

REPORT OF THE BOARD OF DIRECTORS

FOR THE YEAR ENDED 31 MARCH 2010

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 Remgro acquired the entire issued share capital of VenFin Limited (VenFin) for R3.7 billion, resulting in VenFin becoming a wholly owned subsidiary company of Remgro.

After the transaction referred to above the Group's interests consist mainly of investments in banking and financial services, printing and packaging, glass products, medical services, mining, petroleum products, food, wine and spirits, media, technology and various other trade mark products.

RESULTS

Year ended 31 March:	2010	2009
Headline earnings (R million)	3 355	4 660
– per share (cents)	690.1	987.7
– diluted (cents)	676.4	954.8
Headline earnings from continuing operations (R million)*	3 355	3 168
– per share (cents)	690.1	671.5
– diluted (cents)	676.4	659.2
Earnings – net profit for the year (R million)	3 060	45 330
– per share (cents)	629.4	9 607.9
– diluted (cents)	616.3	9 570.4
Dividends (R million)**	1 080	902
– ordinary – per share (cents)	209.00	190.00

* During November 2008 the investment in British American Tobacco Plc (BAT) was unbundled to Remgro shareholders as an interim dividend in specie. 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 125 cents (2009: 110 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.

INVESTMENT ACTIVITIES

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

Acquisition of VenFin Limited (VenFin)

On 23 November 2009 the VenFin acquisition was finalised resulting in Remgro issuing 41 626 619 shares at a price of R89.25 per share to VenFin shareholders.

For the year ended 31 March 2010 only VenFin's associates and joint ventures with March and September year-ends have been equity accounted for the three months from 1 January 2010 to 31 March 2010. The most significant of these investments are Sabido Investments (Pty) Limited (Sabido) and the CIV group of companies that includes the investment in Dark Fibre Africa (Pty) Limited. From 1 April 2010 all VenFin's investee companies will be equity accounted annually for a full twelve-month period.

In terms of IFRS 3: Business Combinations the purchase price of R3 715 million was allocated to investments in associated companies amounting to R2 986 million and other investments and loans of R485 million, while the balance was allocated to other net assets acquired. Intangible assets amounting to R698 million were identified within Sabido, SEACOM and Tracker as part of the accounting for the acquisition of VenFin. The amortisation of these assets will result in an additional annual charge of R35 million against headline earnings.

For the year under review, the results of VenFin included in Remgro's reported results were immaterial and consisted of headline earnings from investee companies of approximately R53 million and after-tax corporate costs of approximately R16 million. Based on the assumption that the acquisition was effective on 1 April 2009, it is calculated that VenFin's headline earnings for the full year would have amounted to approximately R117 million.

Capevin Holdings Limited (Capevin Holdings) and Capevin Investments Limited (Capevin Investments)

During the year under review Remgro acquired 4 034 692 shares in Capevin Investments (9.6% shareholding) and 38 551 857 shares in Capevin Holdings (8.6% shareholding) for a total consideration of R389.3 million. These acquisitions effectively increased Remgro's indirect interest in Distell by 4.1% to 33.3% (31 March 2009: 29.2%).

The investment in Capevin Investments was originally classified as a financial instrument "available-for-sale" and dividend income amounting to R7.3 million was accounted for in the income statement during the year under review. Going forward both of these investments will be equity accounted for the twelve months to December each year.

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PG Group of Companies (PGSI)

PGSI is the foreign holding company of the Plate Glass group. During June 2009, in participation of a rights offer, Remgro invested a further R171.1 million in PGSI, being represented by an equity investment amounting to R41.5 million and an investment in convertible redeemable preference shares amounting to R129.6 million. The term of the preference shares is five years and it has an effective dividend yield of 7.6%.

During March 2010, PGSI made another rights offer in terms of which Remgro invested an initial R13.6 million in PGSI. The rights offer will be implemented in two tranches and Remgro is to invest a further R13.6 million during June 2010. The shareholders of PGSI simultaneously agreed to provide a standby facility amounting to R150 million to PGSI. Remgro's portion of the facility amounts to R44 million and the facility will expire on 27 December 2011. On 31 March 2010 Remgro's interest in PGSI, on a fully diluted basis, was 25.2% (31 March 2009: 25.0%).

