	27
Current service costs and interest on obligation	2	2

	2009 R million	2008 R million
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10. TAXATION

10.1 Deferred taxation

Deferred taxation liability	825	1 454
Property, plant and equipment	359	334
Intangibles	10	13
Inventories	152	109
Provisions	(61)	(68)
Biological agricultural assets	38	26
Investments (accounted for directly in equity)	372	1 027
Tax losses	(25)	(38)
Future capital gain taxable	32	35
Other	(52)	16
Deferred tax asset	(10)	(4)
Property, plant and equipment	21	(2)
Inventories	4	–
Provisions	(2)	(2)
Tax losses	(25)	–
Other	(8)	–
Net deferred taxation	815	1 450

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

Beginning of the year	1 450	1 081
Rate change	–	(25)
As per income statement	(14)	79
Direct in equity	(621)	315
	815	1 450

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 2009

	2009 R million	2008 R million
10. TAXATION (continued)		
10.2 Tax losses		
Estimated tax losses available for set-off against future taxable income	118	189
Utilised to create deferred tax asset	(36)	(135)
	82	54

The calculated capital losses on 31 March, which could be set off against future capital gains of the Company, amount to R3 906 million.

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	3 260	76
– Subsidiary companies	2 595	2 970
Unutilised STC credits	5 855	3 046

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

CONSOLIDATED

Current	261	313
– current year – South African normal taxation	246	290
– Taxation on capital gain	2	17
– Foreign taxation	7	8
	255	315
– previous year – South African normal taxation	6	(2)
Secondary taxation on companies – current	21	27
Deferred – current year	–	56
– previous year	(10)	1
– rate change	–	(13)
– tax on capital gain	(4)	35
	268	419

THE COMPANY

Secondary taxation on companies – current	686	–
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10.5 Reconciliation of effective tax rate of the Company and its subsidiaries with standard rate

	%	%
Effective tax rate	21.6	12.9
Reduction/(increase) in standard rate as a result of:		
Exempt dividend income	7.9	2.3
Non-taxable capital profit	0.6	13.5
Other non-taxable income	2.0	3.6
Foreign taxation	(2.7)	(1.7)
Previous year taxation	0.2	–
Rate change	–	0.4
Future capital gain payable	0.1	(1.2)
Secondary taxation on companies	(1.7)	(0.8)
Standard rate	28.0	29.0

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

	2009 R million	2008 R million
11. INVENTORIES		
Raw materials	326	333
Finished products	516	549
Work in progress	3	12
Consumable stores	66	59
	911	953

12. DEBTORS AND SHORT-TERM LOANS

	THE COMPANY		CONSOLIDATED	
	2009 R million	2008 R million	2009 R million	2008 R million
Trade debtors (gross)	6	3	1 241	1 184
Less: Provision for impairments	–	–	(45)	(44)
Trade debtors (net)	6	3	1 196	1 140
Dividends receivable	–	–	389	–
Advance payments and other	–	–	214	152
Loans – Subsidiary companies	12 793	2 310	–	–
	12 799	2 313	1 799	1 292

Debtors with a carrying value of R42 million (2008: R32 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:

	2009 R million	2008 R million
Balances at 1 April	44	49
Provision for impairments on debtors	13	8
Debtors written off as uncollectable during the year	(9)	(3)
Unused amounts written back	(1)	(11)
Other	(2)	1
Balances at 31 March	45	44

During the year, bad debts amounting to R21 million (2008: R11 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	2009 Forward value R million	Fair value R million	Currency value million	2008 Forward value R million	Fair value R million
<i>Foreign exchange contracts</i>						
Buy: USA dollar	–	–	–	11.7	95.0	8.8
Other	–	–	–	2.0	26.2	2.5
Sell: USA dollar	18.1	186.6	9.3	–	–	–
			9.3			11.3
<i>Other derivative instruments</i>						
Sugar selling contracts			–			0.3
Soy option contracts			2.0			–
Exchange option contracts			4.3			7.0
			6.3			7.3
			15.6			18.6

13. DERIVATIVE INSTRUMENTS (continued)

The following material derivative instruments existed at 31 March:

Liabilities	2009			2008		
	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	3.5	3.5	–	1.0	11.6	1.1
USA dollar	89.3	85.8	3.6	0.1	1.3	0.1
Sell: USA dollar	–	–	–	5.3	42.6	0.8
			3.6			2.0
<i>Other derivative instruments</i>						
Commodity option contracts			2.1			–
Exchange option contracts			10.5			–
Interest rate swops			1.7			–
Soy option contracts			–			1.3
			14.3			1.3
			17.9			3.3
					2009 R million	2008 R million

14. ASSETS 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	2009 R million	2008 R million
Property, plant and equipment	59	71
Biological agricultural assets	60	44
Inventories	–	1
Various other net assets	57	89
	176	205

15. INVESTMENT IN MONEY MARKET FUNDS

Money market fund investments are held in the following currencies:

USA dollar (2009: \$80 million; 2008: \$Nil)	766	–
British pound (2009: £13 million; 2008: £Nil)	181	–
Euro (2009: €50 million; 2008: €Nil)	631	–
	1 578	–

Investments in money market funds relate to investments in shares of JP Morgan liquidity funds, specifically the Sterling Gilt Liquidity Fund, the US Treasury Liquidity Fund and the Euro Government Liquidity Fund. The portfolios of the funds on 31 March 2009 consisted of government bonds with maturities of up to one year and bank repurchase agreements to ensure liquidity on demand as the shares in the funds are callable on a daily basis. Distributions from these funds are disclosed as dividend income. These instruments carry very low risk and provide daily liquidity, but cannot be classified as cash and cash equivalents as the individual instruments held by the funds do not meet the maturity criteria of IAS 7: Statement of Cash Flows. These investments are considered to be equity instruments categorised as “financial assets at fair value through profit and loss”.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

	2009 R million	2008 R million
16. CASH AND CASH EQUIVALENTS		
Cash at the centre	4 389	3 273
Operating subsidiaries	661	661
	5 050	3 934
The cash is held in the following currencies:		
South African rand	1 513	1 201
British pound	118	2 733
USA dollar	2 283	–
Euro	946	–
Swiss franc	190	–
	5 050	3 934
At year-end cash and cash equivalents earned interest at effective interest rates that vary between 9.25% and 10.86% (2008: 10.85% and 10.95%) per annum at local financial institutions and between 0.03% and 5.30% (2008: 5.20% and 5.45%) per annum abroad.		
Cash and cash equivalents are represented by the following:		
United Kingdom treasury bills	41	2 557
United States treasury bills	772	–
German treasury instruments	157	–
Current accounts and money market instruments	4 079	1 376
Cash	1	1
	5 050	3 934
At year-end the Group's cash was invested at financial institutions with the following Moody's credit rating (unless otherwise indicated):		
Aaa	970	2 648
Aa1	–	100
Aa2	1 051	–
Aa3	27	98
A1	1 063	–
Baa1	1 475	1 087
F1+ (Fitch credit rating)	463	–
Cash on hand	1	1
	5 050	3 934
17. 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		
439 479 751 (2008: 449 003 606) ordinary shares of 1 cent each	4.4	4.5
35 506 352 (2008: 35 506 352) B ordinary shares of 10 cents each	3.5	3.5
	7.9	8.0

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

	2009 Number of shares	2008 Number of shares
17. SHARE CAPITAL AND SHARE PREMIUM (continued)		
Movement of the ordinary shares of 1 cent each for the year:		
Total number of shares issued at 1 April	449 003 606	448 802 207
Shares issued	–	201 399
Shares cancelled	(9 523 855)	–
Total number of shares issued at 31 March*	439 479 751	449 003 606

* Treasury shares held by wholly owned subsidiary companies included.

