

INVESTMENT REVIEW  
**INDUSTRIAL INTERESTS**

CONTRIBUTION TO HEADLINE EARNINGS

R million



**RAINBOW CHICKEN LIMITED – effective interest: 73.3%**

MARKET CAPITALISATION AT 31 MARCH 2010: R5 465 MILLION	
	<b>LISTED ON THE JSE LIMITED</b>
	<b>CHIEF EXECUTIVE OFFICER: M DALLY</b>
	<b>PROFILE</b> Rainbow is the holding company of one principal operating subsidiary, which is a vertically integrated chicken producer.
	<b>REMGRO NOMINATED DIRECTORS</b> J J Durand, P R Louw, M H Visser
	<b>WEBSITE: <a href="http://www.rainbowchicken.co.za">www.rainbowchicken.co.za</a></b>

For the year ended 31 March 2010, Rainbow Chicken Limited's ("Rainbow") headline earnings increased by 10% (2009: 40% decrease) from R319 million to R351 million. Positive fair value adjustments on financial instruments, used in the feed raw material procurement strategy, amounting to R52 million (2009: R153 million negative) is included in profit before tax. Excluding the effect of these fair value adjustments, reflects a declining trend in headline earnings, which is mainly attributable to lower chicken realisations and a lower contribution from the external feed business.

Rainbow's total revenue increased by 2.1% (2009: 14.4%), underpinned by a 2.9% growth in chicken revenue which contributed 80% to total revenue. Overall chicken sales volumes increased by 5.1%. The lower increase in revenue, compared to 2009, results mainly from lower feed selling prices and volumes sold externally, with feed sales contributing 11% (2009: 13%) to total revenue.

Feed raw material prices peaked at historically high levels during the 2009 financial year and remained volatile throughout the current financial year. With the exception of soya, raw material prices reduced substantially during 2010, and the rand strengthened

against all major currencies. Taking full advantage of these lower prices was difficult due to the rate at which the prices declined and Rainbow's forward procurement strategy. Going forward there is an opportunity for feed costs to reduce further, provided raw material prices remain at the current lower levels.

Retail added value products performed well. Rainbow Polony continued to entrench its market leadership position with the launch of Rainbow Family Polony, while Rainbow Viennas showed good volume growth. The Rainbow Freezer to Fryer range of burgers and steaklets has shown strong growth this year and has recently become the market leading crumbed chicken brand in South Africa. FoodSolutions has grown acceptably given the tight economy and the consequential impact on discretionary purchases like fast food. The general foodservice channel has contracted, leading to a decline in chicken purchases.

Rainbow's branded added value strategy has once again proved to be vital in delivering consistent profit in these difficult economic times. Rainbow's sustainability programme has brought focus to the issue of carbon footprint and will continue to benefit the operations through reduced electricity and coal consumption.

**MEDI-CLINIC CORPORATION LIMITED – effective interest: 45.7%**

MARKET CAPITALISATION AT 31 MARCH 2010: R16 011 MILLION	
	<b>LISTED ON THE JSE LIMITED</b>
	<b>CHIEF EXECUTIVE OFFICER: D P MEINTJES</b>
	<b>PROFILE</b> 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.
	<b>REMGR0 NOMINATED DIRECTORS</b> E de la H Hertzog, C M van den Heever, M H Visser
<b>WEBSITE: <a href="http://www.mediclinic.co.za">www.mediclinic.co.za</a></b>	

Medi-Clinic Corporation Limited's ("Medi-Clinic") turnover increased by 5% to R17 141 million (2009: R16 351 million) for the year under review, while headline earnings increased by 65% to R1 028 million (2009: R624 million). The substantial increase in headline earnings can be attributed mainly to two non-recurring items amounting to R176 million relating to a decrease in tax rates in two cantons in Switzerland, as well as an adjustment to past service costs of the Hirslanden pension fund. Core headline earnings, which excludes the effect of the two non-recurring items, increased from R624 million to R852 million, as a result of higher operating profit.