Tsb Sugar Holdings (Pty) Limited (Tsb Sugar)

With effect from 3 August 2009 Tsb Sugar acquired the Pongola sugar mill from Illovo Sugar Limited for R180.0 million. For the eight months since acquisition the Pongola sugar mill contributed R248 million to turnover, while an operating loss of R46 million, before interest and tax, was reported.

Xiocom Wireless, Inc. (Xiocom)

During the 2008 financial year Remgro acquired a 37.5% interest in Xiocom. During the year under review Remgro invested a further \$7.1 million in this company, increasing the total investment to \$35.8 million. The company underperformed during this time.

During the second half of the financial year it was decided to exit the investment in Xiocom and in March 2010 it was sold for a nominal amount. In addition to equity accounting for a headline loss of R79.2 million in the current financial year, an after-tax capital loss of R13.5 million was also realised on this transaction.

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. During the year under review Remgro invested a further R19.1 million in KIEF. By 31 March 2010, Remgro had invested R94.2 million of the R350 million committed.

Premier Team Holdings Limited (PTH)

During May 2009 VenFin acquired a 50% interest in PTH, a sports and leisure group based in the United Kingdom. Since the VenFin acquisition an amount of GBP2.5 million (or R30.3 million) was invested in PTH. The additional investment did not alter Remgro's 50% shareholding in PTH.

Milestone China Opportunities Fund II, L.P. (Milestone II)

During March 2007 VenFin committed an amount of \$25.0 million to Milestone II. Since the VenFin acquisition a further \$2.4 million was invested in Milestone II. By 31 March 2010 \$12.1 million of the \$25.0 million committed had already been invested.

One Digital Media (Pty) Limited (ODM)

VenFin acquired its interest in ODM during June 2007. Since then R54.5 million was invested in ODM in exchange for an equity interest of 49.1%. Since the VenFin acquisition an amount of R5.9 million was lent to ODM in terms of a R10.0 million facility granted by Remgro. The facility bears interest at prime and is repayable by 31 May 2013.

Business Partners Limited (Business Partners)

During the year under review Remgro acquired a further 75 000 Business Partners shares for a total amount of R0.4 million. On a fully diluted basis, Remgro's interest in Business Partners remained unchanged at 20.8%.

Events after year-end:

FirstRand Limited (FirstRand) and RMB Holdings Limited (RMBH)

On 31 March 2010 FirstRand announced that it has reached an agreement with Metropolitan Holdings Limited (Metropolitan) to dispose of all of FirstRand's ordinary shares in its wholly owned subsidiary, Momentum Group Limited, in consideration for Metropolitan ordinary shares. It is anticipated that FirstRand will hold approximately 59.5% of the issued share capital of the merged entity. FirstRand has further advised that, following the proposed merger, it intends to unbundle its entire shareholding in the merged entity to its ordinary shareholders. The transaction is subject to the fulfilment of a number of conditions precedent prior to 31 October 2010.

At the same time RMBH announced that it is exploring a number of restructuring steps to realign its investment portfolio and to enhance shareholder value. These steps include the possible separation of RMBH's insurance and banking interests that could result in a separate listing of these interests. Further announcements regarding the above will be made by FirstRand and RMBH once detailed information becomes available.

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Trans Hex Group Limited (Trans Hex)

On 21 June 2010 the Remgro Board approved the unbundling of the investment in Trans Hex to its shareholders. Remgro shareholders are referred to the separate Terms Announcement released on SENS, on 21 June 2010, that provides more detail regarding the proposed unbundling. A circular containing full detail of the intended unbundling will be posted to shareholders during July 2010.

Business Partners

Since 31 March 2010 Remgro acquired an additional 14 099 092 Business Partners shares for a total amount of R77.7 million. On a fully diluted basis, Remgro's interest in Business Partners increased to 28.7% (31 March 2010: 20.8%).