	2009 R million	2008 R million
Share premium		
Movement of the share premium account for the year:		
Balance at 1 April	37	–
Shares issued	–	37
Shares cancelled	(37)	–
Balance at 31 March	–	37

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): 3 500 000 (2008: 11 972 555).

At a general meeting of shareholders held on 7 October 2008, 21 000 000 Remgro ordinary shares were placed under the control of the Remgro Board as a specific authority for purposes of issuing and allotting such Remgro ordinary shares to participants in the Remgro Equity Settled Share Appreciation Right Scheme (the "SAR Scheme") in accordance with the provisions of the rules of the SAR Scheme.

Details in respect of the share schemes and the current year's offers are disclosed in note 25 and the Report of the Board of Directors.

	2009 R million	2008 R million
18. RESERVES		
18.1 Composition of reserves		
The Company:		
Retained earnings	159	2 255
Subsidiary companies and joint ventures	29 523	31 102
Fair value reserve	3 389	6 977
Other reserves	314	1 586
Retained earnings	25 820	22 539
Associated companies:		
Equity reserves	8 642	25 340
	38 324	58 697
Statutory non-distributable reserves included in	11	518
Other reserves	11	11
Equity reserves	–	507

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

18. RESERVES (continued)

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

	Other reserves R million	Equity reserves R million	Retained earnings R million	2009 Total R million	2008 Total R million
Balances at 1 April	1 167	4 565	511	6 243	3 881
Exchange rate adjustments during the year	(82)	(351)	(3)	(436)	2 362
Transfer of equity adjustment	(12)	71	(59)	–	–
Realised to the income statement	(1 050)	(4 285)	(507)	(5 842)	–
Balances at 31 March	23	–	(58)	(35)	6 243
				2009 R million	2008 R million

19. LONG-TERM LOANS

Interest-bearing loans

Secured long-term loans with effective interest rates of between 9.37% and 13%

(2008: 9.37% and 15%) per annum repayable over a period of between four to ten years

These liabilities are secured by assets with a book value of R56 million

(2008: R48 million).

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 plant, machinery and equipment

with a book value of R4 million (2008: R3 million).

Various unsecured loans with varying terms and interest rates

	204	202
	4	3
	3	3
	211	208
Instalments payable within one year transferred to short-term interest-bearing loans	(20)	(19)
	191	189
Payable – two to five years	191	180
Payable thereafter	–	9
	191	189

	THE COMPANY		CONSOLIDATED	
	2009 R million	2008 R million	2009 R million	2008 R million

20. TRADE AND OTHER PAYABLES

Trade payables	56	13	1 418	1 182
Accrued expenses	–	–	581	644
	56	13	1 999	1 826

21. SHORT-TERM LOANS

Interest-bearing loans

Portion of long-term interest-bearing loans payable

within one year

Bank overdrafts

	–	–	20	19
	–	–	31	103
	–	–	51	122
Interest-free loans with no fixed repayment conditions	–	–	66	68
Loans – Subsidiary companies	12 576	–		
	12 576	–	117	190

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

22. PROVISIONS

	<i>Legal disputes*</i> R million	<i>Other**</i> R million	2009 R million	<i>Legal disputes*</i> R million	<i>Other**</i> R million	2008 R million
Balances at 1 April	43	5	48	40	8	48
Additional provisions	–	–	–	4	1	5
Unused amounts	(25)	–	(25)	–	–	–
Other	–	–	–	–	(1)	(1)
	18	5	23	44	8	52
Provisions utilised during the year	–	–	–	(1)	(3)	(4)
Balances at 31 March	18	5	23	43	5	48

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

** Various smaller provisions.

23. STAFF COSTS

	2009 R million	2008 R million
Salaries and wages	1 513	1 452
Share-based payments	49	23
Retirement benefits	–	1
Pension costs – defined contribution	99	87
Pension costs – defined benefit	5	2
Post-retirement medical benefits	13	10
Other	65	46
	1 744	1 621

24. DIRECTORS' EMOLUMENTS

	2009			2008		
	<i>Executive</i> R'000	<i>Non-executive</i> R'000	<i>Total</i> R'000	<i>Executive</i> R'000	<i>Non-executive</i> R'000	<i>Total</i> R'000
Executive directors						
Fees	880		880	750		750
Salaries	15 000		15 000	11 919		11 919
Share Scheme bonuses*	20 064		20 064	–		–
Retirement fund contributions	3 344		3 344	2 690		2 690
Other benefits	1 547		1 547	1 212		1 212
Subtotal	40 835		40 835	16 571		16 571
Non-executive directors						
Independent	1 257	1 257		1 175	1 175	
Non-independent	3 943	3 943		4 429	4 429	
Total	40 835	5 200	46 035	16 571	5 604	22 175
Increase in value – Remgro Share Scheme*	133 530	103 104	236 634	–	–	–

* Refer note 25.1 on page 99.

	2009			2008		
	<i>Fees</i> R'000	<i>Salaries and other</i> R'000	<i>Total</i> R'000	<i>Fees</i> R'000	<i>Salaries and other</i> R'000	<i>Total</i> R'000
Paid by:						
The Company	1 417		1 417	1 325		1 325
Subsidiary company	1 280	43 338	44 618	1 200	19 650	20 850
	2 697	43 338	46 035	2 525	19 650	22 175

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

24. DIRECTORS' EMOLUMENTS (continued)

	2009					Total	2008				
	Fees	Salaries	Share Scheme bonuses ⁽⁹⁾	Retire- ment fund	Other benefits ⁽¹⁰⁾		Fees	Salaries	Retire- ment fund	Other benefits ⁽¹⁰⁾	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Executive											
W E Bührmann	160	1 806	6 583	389	289	9 227	150	1 578	341	221	2 290
L Crouse ⁽¹⁾	160	2 750		588	223	3 721					
J W Dreyer ⁽²⁾	80	698		132	35	945					
D M Falck ⁽³⁾		560		111	80	751	150	2 027	436	319	2 932
J A Preller (Mrs)	160	999	3 659	229	242	5 289	150	910	210	221	1 491
T van Wyk	160	1 591	4 694	343	175	6 963	150	1 329	293	182	1 954
M H Visser ⁽⁴⁾	160	6 596	5 128	1 552	503	13 939	150	6 075	1 410	269	7 904
Subtotal	880	15 000	20 064	3 344	1 547	40 835	750	11 919	2 690	1 212	16 571
Non-executive (independent)											
G D de Jager	241					241	225				225
P K Harris	187					187	175				175
M M Morobe	160					160	150				150
D Prins ⁽⁵⁾	134					134	250				250
M Ramos (Mrs) ⁽⁶⁾	160					160	150				150
F Robertson	241					241	225				225
H Wessels ⁽⁷⁾	134					134					
Subtotal	1 257					1 257	1 175				1 175
Non-executive (non-independent)											
P E Beyers	160	568	–	144	104	976	150	514	131	102	897
J W Dreyer ⁽²⁾	80	929	–	218	69	1 296	150	1 395	306	102	1 953
E de la H Hertzog	160	1 059	–	215	77	1 511	150	1 000	204	75	1 429
J Malherbe	160	–	–	–	–	160	150	–	–	–	150
J P Rupert ⁽⁸⁾	–	–	–	–	–	–	–	–	–	–	–
Subtotal	560	2 556	–	577	250	3 943	600	2 909	641	279	4 429
Total	2 697	17 556	20 064	3 921	1 797	46 035	2 525	14 828	3 331	1 491	22 175

1. Mr L Crouse was appointed as financial director on 18 June 2008.
2. Mr J W Dreyer was appointed as executive director on 25 November 2008. Prior to this date he served on the Board as a non-independent non-executive director.
3. Mr D M Falck retired as financial director on 18 June 2008. In terms of the rules of the Remgro Share Scheme, participants who retired from the employment of the Group have one year after their retirement in which to exercise shares offered to them.
4. Mr M H Visser earned, in addition to the above, a director's fee of GBP78 750 (2008: GBP75 000) from BAT. He retired as a director of BAT on 30 April 2009.
5. Mr D Prins retired as a non-executive director on 22 August 2008. He was the chairman of the Audit and Risk Committee.
6. Mrs M Ramos retired as an independent non-executive director on 26 February 2009.
7. Mr H Wessels was appointed as an independent non-executive director on 22 August 2008. He was also appointed as the chairman of the Audit and Risk Committee.
8. Mr J P Rupert receives no emoluments.
9. This bonus represents the gain paid to participants to the Remgro Share Scheme relating to ordinary shares in Remgro Limited purchased by participants after 30 September 2004, which have not vested by 6 August 2008. The gain was calculated as the difference between the original offer price of the shares and the five-day volume weighted average price up to 27 October 2008, being the last day to trade in order to have qualified for the BAT unbundling. The treatment as described was approved by Remgro shareholders on 7 October 2008.
10. Benefits include medical aid contributions and vehicle benefits.