Medi-Clinic has an interest of 100% in Hirslanden, the holding company of the largest private hospital group in Switzerland. Hirslanden is the leading private hospital group in Switzerland, comprising 13 private acute care facilities. Hirslanden's revenue for the year under review decreased by 5% to R8 335 million (2009: R8 737 million) and core operating income before interest, taxation, depreciation and amortisation ("core EBITDA"), which excludes the effect of the two non-recurring items, was slightly lower at R1 953 million (2009: R1 961 million). The decrease in the average rand/Swiss franc exchange rate for the year resulted in the decline in the rand result of the financial numbers above, with revenue and core EBITDA increasing by 4% and 9% respectively, at constant foreign exchange rates.

The Southern African group revenue increased by 13% to R7 680 million (2009: R6 792 million) for the year under review due to a 2.1% increase in bed-days sold and an 10.3% increase in the average income per bed-day. EBITDA increased by 13% to R1 651 million (2009: R1 458 million) and the Southern African operations contributed R659 million (2009: R553 million) to the attributable income of Medi-Clinic.

Medi-Clinic has an interest 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 private healthcare provider in Dubai. Revenue from the United Arab Emirates increased by 37% to R1 126 million (2009: R822 million) for the year under review, while EBITDA increased to R132 million (2009: R12 million).

The group is uniquely positioned across three diverse global operating platforms. It will continue to focus on its core business of acute care, specialist-orientated hospital services to fulfil its vision of being regarded as the most trusted and respected provider of such services by patients, doctors and funders of healthcare.

**DISTELL GROUP LIMITED – effective interest: 33.3%**

MARKET CAPITALISATION AT 31 MARCH 2010: R13 721 MILLION	
	<b>LISTED ON THE JSE LIMITED</b>
	<b>MANAGING DIRECTOR: J J SCANNELL</b>
	<b>PROFILE</b> Distell produces and markets fine wines, spirits and flavoured alcoholic beverages in South Africa and internationally.
	<b>REMGRO NOMINATED DIRECTORS</b> P E Beyers, E de la H Hertzog, M H Visser
	<b>WEBSITE: <a href="http://www.distell.co.za">www.distell.co.za</a></b>

Distell Group Limited's ("Distell") financial year-end is 30 June. However, included in Remgro's headline earnings is the company's results for the twelve months ended 31 December 2009.


Distell reported for the six months ended 31 December 2009 that turnover grew by 9% (2008: 22%) to R6.6 billion (2008: R6.1 billion) on a sales volume increase of 7.7%. Sales volume in the South African market increased by 5.8% (2008: 10.7%).

International sales volume, including Africa, grew by 14% (2008: 37%), but a stronger rand against all major currencies limited international revenue growth to 12%.

The decrease of 4.2% (2008: 19.9% increase) in Distell's headline earnings for the six-month period to R623 million (2008: R650 million) was largely due to higher financing costs due to the acquisition of the Bisquit brand, as well as a decline in operating margin.

INDUSTRIAL INTERESTS

**UNILEVER SOUTH AFRICA HOLDINGS (PTY) LIMITED – effective interest: 25.8%**

EQUITY VALUATION AT 31 MARCH 2010: R16 878 MILLION	
	<b>UNLISTED</b>
	<b>CHIEF EXECUTIVE OFFICER: MRS G A KLINTWORTH</b>
	<b>PROFILE</b> Unilever manufactures and markets an extensive range of food and home and personal care products, while enjoying market leadership in most of its major categories. Well-known brands include <i>Robertsons, Rama, Flora, Lipton, Joko, Mrs Ball's, Sunlight, Omo, Surf, Vaseline</i> and <i>Lux</i> .
	<b>REMGR0 NOMINATED DIRECTORS</b> P E Beyers, M H Visser
	<b>WEBSITE: <a href="http://www.unilever.co.za">www.unilever.co.za</a></b>

Remgro included R279 million (2009: R231 million) of the earnings of Unilever South Africa Holdings (Pty) Limited ("Unilever South Africa") in its headline earnings for the twelve months ended 31 March 2010. Included in Remgro's share of Unilever's earnings is restructuring costs amounting to R53 million (2009: R23 million). The increased earnings result mainly from higher margins due to significant upward pressure on commodity costs in the previous period not being experienced in the current year.

Unilever South Africa's turnover grew by 5.1% for the year ended 31 March 2010, which constituted a growth of 5.5% in the retail business and a decline of 3% in the food solutions business.