KTI and KIEF

Since 31 March 2010 Remgro invested a further R74.7 million in KIEF, thereby increasing the amount already invested to R168.9 million of the R350 million committed.

Dark Fibre Africa (Pty) Limited (Dark Fibre)

In the past Remgro only had an indirect interest of 31.3% in Dark Fibre through its interests in the CIV group of companies. During May 2010 an amount of R9.7 million was invested directly into Dark Fibre in exchange for an eventual 0.7% equity interest in that company. This

investment effectively increased Remgro's interest in Dark Fibre to 32.0%.

At the same time Remgro agreed to provide a loan facility amounting to R85.1 million to Dark Fibre. The term of the facility is ten years and R53.1 million of the facility has already been advanced to Dark Fibre.

Capevin Holdings

Since 31 March 2010 Remgro acquired a further 5 640 651 Capevin Holdings shares in the open market for a total consideration of R19.1 million. These acquisitions increased Remgro's indirect interest in Distell to 33.4% (31 March 2010: 33.3%).

Fundamo (Pty) Limited (Fundamo)

Since 31 March 2010, Remgro invested a further R9.9 million in Fundamo. Remgro's interest in Fundamo increased to 26.4% (31 March 2010: 26.0%).

PTH

Since 31 March 2010 Remgro invested a further GBP0.6 million (or R6.7 million) in PTH. Remgro's interest in PTH remained unchanged at 50%.

ODM

Since 31 March 2010 the remaining R4.1 million of the R10.0 million facility granted to ODM was advanced to that company.

CASH RESOURCES AT THE CENTRE

The Company's cash resources at 31 March 2010 were as follows:

	Local R million	Offshore R million	Total R million	2009 R million
Per consolidated statement of financial position	1 372	2 455	3 827	5 050
Investment in money market funds	–	1 812	1 812	1 578
Less: Cash of operating subsidiaries	(937)	(40)	(977)	(661)
Cash at the centre	435	4 227	4 662	5 967

On 31 March 2010, approximately 43% (R1 812 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 statement of financial position. Refer to note 16 to the annual financial statements for further details.

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GROUP FINANCIAL REVIEW

Change in accounting estimate

During the year under review Tsb Sugar Holdings (Pty) Limited (Tsb Sugar) changed its valuation methodology relating to biological agricultural assets. In terms of IAS 41: *Agriculture*, these assets should be measured, on initial recognition and at the end of each reporting period, at its fair value less costs to sell. The change in the valuation methodology resulted from improved management information being available and is consequently treated as a change in accounting estimate with only prospective application.

The financial effect on the carrying value of biological agricultural assets on 31 March 2010 and on profit attributable to equity holders for the year then ended is as follows:

Increase in the value of biological agricultural assets	R53 million
Increase in profit attributable to equity holders	R34 million

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 ended 31 March 2009 the investment in BAT was accordingly still equity accounted for the seven months to 31 October 2008, which distorts year-on-year comparisons.

However, year-on-year comparisons of headline earnings and headline earnings per share from continuing operations can be made.

Classification of investee companies

The acquisition of VenFin necessitated the introduction of two new reporting groups, "Media interests" and "Technology interests". A third new reporting group, "Other investments" was also created. In order to facilitate year-on-year comparison, the information presented for the comparative year has been adjusted accordingly.

Statement of financial position

The analysis of "Equity employed" below 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.

	2010		2009	
	R million	R per share	R million	R per share
<i>Equity employed</i>				
Attributable to equity holders	43 304	84.38	38 072	80.75
<i>Employment of equity</i>				
Financial services	12 426	24.21	11 755	24.93
Industrial interests	16 154	31.48	14 976	31.76
Media interests	1 074	2.09	–	–
Mining interests	5 776	11.26	4 267	9.05
Technology interests	2 058	4.01	–	–
Other investments	573	1.12	415	0.88
Central treasury	4 662	9.08	5 967	12.66
Other net corporate costs	581	1.13	692	1.47
	43 304	84.38	38 072	80.75