25. **SHARE-BASED PAYMENTS**

The share-based payments that are accounted for in the financial statements are in respect of the Remgro Share Scheme and the Remgro Equity Settled Share Appreciation Right Scheme, as well as the Rainbow Share Scheme.

Background to the Remgro Share Scheme and the Remgro Equity Settled Share Appreciation Right Scheme

The valuation of both share schemes were 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 schemes, 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 an 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.

25.1 Remgro Share Scheme (the "Scheme")

Share-based payments in terms of the Scheme consist of ordinary shares in Remgro Limited that were offered to participants. 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 yearly 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 Scheme was superseded by the Remgro Equity Share Appreciation Right Scheme following the unbundling of BAT.

	2009 R million	2008 R million
Share-based payment cost included in the income statement (in accordance with IFRS 2)	16	12
Fair value of offers made during the year	–	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:

	2009		2008	
	<i>Number of shares</i>	<i>Rand</i>	<i>Number of shares</i>	<i>Rand</i>
Previous financial years	3 411 923	78.01	3 396 994	72.65
Offered in current financial year	–	–	145 562	185.69
Resignations and other	(547 698)	124.58	(4 250)	117.70
Shares paid for and delivered	(2 448 700)	59.84	(126 383)	56.50
Total at 31 March	415 525	123.68	3 411 923	78.01
Exercisable at the end of the period	60 452	87.86	2 127 518	53.78

25. SHARE-BASED PAYMENTS (continued)

25.1 Remgro Share Scheme (the "Scheme") (continued)

Exercise price range of all offers:

	2009			2008		
	Number of shares outstanding at year-end	Weighted average remaining contract lifetime in years	Weighted average exercise price per share (Rand)*	Number of shares outstanding at year-end	Weighted average remaining contract lifetime in years	Weighted average exercise price per share (Rand)
R40 – R60	–	–	–	1 399 790	2.57	45.03
R60 – R80	–	–	–	625 238	5.12	64.46
R80 – R100	174 614	2.67	87.86	648 709	4.10	86.88
R100 – R120	–	–	–	24 248	4.64	114.05
R120 – R140	172 681	4.24	135.00	567 986	5.24	134.89
R140 – R160	–	–	–	390	5.66	155.45
R160 – R180	–	–	–	14 915	6.33	176.83
R180 – R200	68 230	5.22	186.70	130 647	6.22	186.70

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

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

No offers were made during the current financial year in terms of this share scheme.

* Additionally, in terms of the scheme rules, participants also receive all special dividends and proceeds from group restructurings following the offer date.

25.2 Remgro Equity Settled Share Appreciation Right Scheme (the "SAR Scheme")

Participants of the SAR Scheme are remunerated with shares to the value of the appreciation of a specified number of Remgro ordinary shares that must be exercised within a period of seven years after the grant date.

The earliest intervals at which the share appreciation rights (SARs) are exercisable are as follows:

- One-third after the third anniversary of the grant date
- Two-thirds after the fourth anniversary of the grant date
- The remainder after the fifth anniversary of the grant date

	2009 R million	2008 R million
Share-based payment cost included in the income statement (in accordance with IFRS 2)	13	–
Fair value of offers made during the year	63	–

Number and weighted average exercise prices of all SARs offered to participants of the SAR Scheme:

	2009	
	Number of SARs	Rand
Offered in current financial year	3 641 533	73.24
Forfeited during the current financial year	(6 779)	73.21
Total at 31 March	3 634 754	73.24
Exercisable at the end of the period	295 159	72.00

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

25. SHARE-BASED PAYMENTS (continued)

25.2 Remgro Equity Settled Share Appreciation Right Scheme (the "SAR Scheme") (continued)

Exercise prices of all options:

	Number of SARs outstanding at year-end	2009 Weighted average remaining contract lifetime in years
R72	1 389 152	3.69
R74	2 245 602	6.66

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

	2009
Weighted average Remgro share price for the year:	
– Full year (R)	137.62
– Prior to the BAT unbundling (R)	191.99
– Following the BAT unbundling (R)	70.37
Exercise price (R)	72 – 74
Average expected exercise period (years)	3 – 6
Price volatility (%)	20.78 – 22.36
Risk-free rate (%)	8.13 – 8.76
Expected dividend yield (%)	2.37

25.3 Current status – offers to directors

Remgro Share Scheme

– ordinary shares

Participant	Balance of shares accepted as at 31 March 2008	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 of shares (Rand)	Increase in value ⁽¹⁾ (R'000)	Shares forfeited on 27/10/08 ⁽²⁾	Balance of shares accepted as at 31 March 2009
Executive										
W E Bührmann	97 872			87.86	32 624	13/10/08	167.00	2 582	65 248	–
	7 303			135.00					7 303	–
	38 645			186.70					38 645	–
D M Falck	458 716			43.60	458 716	08/08/08	194.22	69 092	–	–
	104 917			63.00	104 917	08/08/08	194.22	13 767	–	–
	30 050			87.86	30 050	13/10/08	167.00	2 378	–	–
	92 988			135.00	92 988	13/10/08	167.00	2 976	–	–
	18 146			186.70	18 146	13/10/08	167.00	(357)	–	–
J A Preller	24 466			43.60	24 466	13/10/08	167.00	3 019	–	–
	34 572			87.86	11 524	13/10/08	167.00	912	23 048	–
	30 167			135.00					30 167	–
	2 319			186.70					2 319	–
M H Visser	278 979			63.00	278 979	13/10/08	167.00	29 014	–	–
	342 488			87.86	114 164	13/10/08	167.00	9 035	53 710	174 614
	172 681			135.00					–	172 681
	68 230			186.70					–	68 230
T van Wyk	42 161			87.86	14 055	13/10/08	167.00	1 112	28 106	–
	41 598			135.00					41 598	–
	3 029			186.70					3 029	–
Subtotal	1 889 327	–			1 180 629			133 530	293 173	415 525
Non-executive										
P E Beyers	191 130			43.60	191 130	13/10/08	167.00	23 585	–	–
J W Dreyer	191 130			43.60	191 130	13/10/08	167.00	23 585	–	–
J P Rupert	414 938			48.20	414 938	23/09/08	183.00	55 934	–	–
Subtotal	797 198	–			797 198			103 104	–	–
Total	2 686 525	–			1 977 827			236 634	293 173	415 525

1. 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.

2. In lieu of shares forfeited, directors were paid a cash bonus. Refer to note 24.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

25. SHARE-BASED PAYMENTS (continued)

25.3 Current status – offers to directors (continued)

Remgro Share Scheme (continued)

– 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.