The growth in the retail business was driven by both price and volumes, with the Savoury and Dressing ("S&D"), Face care and Skin cleanse categories contributing most significantly to this growth. S&D


continued its good performance across its soup range and meal solutions range. Face care categories recorded exceptional growth after the launch of the premium range Ponds products. Skin cleanse growth was driven by the launch of *Vaseline for Men* and *Sunlight Germiguard*.

Price growth was due to the carry-over effect of a number of price increases in 2008 due to the unprecedented increase in commodity prices and high exchange rates. This trend started to reverse in the latter part of 2009. Competitors adjusted their pricing accordingly and Unilever South Africa maintained its pricing strategy, relative to these competitors.

Food solutions' negative growth resulted from a decline in volume which is mainly attributable to the impact of the economic slowdown on out-of-home eating.

INDUSTRIAL INTERESTS

**TOTAL SOUTH AFRICA (PTY) LIMITED – effective interest: 24.9%**

EQUITY VALUATION AT 31 MARCH 2010: R4 338 MILLION	
	<b>UNLISTED</b>
	<b>CHIEF EXECUTIVE OFFICER: J D ROYERE</b>
	<b>PROFILE</b> 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 countries. It has a 36% interest in National Petroleum Refiners of S.A. (Pty) Limited (Natref).
	<b>REMGRO NOMINATED DIRECTORS</b> L Crouse, E de la H Hertzog
	<b>WEBSITE: <a href="http://www.total.co.za">www.total.co.za</a></b>

Total South Africa (Pty) Limited's ("Total") financial year-end is 31 December, and therefore its results for the twelve months ended 31 December 2009 have been included in Remgro's headline earnings. Total's contribution to Remgro's headline earnings for the period under review increased from a loss of R25 million in the previous year to earnings of R42 million, mainly driven by the recovery in oil prices.

Total reported a net profit of R131 million for 2009 compared to a loss of R101 million for 2008. International oil prices recovered in 2009 after a very volatile year in 2008, which resulted in limited stock revaluations for the current year compared to the significant devaluation of stock during 2008. Profitability in the industry has suffered due to low refining margins and overcapacity of refineries worldwide. The industry obtained an increase of 6.2 cents in the regulated wholesale margin in October 2009, which is still not keeping pace with inflation.

Despite the recession, Total's sales of main fuels increased by 2.3% from the previous year, while

retail sales increased by 1.7%. The increasing trend is mainly due to lower oil prices throughout the year, compared to 2008, whereas the positive impact of the economic recovery in South Africa will likely be seen from 2010. The company has launched action plans during the year to reduce its costs, but has maintained the same level of investment regarding the health, safety, environment and quality aspects, especially at the depots. The company also embarked on a restructuring process at the end of 2009, with the aim to reduce costs.

Natref, in which Total has an interest of 36%, experienced a stable reliability rate during the current year compared to 2008. However, because of reduced demand of oil products in the international markets, refining margins dropped considerably reaching very low levels during the second half of the year.

Decreased working capital requirements, due to lower oil prices throughout the year, compared to 2008, led to a decrease of R126 million in financing costs.

INDUSTRIAL INTERESTS

**NAMPAK LIMITED – effective interest: 13.3%**

MARKET CAPITALISATION AT 31 MARCH 2010: R11 820 MILLION	
	<b>LISTED ON THE JSE LIMITED</b>
	<b>CHIEF EXECUTIVE OFFICER: A B MARSHALL</b>
	<b>PROFILE</b> 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.
	<b>REMGRO NOMINATED DIRECTOR</b> M H Visser
	<b>WEBSITE: <a href="http://www.nampak.co.za">www.nampak.co.za</a></b>


Nampak Limited ("Nampak") has a September year-end. Nampak's contribution of R73 million (2009: R105 million) to Remgro's headline earnings relates to its results for the twelve months to 31 March 2010.

For the six months ended 31 March 2010, Nampak reported a decrease of 7% in revenue to R9 434 million (2009: R10 091 million) due to lower sales volumes in South Africa and the effect of a stronger rand on translated revenue from Europe and the rest of Africa.

On a constant exchange rate basis, revenue would have been similar to the comparative period.

