

INVESTMENT REVIEW


**MEDIA INTERESTS**

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CONTRIBUTION TO HEADLINE EARNINGS		
	2010	2009
	R million	R million
Sabido	11	–
MARC	5	–
One Digital Media	1	–
	<b>17</b>	–

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**SABIDO INVESTMENTS (PTY) LIMITED – effective interest: 31.6%**

EQUITY VALUATION AT 31 MARCH 2010: R3 853 MILLION	
	<b>UNLISTED</b>
	<b>CHIEF EXECUTIVE OFFICER: M GOLDING</b>
	<b>PROFILE</b> Sabido has a range of media interests, the most significant of which is e.tv. e.tv is the only independent free-to-air television broadcaster in South Africa.
	<b>REMGRO NOMINATED DIRECTORS</b> H J Carse, J Malherbe
	<b>WEBSITE: <a href="http://www.etv.co.za">www.etv.co.za</a></b>

Remgro acquired 32% of Sabido Investments (Pty) Limited (“Sabido”) through the acquisition of VenFin Limited effective 23 November 2009. Sabido has a 31 March year-end and Remgro has equity accounted Sabido’s three months’ earnings to March 2010. Sabido’s headline earnings contribution to Remgro is a profit of R11 million. Before amortisation of intangibles, Sabido’s headline earnings contribution is R13 million. The amortisation of intangibles is due to *IFRS 3: Business Combinations*, in which intangibles were identified on the purchase of Sabido and is now amortised over the useful lives of the intangibles.

Sabido has a range of media interests, the most significant of which is South Africa’s only private free-to-air television channel, e.tv, and its sister news service, the eNews channel.

e.tv maintained its position as the largest English-medium television channel in South Africa and the second most watched channel overall. e.tv has continued to grow its market share among the black middle class. However, the recent growth in pay-television audiences, as a result of cheaper packages becoming available in the market, will impact on e.tv’s share of upper middle income black audiences.

Programming costs remained stable. Television advertising spend continued to grow, albeit at a lower percentage compared to the prior year. e.tv continues to be actively involved in policy formulation for the roll-out of digital terrestrial television (DTT) in South Africa. However, the delays in the launch of DTT are impacting on terrestrial television audiences as more viewers turn to pay services to access multi-channel television.

During the year, e.tv launched a Pan-African syndicated service – e.tv Africa – which is currently available in 12 countries across the continent, including Nigeria, Ghana, Kenya and Zimbabwe.

The eNews channel (owned by e.sat.tv) retained its position as market leader in news channels in South Africa. Its subscriber base is solid and it has benefited from the significant growth in pay-TV subscribers over the past year.

Sabido’s vision is to leverage e.tv’s market position to develop a compelling content production and distribution business with a Pan-African focus.

MEDIA INTERESTS

**MARC GROUP LIMITED – effective interest: 33.7% (formerly SAIL)**

EQUITY VALUATION AT 31 MARCH 2010: R272 MILLION	
	<b>UNLISTED</b>
	<b>CHIEF EXECUTIVE OFFICER: S DE VILLIERS</b>
	<b>PROFILE</b> MARC is an investment company in the sport and entertainment industry in South Africa. MARC also has investments in sports brands and specialises in the creation, acquisition and commercialisation of sports branding rights.
	<b>REMGR0 NOMINATED DIRECTORS</b> P J Liddiard, N J Williams
	<b>WEBSITE: <a href="http://www.sail.co.za">www.sail.co.za</a></b>

SAIL Group was recently rebranded as MARC Group Limited (“MARC”) in order to better position the group of companies in the industry going forward. MARC is an investment company in the sport and entertainment industry in Africa. MARC consists of three operational companies, focusing on marketing and rights commercialisation within the sport and entertainment industry, as well as certain strategic joint ventures and investments in sport brands.

Trinergy Brand Connectors, previously SAIL Sport and Entertainment, is a brand connection agency that uses participation marketing to build real connections between brands and consumers. SAIL, consisting of the previous operating companies Navitute and CIRCA specialises in the creation, acquisition and commercial rights within the industry. EXP Group, an event marketing company, has an extensive African footprint servicing client needs in 19 African countries out of 21 offices across the continent.

MARC’s various joint ventures (JV) and investments include amongst others a 50% JV in the management and lease of Cape Town stadium, a 50% JV that has exclusive rights to sell 2010 FIFA World Cup corporate hospitality packages in sub-Saharan

Africa and investments in three South African rugby brands of which the Blue Bulls (50%) and Western Province (24.9%) are most prominent.

In the short term, the 2010 FIFA World Cup provides significant stimulus to the industry and MARC is well positioned to benefit from business opportunities that will emerge in the run-up to and during the event.

In the medium term, MARC has developed a pipeline of prospects in stadium management, future event creation and management and other marketing activities across the African continent.


With the acquisition of VenFin, Remgro also acquired the interest-bearing convertible preference share which can increase Remgro’s interest in MARC to 49% on a fully diluted basis. The right to convert is effective 1 July 2010.

Remgro acquired 34% of MARC through the acquisition of VenFin Limited effective 23 November 2009. As MARC has a 31 December year-end, no earnings were included in Remgro’s headline earnings for the current financial year.


MEDIA INTERESTS

OTHER MEDIA INTERESTS

ONE DIGITAL MEDIA (PTY) LIMITED – effective interest: 49.1%

	<p><b>PROFILE</b></p> <p>ODM is a leading digital media network provider to brand owners and retailers, giving them the ability to flight dynamic content via broadcast or narrowcast to multiple environments or single LCD screens.</p> <hr/> <p><b>WEBSITE:</b> <a href="http://www.onedigitalmedia.com">www.onedigitalmedia.com</a></p>
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PREMIER TEAM HOLDINGS LIMITED – effective interest: 50%

<p><b>Premier Team Holdings Ltd</b></p> 	<p><b>PROFILE</b></p> <p>Premier Team Holdings is a sports and leisure group based in the United Kingdom.</p> <hr/> <p><b>WEBSITE:</b> <a href="http://www.mbnpromotions.co.uk">www.mbnpromotions.co.uk</a></p>
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