25. SHARE-BASED PAYMENTS (continued)

25.3 Current status – offers to directors (continued)

Remgro Equity Settled Share Appreciation Right Scheme

– Share appreciation rights (SARs)

Participant	Balance of SARs accepted at 31 March 2008	SARs accepted during the year	Offer date	Offer price (Rand)	Number of SARs exercised	Date exercising SARs	Share price on exercise date	Increase in value* (R'000)	Balance of SARs accepted as at 31 March 2009
Executive									
W E Bührmann	–	283 148	04/11/08	72.00					283 148
	–	124 771	27/11/08	74.00					124 771
L Crouse	–	418 108	27/11/08	74.00					418 108
J A Preller	–	141 411	04/11/08	72.00					141 411
	–	48 788	27/11/08	74.00					48 788
T van Wyk	–	185 207	04/11/08	72.00					185 207
	–	87 829	27/11/08	74.00					87 829
M H Visser	–	136 767	04/11/08	72.00					136 767
	–	542 424	27/11/08	74.00					542 424
J W Dreyer	–	270 270	27/11/08	74.00					270 270
Total	–	2 238 723							2 238 723

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

25.4 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 R20 million (2008: R11 million) relating to this scheme was recognised in the income statement.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

	2009 R million	2008 R million
26. PROFIT		
Profit is stated after taking the following into account:		
CONSOLIDATED		
Income		
Fair value adjustment – biological assets	27	46
Fair value adjustment – derivative instruments	15	66
Rental income – investment properties	10	9
Interest received	197	296
Shareholder's loan to associated company	–	6
Financial institutions and other	197	290
Profit on sale and restructuring of investments	24	1 665
Profit with restructuring of investment in Unilever	–	1 167
Profit with unbundling of investment in Discovery by FirstRand	–	403
Other	24	95
Profit on sale of property, plant and equipment	–	114
Exchange rate gains	121	20
Expenses		
Amortisation of intangible assets	12	12
Fair value adjustment – derivative instruments	164	–
Expenses – investment properties	5	5
Rental	84	61
Land and buildings	45	26
Machinery and equipment	15	21
Vehicles	7	4
Office equipment	17	10
Research and development costs written off	7	1
Auditors' remuneration – audit fees	13	11
– other services	3	3
Professional fees	49	25
Depreciation	271	251
Buildings	34	30
Machinery and equipment	203	188
Vehicles	31	31
Office equipment	3	2
Loss on sale of property, plant and equipment	3	–
THE COMPANY		
Loss on exchange of investment in BAT for investment in Reinet depository receipts and other costs relating to the BAT unbundling	2 012	–

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

	THE COMPANY		CONSOLIDATED	
	2009	2008	2009	2008
	R million	R million	R million	R million
27. DIVIDEND INCOME				
Included in profit:				
Listed	–	–	352	274
Unlisted – Subsidiary companies	59 469	2 138		
– Other	–	–	3	–
	59 469	2 138	355	274
Dividends from associated companies and joint ventures set off against investments			1 528	3 297
			2009	2008
			R million	R million
28. EQUITY ADJUSTMENT				
Share of net attributable profit of associated companies and joint ventures – per income statement			4 806	7 210
Continuing operations			2 389	3 825
Discontinued operations			2 417	3 385
Dividends received from associated companies and joint ventures			(1 528)	(3 297)
Share of net profit retained by associated companies and joint ventures			3 278	3 913
Exchange rate differences on translation from average rates to year-end rates			59	162
Equity adjustment transferred to non-distributable reserves (Refer to statements of changes in equity)			3 337	4 075
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			876	1 039
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			170	142
Contingent tax liabilities			11	98
Claims – There are a number of existing and potential legal 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 2009

	CONSOLIDATED		THE COMPANY	
	2009	2008	2009	2008
	R million	R million	R million	R million
29. CASH FLOW INFORMATION				
29.1 Adjustments				
Amortisation of intangible assets and depreciation	282	263	–	–
Movement in provisions	(96)	5	–	–
Share scheme cost	49	68	–	–
(Profit)/loss on the sale of property, plant and equipment	3	(114)	–	–
Other	(24)	1	–	–
	214	223	–	–
29.2 Decrease/(increase) in working capital				
Decrease/(increase) in inventories and biological agricultural assets	(27)	(341)	–	–
Decrease/(increase) in trade and other receivables	(117)	(327)	(3)	3
Increase/(decrease) in trade and other payables	165	393	43	2
Net movement in derivative instruments	31	(26)	–	–
	52	(301)	40	5
29.3 Reconciliation of dividends received				
Receivable at the beginning of the year	–	168	–	–
Per income statement	355	274	59 469	2 138
Dividends from associated companies and joint ventures set off against investments	1 528	3 297	–	–
Dividend <i>in specie</i>	–	(191)	–	–
Receivable at the end of the year	(389)	–	–	–
Cash received	1 494	3 548	59 469	2 138
29.4 Reconciliation of taxation paid with the amount disclosed in the income statement				
Paid in advance at the beginning of the year	80	14	–	–
Unpaid at the beginning of the year	(13)	(104)	–	–
Per income statement	(282)	(340)	(686)	–
– normal income	(259)	(296)	–	–
– capital gain	(2)	(17)	–	–
– STC	(21)	(27)	(686)	–
Unpaid at the end of the year	–	13	–	–
Paid in advance at the end of the year	(65)	(80)	–	–
Cash paid	(280)	(497)	(686)	–
29.5 Reconciliation of dividends paid				
Per statements of changes in equity	(56 757)	(2 178)	(57 204)	(2 233)
Dividend <i>in specie</i>	54 689	–	55 095	–
Paid by subsidiary companies to minority	(52)	(74)	–	–
Cash paid	(2 120)	(2 252)	(2 109)	(2 233)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

	2009 R million	2008 R million
30. BUSINESSES ACQUIRED		
During the past two years subsidiary companies in the Group acquired various small businesses. The assets and liabilities arising from these acquisitions were as follows:		
Net assets acquired	7	3
Goodwill (note 5)	4	2
Cash paid	11	5
Cash acquired from business	–	(1)
Net cash flow on acquisition of business	11	4

31. FINANCIAL INSTRUMENTS

31.1 Classes of financial instruments and fair value

Financial instruments on the balance sheet include investments, investment in money market funds, 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.

Financial assets	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
2009						
Investments – other			40	4 702	4 742	4 742
Loans		100			100	100
Debtors and short-term loans	62	1 737			1 799	1 799
Derivative instruments			16		16	16
Investment in money market funds			1 578		1 578	1 578
Cash and cash equivalents		5 050			5 050	5 050
	62	6 887	1 634	4 702	13 285	13 285
2008						
Investments – other				8 551	8 551	8 551
Loans		2			2	2
Debtors and short-term loans	31	1 261			1 292	1 292
Derivative instruments			19		19	19
Cash and cash equivalents		3 934			3 934	3 934
	31	5 197	19	8 551	13 798	13 798

31. FINANCIAL INSTRUMENTS (continued)
 31.1 Classes of financial instruments and fair value (continued)

Financial liabilities	<i>Liabilities at amortised cost</i> R million	<i>Liabilities at fair value through profit and loss</i> R million	Carrying value R million	Fair value R million
2009				
Long-term loans	191		191	191
Trade and other payables	1 999		1 999	1 999
Short-term loans	117		117	117
Derivative instruments		18	18	18
	2 307	18	2 325	2 325
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

Fair value

On 31 March 2009 and 2008 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 and investment in money market funds: 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. FINANCIAL INSTRUMENTS *(continued)***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 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.

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. At year-end the carrying value of foreign cash as well as the investment in money market funds amounted to R3 515 million (2008: R2 654 million). Refer to notes 15 and 16 for further details.

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 16. 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 19.

31. FINANCIAL INSTRUMENTS (continued)

31.2 Financial instruments and risk management (continued)

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	2009		Change	2008	
		Income statement R million	Equity R million		Income statement R million	Equity R million
Interest rates	2.0%	92	–	2.0%	51	–
Foreign exchange	5.0%	–	183	5.0%	1	–
Equity prices	10.0%	–	408	10.0%	–	731
Commodity prices	–	–	–	R50/ton	9	–
		92	591		61	731

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.