Nampak's headline earnings for the interim period increased by 17% to R458 million (2009: R392 million). The increase was mainly as a result of a reduction in finance costs and turnarounds in the paper businesses in both South Africa and Europe, which contributed to improved operating margins.

## TSB SUGAR HOLDINGS (PTY) LIMITED – effective interest: 100.0%

EQUITY VALUATION AT 31 MARCH 2010: R2 506 MILLION	
	<b>UNLISTED</b>
	<b>CHIEF EXECUTIVE OFFICER: J DU PLESSIS</b>
	<b>PROFILE</b> Tsb Sugar is involved in cane growing and the production, transport and marketing of sugar and animal feed. Citrus is also grown on the group's estates.
	<b>REMGR0 NOMINATED DIRECTORS</b> J W Dreyer, C M van den Heever, T van Wyk
	<b>WEBSITE: <a href="http://www.tsb.co.za">www.tsb.co.za</a></b>

Tsb Sugar Holdings (Pty) Limited ("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 areas of operation are the Nkomazi region in the Mpumalanga Lowveld and the Pongola area in northern KwaZulu-Natal. 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 also holds a 27.4% share-holding in Royal Swaziland Sugar Corporation Limited, a company that owns and operates two sugar mills in Swaziland. In addition, the company holds an effective share-holding of 63.7% in Mananga Sugar Packers – a sugar packaging and marketing company based in Swaziland which markets sugar under the *First and other* house brands in Swaziland as well as in South Africa.

Headline earnings increased by 21% to R227 million (2009: R188 million) notwithstanding the current global economic situation and increased cost pressure throughout the value chain. Turnover, driven by an increase in volume and prices, increased by 11% to R4 149 million, (2009: R3 732 million). Sugar, citrus and animal feed respectively accounts for 84%, 5% and 8% of turnover (2009: 82%, 6% and 8%). Included in headline earnings for the current year is an additional fair value adjustment of R34 million resulting from a change in the valuation methodology of biological agricultural assets (sugar cane, citrus and bananas).

The South African sugar industry's production decreased by 3.6% in 2009/2010. In comparison, Tsb

Sugar's raw sugar production increased by 8.2% due to the sugar produced at the Pongola mill acquired during the year. During the year under review the Komati mill produced more sugar than any other mill in the South African sugar industry with the Malelane mill in the third position.

The acquisition of the Pongola mill during the year contributed to the increase in sugar production. A total of 4.535 million tons of cane were crushed this season (2009: 4.093 million tons), with a production of 550 016 tons raw sugar (2009: 508 473 tons) at the 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 8.53 and indicates good production efficiencies at the three mills. Tsb Sugar operates a refinery at the Malelane Mill complex as well as at the Pongola mill, where raw sugar received from the company's sugar mills is refined for both the local and export markets. The refineries produced 417 403 tons of refined sugar during the year (2009: 342 489 tons).

Tsb Sugar's animal feed operation, Molatek, produces various products for the livestock market. The major raw materials (molasses and bagasse) used in the production process are by-products of sugar production. Molatek had an excellent year and production increased by 19.1% over the previous year.

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


## INDUSTRIAL INTERESTS

producers. GFC harvested 71 520 tons of grapefruit and oranges in the past season. The percentage of total production exported was 58% (2009: 70%). This drop was due to adverse market conditions in destination markets. GFC also leases a citrus farm from, and manages banana farms on behalf of, newly established Land claimant trusts.

The settlement of land claims registered on Tsb Sugar's farms progressed well initially, with the

Tenbosch land claim being finalised during 2008. The jointly controlled companies established following the land transfer have exceeded financial and production expectations. However, the land reform process has now slowed down due to government financial constraints and Tsb was unable to conclude the planned restitution of land during the year under review.

### AIR PRODUCTS SOUTH AFRICA (PTY) LIMITED – effective interest: 50.0%

EQUITY VALUATION AT 31 MARCH 2010: R3 504 MILLION	
	<b>UNLISTED</b>
	<b>CHIEF EXECUTIVE OFFICER: M HELLYAR</b>
	<b>PROFILE</b> 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.
	<b>REMGRO NOMINATED DIRECTORS</b> J W Dreyer, T van Wyk, N J Williams
	<b>WEBSITE: <a href="http://www.airproducts.co.za">www.airproducts.co.za</a></b>

Air Products South Africa (Pty) Limited ("Air Products") has a September year-end. For the twelve months ended 31 March 2010, Air Products' turnover grew by 9.0% (2009: 13.1%) from R1 139 million to R1 241 million and Remgro's share in its headline earnings by 12.7% (2009: 8.3%) from R102 million to R115 million.