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Income statement

	2010		2009	
	R million	%	R million	%
<i>Source of headline earnings</i>				
Tobacco interests	–	–	2 295	49
Financial services	1 355	40	1 576	34
Industrial interests	1 982	59	1 318	28
Media interests	17	1	–	–
Mining interests	96	3	164	3
Technology interests	13	–	–	–
Other investments	(64)	(2)	(80)	(1)
Central treasury	57	2	194	4
Other net corporate costs	(101)	(3)	(807)	(17)
	3 355	100	4 660	100

	2010 R million	2009 R million
<i>Composition of headline earnings</i>		
Subsidiary companies	630	142
Profits	730	159
Losses	(100)	(17)
Associated companies and joint ventures	2 725	4 518
Profits	2 839	5 023
Losses	(114)	(505)
	3 355	4 660

SHARE SCHEMES

During the previous financial year 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 Remgro ordinary shares to the value of the appreciation of their rights to 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 26 to the annual financial statements for full details on the Remgro Share Scheme as well as the SAR Scheme.

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TREASURY SHARES

At 31 March 2009, 3 500 000 Remgro ordinary shares (0.8%) were held as treasury shares by a wholly owned subsidiary company of Remgro. As previously reported, these shares were acquired for the purpose of hedging the new share appreciation rights scheme that was implemented subsequent to the unbundling of the investment in BAT during November 2008.

During the year under review no Remgro ordinary shares were repurchased, while 75 956 Remgro ordinary shares were utilised to settle Remgro's obligation towards scheme participants who exercised share appreciation rights granted to them.

At 31 March 2010, 3 424 044 Remgro ordinary shares (0.7%) were held as treasury shares.

PRINCIPAL SHAREHOLDER

Rembrandt Trust (Pty) Limited (Rembrandt Trust) holds all the issued unlisted B ordinary shares of the Company and is entitled to 42.64% (2009: 44.89%) of the total votes.

An analysis of the shareholders appears on pages 152 and 153.

SUBSIDIARY COMPANIES AND INVESTMENTS

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

DIRECTORS

The names of the directors appear on pages 8 and 9.

With effect from 4 November 2009, Messrs N P Mageza, P J Moleketi, G T Ferreira and Dr M A Ramphela were appointed as independent, non-executive directors to the Board of Remgro. In addition Mr J J Durand has been appointed as an executive director. Mr G D de Jager retired as independent non-executive director on 5 August 2009.

In terms of the provision of the Articles of Association, Messrs J J Durand, J W Dreyer, G T Ferreira, N P Mageza, J Malherbe, P J Moleketi, F Robertson, M H Visser, Mrs J A Preller and Dr M A Ramphela retire from the Board by rotation. These directors are eligible and offer themselves for re-election.

DIRECTORS' INTERESTS

At 31 March 2010 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 2.81% (2009: 1.26%).

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 154.

DIRECTORS' EMOLUMENTS

The total directors' fees for services rendered as directors during the past financial year amounted to R2 981 000 (2009: R2 697 000).

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 156.

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 125 cents (2009: 110 cents). Total ordinary dividends per share in respect of the financial year to 31 March 2010 therefore amount to 209 cents (2009: 190 cents).

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DECLARATION OF CASH DIVIDEND

Declaration of Dividend No. 20

A final dividend of 125 cents (2009: 110 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 2010.

Payment

The final dividend is payable on Monday, 23 August 2010, to shareholders of the Company registered at the close of business on Friday, 20 August 2010.

Shareholders may not dematerialise or rematerialise their holdings of ordinary shares between Monday, 16 August 2010, and Friday, 20 August 2010, both days inclusive.

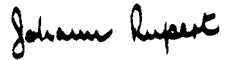
SECRETARY

The name and address of the Company Secretary appears on page 155.

APPROVAL

The annual financial statements set out on pages 85 to 154 have been approved by the Board.

Signed on behalf of the Board of Directors.



Johann Rupert
Chairman



Thys Visser
Chief Executive Officer

Stellenbosch
21 June 2010