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 respective credit policies of each operating subsidiary, i.e. Rainbow Chicken, Tsb Sugar and Wispeco.

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

Debtors	<u>Age analysis of trade debtors in arrears</u>			<u>Total trade debtors in arrears</u> R million
	60 days R million	90 days R million	120 days + R million	
2009	17	2	19	38
2008	76	8	10	94

A provision for doubtful debts of R45 million (2008: R44 million) was made. Refer note 12.

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

	2009	2008
Existing customers (history of six months +) – no past defaults	778	839
Existing customers (history of six months +) – with past defaults	220	82
New customers (history of less than six months)	160	125
	1 158	1 046

31. FINANCIAL INSTRUMENTS (continued)

31.2 Financial instruments and risk management (continued)

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 16) 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.

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
2009					
Long-term loans	191	255	–	250	5
Trade and other payables	1 999	1 999	1 999	–	–
Short-term loans	117	139	139	–	–
Derivative instruments	18	159	117	28	14
	2 325	2 552	2 255	278	19
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

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 cash dividends amounting to R902 million (2008: R2 471 million) were declared and the investment in BAT amounting to R55.2 billion was unbundled by way of an interim dividend *in specie*. The Group also repurchased its own shares to the value of R666 million (2008: R28 million).

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

	2009 R million	2008 R million
33. COMMITMENTS		
Capital commitments	751	888
Uncompleted contracts for capital expenditure	100	114
Capital expenditure authorised but not yet contracted	173	161
Investment liabilities	478	613
Operating lease commitments	131	130
Due within one year	43	39
Due – two to five years	82	81
Due thereafter	6	10
	882	1 018

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

34. BORROWING POWERS

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

	2009 R million	2008 R million
35. GUARANTEES AND CONTINGENT LIABILITIES		
35.1 Guarantees		
Guarantee to associated company*	386	–
Guarantees by subsidiary companies	1	8
	387	8
35.2 Contingent liabilities		
Contract grower guarantees**	48	50

* Unilever Plc and Unilever NV, hereafter Unint, and Robertsons Holdings (Pty) Limited (Robertsons), a wholly owned subsidiary company of Remgro, issued a guarantee to the holders of commercial paper issued by Unilever SA (Pty) Limited (Unilever SA). The companies are jointly and severally liable in the event of non-performance by Unilever SA. In terms of its commercial paper programme, Unilever SA may issue commercial paper to the value of R2.5 billion. On 31 March 2009, commercial paper amounting to R1.5 billion was issued by Unilever SA. Unint issued a cross-guarantee that limits Robertson's liability to 25.75% of the paper in issue. If Unilever SA issues commercial paper to the full extent of the programme, Robertson's maximum exposure in terms of this arrangement amounts to R643.75 million.

** 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 24 and 25 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 123 and 124 of the Annual Report.

Other

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

FOR THE YEAR ENDED 31 MARCH 2009

	2009 R million	2008 R million
36. RELATED PARTY INFORMATION (continued)		
Related party transactions		
CONSOLIDATED		
Transactions of Remgro Limited and its subsidiary companies with:		
<i>Controlling shareholder</i>		
Cash dividends	146	164
Dividend <i>in specie</i>	4 128	–
<i>Associated companies</i>		
Interest received	12	11
Dividends received	1 528	3 297
Sales	69	2
Administration fees	16	13
Purchases	148	113
Interest paid	–	1
<i>Key management personnel</i>		
Salaries and other benefits	23	19
Share Scheme bonuses	20	–
Retirement benefits	3	3
Share-based payments	13	8
<i>Other</i>		
Fees received from VenFin Limited	19	17
Balances due from/(to) related parties		
Associated companies	(20)	(11)
Associated companies	473	22
Joint ventures	116	–
Loans to directors	38	–
Balance – 1 April	–	–
Loans advanced during the year	40	–
Interest charged	1	–
Repayments made	(3)	–
THE COMPANY		
Transactions of Remgro Limited with:		
<i>Controlling shareholder</i>		
Cash dividends	146	164
Dividend <i>in specie</i>	4 128	–
<i>Subsidiary companies</i>		
Dividends received	59 469	2 138
Administration fees received	5	5
Balances due by related parties		
Subsidiary companies	179	2 312

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. Loans were advanced to participants of the Remgro Share Scheme relating to the purchase of ordinary shares in Remgro by participants awarded before 30 September 2004, which have not vested by 6 August 2008.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

	2009 R million	2008 R million
37. DISCONTINUED OPERATIONS		
Equity accounted income from discontinued operations	2 417	3 385
Realisation of reserves previously deferred in equity	2 695	–
Pre-tax profit on distribution of discontinued operations	38 068	–
Tax on the distribution of discontinued operations	(677)	–
Profit for the year from discontinued operations	42 503	3 385
Cash flows from discontinued operations:		
Operating activities	169	1 893
Investing activities	3 736	–
Net cash flow from discontinued operations	3 905	1 893

On 7 October 2008 Remgro shareholders approved the unbundling of the investment in BAT by way of an interim dividend *in specie*, and on 3 November 2008 Remgro distributed 192.9 million ordinary shares in BAT and 302.6 million Reinet Investments S.C.A. (Reinet) depositary receipts (DRs) to Remgro shareholders in the ratio of 40.6054 BAT ordinary shares and 63.6977 Reinet DRs for every 100 Remgro shares held.

ANNEXURE A

PRINCIPAL SUBSIDIARY COMPANIES AT 31 MARCH 2009

NAME OF COMPANY Incorporated in South Africa unless otherwise stated	Issued capital R (unless other- wise stated)	Effective interest		HELD BY COMPANY			
		2009 %	2008 %	Shares 2009 R	2008 R	Loan 2009 R million	2008 R million
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	100.0				
Rainbow Chicken Limited	* 1 166 762 000	73.7	74.0				
Remgro International Holdings (Pty) Limited	2	100.0	100.0	2	2		
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	65.3	65.0				
Historical Homes of South Africa Limited	555 000	54.0	54.0				
M&I Group Services Limited	100	100.0	100.0			645	200
R&R Holdings Group Limited	Δ (GBP) 369 495 000	100.0	–				
Remgro CHF Limited – Jersey	# (CHF) 2	100.0	–				
Remgro Continental Limited – Jersey	# (EUR) 1	100.0	–				
Remgro Finance Corporation Limited	300 000	100.0	100.0				
Remgro International Investments (Pty) Limited	100	100.0	100.0				
Remgro International Limited – Jersey	# 51 359	100.0	–				
Remgro Investments Limited – Jersey	(GBP) 1 315 000	100.0	100.0				
Remgro Loan Corporation Limited	700	100.0	100.0			12 148	2 110
Remgro South Africa (Pty) Limited	48 614	100.0	100.0	96 506	96 506		
Remgro Sterling Limited – Jersey	# (GBP) 2	100.0	–				
Remgro USA Limited – Jersey	# (USD) 2	100.0	–				
Remont (Pty) Limited	# 100	100.0	–	100	–		
Stellenryck Trust Limited	700	100.0	100.0				
						12 793	2 310

(GBP) British pound

(CHF) Swiss franc

(EUR) euro

(USD) USA dollar

* Listed company

Δ After becoming a wholly owned subsidiary company the name of R&R Holdings SA was changed to R&R Holdings Group Limited.

Newly incorporated

A complete register of subsidiary companies is available for inspection at the registered office of the Company.