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

The company operates a number of large 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 is 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.

Trading conditions for the period under review remained difficult as volumes in many of the industries remained depressed but had generally stabilised or improved slightly by the end of the period. Cost-saving and productivity initiatives helped offset the effect of lower volumes which resulted in modest earnings growth.

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### KAGISO TRUST INVESTMENTS (PTY) LIMITED – effective interest: 42.5%

EQUITY VALUATION AT 31 MARCH 2010: R3 369 MILLION	
	<b>UNLISTED</b>
	<b>CHIEF EXECUTIVE OFFICER: K MATSEKE</b>
	<b>PROFILE</b> 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. Its major investments include Kagiso Media Limited and Metropolitan Holdings Limited.
	<b>REMGR0 NOMINATED DIRECTORS</b> J W Dreyer, T van Wyk, M H Visser
	<b>WEBSITE: <a href="http://www.kagiso.com">www.kagiso.com</a></b>

Kagiso Trust Investments (Pty) Limited (“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 are KTI’s results for the twelve months ended 31 December 2009.

KTI posted headline earnings of R301 million for the twelve months ended 31 December 2009, compared to a headline loss of R332 million in the prior twelve-month period. The results for the

previous year included an unfavourable fair value adjustment on the conversion rights attached to its holding of Metropolitan Holdings Limited convertible preference shares, as well as fair value losses due to the significant drop in the platinum price. Some of the Metropolitan preference shares were converted to ordinary shares during the second half of the year under review, whilst the fair value gain from the remaining preference shares (R85 million) and the recovery in the platinum price also had a positive impact on earnings.

Effective 1 June 2009, Kagiso Media Limited became a subsidiary of KTI. Prior to this date, the investment was accounted for as an associated company.

**WISPECO HOLDINGS LIMITED – effective interest: 100.0%**

EQUITY VALUATION AT 31 MARCH 2010: R381 MILLION	
	<b>UNLISTED</b>
	<b>MANAGING DIRECTOR: H ROLFES</b>
	<b>PROFILE</b> Wispeco's main business is the manufacturing and distribution of extruded aluminium profiles used mainly in the building, engineering and durable goods sectors.
	<b>REMGRO NOMINATED DIRECTORS</b> J W Dreyer, C M van den Heever, T van Wyk
	<b>WEBSITE: <a href="http://www.wispeco.co.za">www.wispeco.co.za</a></b>


For the twelve months under review, Wispeco Holdings Limited's ("Wispeco") headline earnings included in Remgro's results increased to R63 million (2009: R30 million) despite a decrease in turnover of 18% over the same period.

The negative impact of a reduction in annual sales volumes linked to the global economic downturn and a lower average selling price for the year was outweighed by the positive impact of increased operating margins attributed to restructuring and efficiency improvements in major operating divisions. Current year earnings also included a positive inventory revaluation of R9 million compared to an inventory devaluation of R39 million during the previous year.

The local market for Wispeco's products remained depressed for much of the year only showing some signs of revival in the first quarter of 2010. Continued market recovery is expected to be gradual and largely linked to growth of the South African economy.

Price competition remained intense due to excess local capacity and renewed growth in imports. Against the background of difficult trading conditions, Wispeco acquired the business of Sheerline, thereby expanding its local distribution network for architectural aluminium products. The Sheerline business consists of nine distribution outlets countrywide and complements Wispeco's current network. Wispeco continued to drive the development of technical skills in the industry through its variety of training initiatives.