ANNEXURE B

PRINCIPAL INVESTMENTS AT 31 MARCH 2009

NAME OF COMPANY Incorporated in South Africa unless otherwise stated		LISTED				UNLISTED			
		2009 Effective Shares interest held %		2008 Effective Shares interest held %		2009 Effective Shares interest held %		2008 Effective Shares interest held %	
Tobacco interests									
R&R Holdings SA – Luxembourg	Δ								
– ordinary shares						–	–	316 000	33.3
– debentures						–	–	682 291	38.7
– participating securities (2005)						–	–	19 281 686	100.0
– participating securities (2006)						–	–	1	33.3
– held by R&R Holdings SA:									
– BAT Plc – UK (2008: 30%)	#		–		10.6				
Financial services									
RMB Holdings Limited	(2)	302 279 403	25.0	302 279 403	25.0				
– held by RMB Holdings Limited:									
– FirstRand Limited (33%)			8.1		8.2				
FirstRand Limited	(2)	481 142 375	9.2	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	42.5	10 344	41.8
Medi-Clinic Corporation Limited	(1)	257 346 286	45.9	257 346 286	45.9				
Nampak Limited	(1)	78 096 694	13.3	78 096 694	13.3				
PGSI Limited – BVI	*(3)					11 387 737	29.1	11 153 362	28.5
Unilever South Africa Holdings (Pty) Limited	(4)					5 348 135	25.8	5 348 135	25.8
Total South Africa (Pty) Limited	*(2)					12 872 450	33.2	12 872 450	33.2
Remgro-KWV Investments Limited	(2)					50	50.0	50	50.0
– held by Remgro-KWV Investments Limited:									
– Distell Group Limited (58%)			29.2		29.4				
Mining interests									
Impala Platinum Holdings Limited	**	26 687 288	4.4	26 687 288	4.4				
Trans Hex Group Limited	(1)	30 215 000	28.5	30 215 000	28.5				
Other interests									
Business Partners Limited	*(1)					37 135 149	21.5	36 204 249	21.1
Xicom Wireless, Inc. – USA	(5)					22 500 000	44.4	11 250 000	44.4

Financial period accounted for:

(1) Twelve months to 31 March 2009

(2) Twelve months to 31 December 2008

(3) Twelve months to 31 December 2008 (2008: for five months from date of purchase to 31 December 2007)

(4) Twelve months to 31 March 2009 (2008: for six months from restructuring of interest in Unilever to 31 March 2008)

(5) Twelve months to 31 March 2009 (2008: 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% (2008: 24.9%)

– Kagiso Trust Investments (Pty) Limited 37.7% (2008: 37.1%)

– Business Partners Limited 20.8% (2008: 20.2%)

– PGSI Limited 25.0% (2008: 24.5%)

** Not an associated company

The investment in BAT was unbundled to shareholders on 3 November 2008. As a result the indirect investment in BAT was only equity accounted for the seven months to 31 October 2008.

Δ R&R Holdings SA became a wholly owned subsidiary company on 1 November 2008 as part of the preliminary steps to the unbundling of the investment in BAT. Accordingly, R&R Holdings SA was equity accounted for the seven months to 31 October 2008 and consolidated for the five months to 31 March 2009. Refer Annexure A.

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) 2009	FirstRand (Financial services) 2009	Medi-Clinic (Industrial interests) 2009	Unilever South Africa (Industrial interests) 2009
	R million	R million	R million	R million
Effective interest	25.0%	9.2%	45.9%	25.8%
Carrying value of investments	6 027	5 728	3 533	2 950
Share of retained equity income				
– Current year	533	642	(558)	114
Normal income	761	816	294	229
Dividends	(382)	(348)	(163)	(116)
Non-recurring and capital items and impairments	55	51	–	1
Other changes in reserves and exchange rates	99	123	(689)	–
– Cumulative	2 701	2 972	1 470	240
Summarised financial information:	Per Interim Report 31/12/2008	Per Interim Report 31/12/2008	Per Annual Report 31/03/2009	Per Quarterly Report 31/03/2009
				<i>Note 1</i>
BALANCE SHEET				
Assets				
Net advances, loans and bank-related securities	1 071	40 071	–	–
Intangible assets	26	5 284	6 293	10 423
Property, plant and equipment and other	116	8 805	32 479	1 875
Investments and loans	20 202	25 656	32	23
Net current assets/(liabilities)	–	(12 472)	(5 469)	(182)
	21 415	67 344	33 335	12 139
Equity and liabilities				
Shareholders' funds	21 415	53 181	7 989	11 643
Long-term debt	–	14 163	25 346	496
	21 415	67 344	33 335	12 139
	12 months ended 31/12/2008	12 months ended 31/12/2008	12 months ended 31/03/2009	12 months ended 31/03/2009
INCOME STATEMENT				
Headline earnings	3 043	8 779	627	898
Net profit for the year	3 262	9 338	639	894
Dividends paid	1 712	4 289	339	450

There are no loans to these associated companies.

Note 1: This balance sheet is at 31 December 2008 as Unilever South Africa has not included a balance sheet in its quarterly report to 31 March 2009.

Note 2: The investments above represent 75% of the total carrying value of associated companies.

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
Effective interest	25.0%	9.3%	45.9%	33½%
	R million	R million	R million	R million
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	19 594	46 062	9 687	113 774
Long-term debt	–	11 249	23 586	113 421
	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 D

INFORMATION ON BUSINESS AND GEOGRAPHICAL SEGMENTS FOR THE YEAR ENDED 31 MARCH 2009

<i>R million</i>	Tobacco interests	Financial services	Industrial interests	Mining interests	Corporate finance and other interests	CONSOLI- DATED 2009 Total
BUSINESS SEGMENT ANALYSIS						
Sales	–	–	11 455	–	–	11 455
Results						
Subsidiary companies	100	(2)	320	336	29	783
Associated companies and joint ventures	2 501	1 682	967	(227)	(117)	4 806
Finance costs						5 589
Profit on sale and distribution of investments						(49)
Profit before tax						40 829
Taxation						46 369
Net profit						(945)
Attributable to:						
Equity holders						45 424
Minority interests						45 330
						94
						45 424
Headline earnings	2 295	1 576	1 318	164	(693)	4 660
OTHER INFORMATION						
Segment assets	–	327	7 153	4 223	6 459	18 162
Investments in associated companies	–	11 754	11 636	44	361	23 795
Investments in joint ventures	–	–	28	–	56	84
Taxation – Deferred						42 041
– Current						10
Consolidated total assets						65
Segment liabilities	–	–	2 403	–	101	2 504
Taxation – Deferred	–	17	401	387	20	825
Consolidated total liabilities	–	17	2 804	387	121	3 329
Additions to property, plant and equipment and intangible assets	–	–	456	–	7	463
Depreciation and amortisation	–	–	278	–	4	282
Net impairment	–	–	4	–	–	4

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 also have interests in other sectors. During the year under review, the investment in BAT has been unbundled to shareholders. Accordingly the tobacco interest segment has been disbanded.

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 according to 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 2009	Sales 2009	Headline earnings 2009	Total assets 2009
South Africa	463	11 455	2 376	36 897
Abroad	–	–	2 284	5 144
	463	11 455	4 660	42 041

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 2008

<i>R million</i>	Tobacco interests	Financial services	Industrial interests	Mining interests	Corporate finance and other interests	CONSOLI- DATED 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
Finance costs						8 831 (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
Taxation – Deferred						61 743 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 also have 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 according to 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.