**PGSI LIMITED – effective interest: 28.7%**

EQUITY VALUATION AT 31 MARCH 2010: R1 279 MILLION	
 PGSI Limited	<b>UNLISTED</b>
	<b>CHIEF EXECUTIVE OFFICER: S JENNINGS</b>
	<b>PROFILE</b> PGSI holds an interest of 100% in PG Group. The PG Group is South Africa's leading integrated flat glass business that manufactures, distributes and installs high-performance automotive and building glass products.
	<b>REMGRO NOMINATED DIRECTORS</b> M H Visser, J du Toit (Alternate)
	<b>WEBSITE: <a href="http://www.pggroup.co.za">www.pggroup.co.za</a></b>

PGSI Limited's ("PGSI") financial year-end is 31 December and, therefore, its results for the twelve months ended 31 December 2009 has been included in Remgro's headline earnings. PGSI's contribution to Remgro's headline earnings for the period under review was R1 million (2008: 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 the rest of Africa, Europe, the USA and more recently India.

The group reported a 3% decline in turnover, whilst headline earnings declined from R174 million in 2008 to R6 million for the year ended 31 December 2009.

The results of PG Group was negatively affected by two major factors. The severe global and domestic recession had a significant impact on the automotive and building markets. Production of new cars in South Africa decreased by 31% and all sectors in the building market were in a severe downturn. In addition, the aggressive pricing policies of the local vehicle assembly plants prevented margin recovery, which was exacerbated by the low vehicle volume production. The strengthening of the rand in the second half of the year adversely affected export contributions.

The other major factor influencing results, was the capital expansion of one of the groups two main float glass production lines. R680 million was invested in this programme, and the production facility was down for 23 weeks, leading to the under recoveries of fixed costs. The group is, however, now well invested and the extensive four-year re-capitalisation program was concluded with the successful completion of the float plant expansion investment in September 2009. This programme was initially financed with debt only, but during the year PGSI contributed R300 million in shareholders loans to the PG Group, which was raised from a rights and preference share issue by PGSI shareholders during the first half of 2009. These funds covered PG Group's operational cash shortfalls and assisted to meet capital expenditure obligations. The PG Group now owns two state-of-the-art float glass lines, with significant capacity.


Net finance expenses on external borrowings of R176 million (2008: R149 million) increased from the previous year as the capital expenditure programmes at PG Group were financed mostly by debt.

The recovery of the local and global economies is expected to add slow but consistent growth over the next two years. The strong rand and administrated price increases (such as electricity price hikes) will, however, necessitate further cost containment strategies and dampen growth expectations. The group's focus will be on growth strategies in the domestic and export markets to exploit its newly installed capacity.

## INDUSTRIAL INTERESTS

### OTHER INDUSTRIAL INTERESTS

#### CAXTON CTP LIMITED – effective interest: 1.7%

	<b>PROFILE</b> Caxton is one of the largest publishers and printers of books, magazines, newspapers and commercial print in South Africa.
	<b>WEBSITE:</b> <a href="http://www.caxton.co.za">www.caxton.co.za</a>


#### DORBYL LIMITED – effective interest: 41.4%

	<b>PROFILE</b> 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.
	<b>WEBSITE:</b> <a href="http://www.dorbyl.co.za">www.dorbyl.co.za</a>


#### GEMS II AND III – effective interest: 5% and 8.1%

	<b>PROFILE</b> GEMS, based in Hong Kong, is a private equity fund management group that makes investments in the Asia Pacific Region.
	<b>WEBSITE:</b> <a href="http://www.gems.com.hk">www.gems.com.hk</a>

#### INVENFIN (PTY) LIMITED – effective interest: 100%

	<b>PROFILE</b> InVenFin focuses on smaller early-stage investments.
	<b>WEBSITE:</b> <a href="http://www.invenfin.co.za">www.invenfin.co.za</a>

#### KAGISO INFRASTRUCTURE EMPOWERMENT FUND – effective interest: 45.4%

	<b>PROFILE</b> KIEF is a fund that aims to invest in infrastructure projects, including roads, airports, power and telecommunication installations, railway systems, ports, water and social infrastructure.
	<b>WEBSITE:</b> <a href="http://www.kagiso.com">www.kagiso.com</a>

#### VHF TECHNOLOGIES SA – effective interest: 15.6%

	<b>PROFILE</b> VHF Technologies SA, based in Switzerland, develops and manufactures thin-film flexible solar cells on a plastic substrate.
	<b>WEBSITE:</b> <a href="http://www.flexcell.com">www.flexcell.com</a>