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 Monday, 17 August 2009

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 18

Ordinary dividend per share 110 cents
Last day to trade in order to participate in the final dividend Friday, 14 August 2009
Trading on or after this date will be ex the final dividend Monday, 17 August 2009
Record date Friday, 21 August 2009
Payment date Monday, 24 August 2009

SHAREHOLDERS' INFORMATION

STATISTICS AT 31 MARCH 2009

	2009		2008	
	%	Number of shares	%	Number of shares
MAJOR BENEFICIAL SHAREHOLDERS				
Ordinary shares				
Public Investment Commissioner	15.60	68 544 387	14.22	63 829 870
Other	84.40	370 935 364	85.78	385 173 736
	100.00	439 479 751	100.00	449 003 606
B ordinary shares				
Rembrandt Trust (Pty) Limited	100.00	35 506 352	100.00	35 506 352
Total		474 986 103		484 509 958

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

	2009	2008	2007	2006
DISTRIBUTION OF SHAREHOLDERS				
Ordinary shares				
<i>Public shareholders</i>				
	41 686	41 832	28 728	30 929
Percentage of shareholders	99.93	99.94	99.90	99.92
Number of shares	430 447 901	433 151 212	432 253 223	440 740 885
Percentage of shares issued	97.94	96.47	96.31	98.20
<i>Non-public shareholders</i>				
Directors and their associates/Share Trust/Treasury shares				
	28	27	29	26
Percentage of shareholders	0.07	0.06	0.10	0.08
Number of shares	9 031 850	15 852 394	16 548 984	8 061 322
Percentage of shares issued	2.06	3.53	3.69	1.80
<i>Number of shareholders</i>	41 714	41 859	28 757	30 955

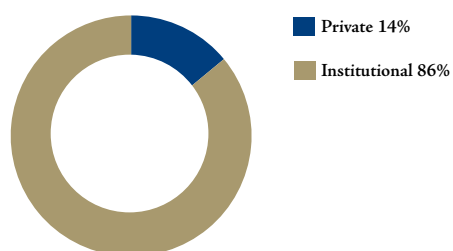
SHAREHOLDERS' INFORMATION

STATISTICS AT 31 MARCH 2009

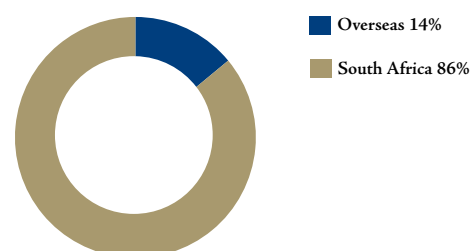
	2009	2008	2007	2006
NUMBER OF SHARES IN ISSUE				
– Ordinary shares of 1 cent each	439 479 751	449 003 606	448 802 207	448 802 207
Issued at 1 April	449 003 606	448 802 207	448 802 207	486 493 650
Issued during the year	–	201 399	–	–
Cancelled during the year	(9 523 855)	–	–	(37 691 443)
– Unlisted B ordinary shares of 10 cents each	35 506 352	35 506 352	35 506 352	35 506 352
Total number of shares in issue	474 986 103	484 509 958	484 308 559	484 308 559
Number of shares held in treasury	(3 500 000)	(11 972 555)	(11 948 372)	(4 473 004)
Ordinary shares repurchased and held in treasury	(3 500 000)	(8 554 019)	(8 554 019)	(1 379 635)
Ordinary shares purchased by The Remgro Share Trust and accounted for as treasury shares	–	(3 418 536)	(3 394 353)	(3 093 369)
	471 486 103	472 537 403	472 360 187	479 835 555
Weighted number of shares	471 798 001	472 052 993	474 123 689	483 154 691

ADDITIONAL INFORMATION (2009)

Institutional and private shareholding in Remgro Limited ordinary shares

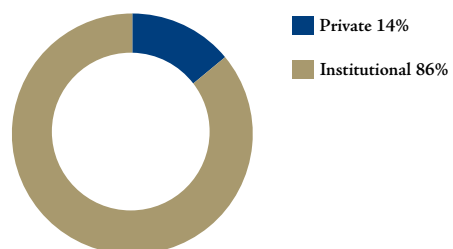


Overseas and local shareholding in Remgro Limited ordinary shares

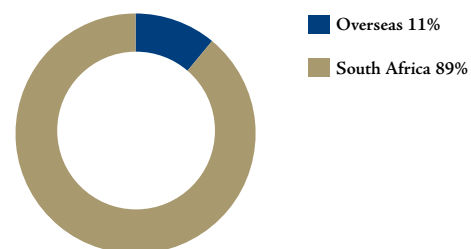


ADDITIONAL INFORMATION (2008)

Institutional and private shareholding in Remgro Limited ordinary shares



Overseas and local shareholding in Remgro Limited ordinary shares



SHAREHOLDERS' INFORMATION

STATISTICS AT 31 MARCH 2009

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

Directors	Direct beneficial	Indirect beneficial	Associates	Total
31 March 2009				
P E Beyers	70 024	204 130		274 154
W E Bührmann	255 880			255 880
G D de Jager	57 740			57 740
J W Dreyer		191 130	2 600	193 730
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		246 711	273 537
J A Preller	111 059			111 059
F Robertson		5 000		5 000
J P Rupert			916 972	916 972
T van Wyk	131 640		100	131 740
M H Visser	114 164	994 124		1 108 288
H Wessels			4 500	4 500
	995 578	3 235 405	1 300 867	5 531 850

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
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		245 011	271 837
J A Preller	75 069			75 069
F Robertson		5 000		5 000
J P Rupert			272 601	272 601
T van Wyk	117 585		100	117 685
M H Visser		715 145		715 145
H Wessels			3 000	3 000
	798 745	2 682 466	653 296	4 134 507

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.

The 2009 Annual General Meeting of Remgro Limited (“the Company”) will be held on Monday, 17 August 2009, at 10:00 in the Conference Centre, Erinvale Estate Hotel & Spa, Lourensford Road, Somerset West, 7130, 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 2009 be accepted and approved.

2. REAPPOINTMENT OF AUDITOR

Ordinary Resolution Number 2

Resolved that the reappointment of PricewaterhouseCoopers Inc. as the Company’s auditor, as nominated by the Company’s Audit and Risk Committee, is approved and to note that the individual registered auditor who will undertake the audit during the financial year ending 31 March 2010 is Mr N H Döman.

3. APPROVAL OF DIRECTORS’ REMUNERATION

Ordinary Resolution Number 3

Resolved that directors’ fees for services rendered as directors for the financial year ending 31 March 2010 be determined on the following basis:

Type of fee	Existing fee for the year ended 31 March 2009 R	Proposed fee for the year ending 31 March 2010 R
Board Member	160 000	172 000
Chairman of the Audit and Risk Committee	108 000	116 000
Member of the Audit and Risk Committee	54 000	58 000
Member of the Remuneration and Nomination Committee	27 000	29 000

4. ELECTION OF DIRECTOR

Ordinary Resolution Number 4

Resolved that Mr J P Rupert 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 Mr P E Beyers 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 Mr W E Bührmann 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.

7. ELECTION OF DIRECTOR

Ordinary Resolution Number 7

Resolved that Mr P K Harris 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 M M Morobe 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 H Wessels 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 12 and 13 of the Annual Report.

10. AMENDMENTS TO REMGRO SAR SCHEME

Ordinary Resolution Number 10

Resolved that the following amendments to the Remgro Equity Settled Share Appreciation Rights Scheme 2008 (“SAR Scheme”) document adopted on 7 October 2008 be and is hereby approved in terms of the provisions of the recently amended Schedule 14 of the Listings Requirements of the JSE Limited (“the Listings Requirements”) (“Schedule 14”):

- Inserting the following new clause 4.3 after the existing clause 4.2:
“4.3. Grants shall be made to Employees based on a multiple of their remuneration, as determined by the Board, taking into account the nature and level of their position, and their years of service with the Participating Companies.”
- Deleting the wording of clause 5.1 and substituting it with the following wording:
“5.1. **General Limit**
The Committee shall not make any Grants if at the time of or as a result of the making of such Grants the aggregate number of Shares in respect of which any unexercised SARs may be exercised (irrespective of whether the Participant has become entitled to exercise the SAR or not), together with the total number of other Shares that have been set aside for delivery to Employees under any other managerial share scheme operated by the Participating Companies, shall exceed 21 000 000 (twenty one million) Shares in aggregate (“**the Maximum Threshold**”), subject to the provisions set out in clause 10.1.”
- Deleting the wording of clause 5.2 and substituting it with the following wording:
“5.2. **Individual Limit**
The Committee shall not make any Grant to a single Participant if at the time of or as a result of the making of such Grant, the aggregate number of Shares in respect of which any unexercised SARs Granted to that Participant may be exercised (irrespective of whether the Participant has become entitled to exercise the SAR or not), together with any other Shares that have been set aside under any other managerial share scheme operated by the Participating Companies to that Participant, shall exceed 2 197 399 (two million one hundred and ninety seven thousand three hundred and ninety nine) Shares (“**the Individual Threshold**”), subject to the provisions set out in clause 10.2.”

In terms of the Listings Requirements, 75% (seventy-five percent) of the votes cast by shareholders present or represented by proxy at the Annual General Meeting, excluding all the votes attaching to all shares owned or controlled by persons who are existing participants in the SAR Scheme which have been acquired in terms of the SAR Scheme, must be cast in favour of this Ordinary Resolution Number 10 for it to be approved.

This Ordinary Resolution Number 10 is required to enable the Company to consolidate amendments made to Schedule 14 relating to share option/incentive schemes and the interpretation thereof, and to effectively increase the maximum limit of shares in respect of which any unexercised SARs granted to a single participant may be exercised from 0.25% of the Company’s issued ordinary share capital to 0.5% of the Company’s issued ordinary share capital.

In compliance with the amendments made to Schedule 14, the SAR Scheme document will further be amended to provide for –

- the adjustment to the maximum number of shares available in terms of the SAR Scheme in the event of the sub-division or consolidation of shares, to ensure that that maximum number still represents the same percentage of the shares in the Company after such corporate action;
- the adjustment to the maximum number of shares in respect of which an individual may exercise SARs in the event of a capitalisation issue, special dividend, rights issue or reduction of capital, to ensure that the maximum number still represents the same percentage of the shares in the Company after such corporate action;
- the adjustment to the number and/or grant price of SARs in the event of a subdivision or consolidation of shares, capitalisation issue, special dividend, rights issue or reduction of capital, to ensure that participants are placed in a substantially similar position to which they were in prior to such corporate action. The Committee will appoint the Company’s auditors or other independent advisor acceptable to the JSE to confirm to the JSE at the time of the finalisation of such adjustments that such adjustments are in accordance with the provisions of the SAR Scheme.

The issue of shares as consideration for an acquisition, the issue of shares for cash and the issue of shares or a vendor consideration placing will not be a circumstance requiring adjustments. In terms of the amended Schedule 14, the aforementioned amendments need not be approved by the shareholders of the Company, but shareholders should be informed thereof.

The amended SAR Scheme document will be available for inspection by the shareholders of the Company at the Company’s principal place of business and at the address of the transfer secretaries of the Company in Johannesburg from the date of this notice to the date of the Annual General Meeting.

11. 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 ordinary 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 ordinary 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 be published by the Company (i) when the Company and/or its subsidiaries have 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 ordinary share capital, provided that the acquisition of ordinary shares as treasury shares by a subsidiary of the Company shall not exceed 10% in the aggregate of the number of issued ordinary 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 ordinary 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 shares 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.

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 general repurchase;
- the assets of the Company and the Group will exceed their liabilities for a period of 12 months after the date of the general repurchase. For this purpose, the assets and liabilities are 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 general repurchase;
- 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 general repurchase; 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 Special Resolution Number 1 is to grant the Company's directors a general authority to approve the Company's repurchase of its own ordinary shares and to permit a subsidiary of the Company to purchase ordinary 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 12 and 13);
- Major shareholders (page 123);
- No material changes;
- Directors' interests in securities (page 125);
- Share capital of the Company (pages 94 and 123);
- The directors, whose names are set out on pages 12 and 13 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 and the Group's financial position over the last twelve-month period.

12. 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 Special Resolution Number 2 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 Thursday, 13 August 2009, at 10:00 (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.

Equity securities held by a share trust or scheme will not have their votes taken into account for the purposes of resolutions passed in terms of the Listings Requirements.

By order of the Board of Directors.

M Lubbe
Secretary

Stellenbosch
22 June 2009

ORDINARY RESOLUTIONS**ORDINARY RESOLUTION NUMBER 1****Approval of annual financial statements**

In terms of the provisions of section 286(1) of the Companies Act (No. 61 of 1973), as amended ("Companies Act"), the directors are obliged to present the Company's annual financial statements and Group annual financial statements to the members at the annual general meeting for consideration.

ORDINARY RESOLUTION NUMBER 2**Reappointment of auditor**

In terms of the provisions of section 270(1) of the Companies Act, a company shall at every annual general meeting appoint an auditor or auditors to hold office from the conclusion of that meeting until the conclusion of the next annual general meeting of the Company.

In terms of the provisions of section 274(3) of the Companies Act, when a firm is appointed as auditors the appointment should also specify the name of the individual registered auditor who undertakes the audit.

ORDINARY RESOLUTION NUMBER 3**Approval of directors' remuneration**

In terms of the provisions of article 29.2.1 of the Company's Articles of Association, the remuneration payable to the directors must be determined by the members of the Company.

ORDINARY RESOLUTIONS NUMBERS 4 – 9**Election of directors**

In terms of the provisions of article 31 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 12 and 13 of the annual report.

ORDINARY RESOLUTION NUMBER 10**Amendments to Remgro SAR Scheme**

Schedule 14 of the Listings Requirements of the JSE Limited ("the Listings Requirements") has been replaced in its entirety with effect from 15 October 2008. The amendments to the Remgro SAR Scheme reflect these new requirements.

The maximum limit of shares for a single participant is being increased from 0.25% to 0.5% to allow participants to have the same exposure to the Remgro SAR Scheme following the distribution of the BAT shares to shareholders in 2008 that they would have had to the old Remgro Share Scheme.

SPECIAL RESOLUTIONS**SPECIAL RESOLUTION NUMBER 1****General authority to repurchase shares**

The annual renewal of this authority is required in terms of the provisions of the Listings Requirements and section 85 of the Companies Act. The existing authority to the directors is due to expire at the forthcoming annual general meeting, unless renewed.

SPECIAL RESOLUTION NUMBER 2**General 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:

- REGISTERED MEMBERS WHO HAVE NOT YET DEMATERIALISED THEIR REMGRO LIMITED ORDINARY SHARES; AND
- REGISTERED MEMBERS WHO HAVE ALREADY DEMATERIALISED 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 2009 Annual General Meeting of the Company to be held on Monday, 17 August 2009, at 10:00 in the Conference Centre, Erinvale Estate Hotel & Spa, Lourensford Road, Somerset West, 7130 ("the annual general meeting").

I/We _____

being the holder/s of _____ ordinary shares in the Company, hereby appoint (see instruction 1 overleaf)

- _____ or, failing him/her,
- _____ or, failing him/her,
- 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):

Ordinary resolutions	Insert an "X" or the number of votes exercisable (one vote per ordinary share)		
	In favour of	Against	Abstain
1. Approval of annual financial statements			
2. Reappointment of auditor			
3. Approval of directors' remuneration			
4. Election of director – Mr J P Rupert			
5. Election of director – Mr P E Beyers			
6. Election of director – Mr W E Bührmann			
7. Election of director – Mr P K Harris			
8. Election of director – Mr M M Morobe			
9. Election of director – Mr H Wessels			
10. Amendments to Remgro SAR Scheme			
Special resolutions			
11. Authority to repurchase shares			
12. Authority to enter into derivative transactions			

Signed at _____ on _____ 2009

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 which that member wishes to exercise, 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 Thursday, 13 August 2009, at 10:00 (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.

