Remgro Limited

Registration number 1968/006415/06
ISIN ZAE000026480
Share code REM

INTERIM REPORT

FOR THE SIX MONTHS ENDED
30 SEPTEMBER 2006
(UNAUDITED)

SALIENT FEATURES

- Headline earnings per share: +38.6%
- Headline earnings per share – excluding non-recurring portion of BEE costs in the comparative period: +22.2%
- Intrinsic value per share during the six months: +17.5%
- Interim dividend per share: +15.0%

ABRIDGED CONSOLIDATED BALANCE SHEET

	30 September 2006 R'm	2005 R'm	31 March 2006 R'm
ASSETS			
Non-current assets			
Property, plant and equipment	**2 486**	4 203	2 318
Biological agricultural assets	**95**	94	95
Investment properties	**32**	31	31
Goodwill and trade marks	**403**	386	352
Investments			
– Associated companies	**31 761**	25 661	26 098
– Other	**4 551**	2 622	4 136
Loans	**2**	151	6
Deferred taxation	**88**	142	90
	39 418	33 290	33 126
Current assets	**6 610**	8 043	8 210
Cash and cash equivalents	**4 108**	5 231	6 357
Other current assets	**2 502**	2 812	1 853
Total assets	**46 028**	41 333	41 336
EQUITY AND LIABILITIES			
Issued capital	**8**	8	8
Reserves	**43 344**	38 549	37 898
Treasury shares	**(1 415)**	(3 112)	(412)
Shareholders' equity	**41 937**	35 445	37 494
Minority interest	**633**	2 161	596
Total equity	**42 570**	37 606	38 090
Non-current liabilities	**1 317**	940	1 144
Retirement benefits	**211**	240	185
Long-term loans	**234**	145	169
Deferred taxation	**872**	555	790
Current liabilities	**2 141**	2 787	2 102
Short-term loans	**413**	371	101
Other current liabilities	**1 728**	2 416	2 001
Total equity and liabilities	**46 028**	41 333	41 336
Net asset value per share (Rand) (attributable to equity holders)			
– At book value	**R88.69**	R73.55	R78.14
– At intrinsic value	**R185.17**	R136.36	R157.59

ABRIDGED CONSOLIDATED CASH FLOW STATEMENT

	Six months ended 30 September 2006 R'm	2005 R'm	Year ended 31 March 2006 R'm
Cash generated from operations	**806**	700	1 786
Taxation paid	**(524)**	(267)	(369)
Dividends received	**1 361**	1 536	3 888
Cash available from operating activities	**1 643**	1 969	5 305
Dividends paid	**(3 069)**	(3 975)	(4 676)
Net cash flow from operating activities	**(1 426)**	(2 006)	629
Investing activities	**(1 213)**	4 724	3 364
Financing activities	**184**	(31)	99
Net increase/(decrease) in cash and cash equivalents	**(2 455)**	2 687	4 092
Cash and cash equivalents at the beginning of the period	**6 339**	2 247	2 247
Cash and cash equivalents at the end of the period	**3 884**	4 934	6 339
Cash and cash equivalents – per balance sheet	**4 108**	5 231	6 357
Bank overdrafts	**(224)**	(297)	(18)

ABRIDGED CONSOLIDATED INCOME STATEMENT

	Six months ended 30 September 2006 R'm	2005 R'm	Year ended 31 March 2006 R'm
Sales	**3 755**	5 382	9 802
Inventory expenses	**(2 342)**	(2 537)	(4 919)
Personnel costs	**(678)**	(1 503)	(2 603)
Depreciation	**(110)**	(148)	(293)
Other net operating expenses	**(186)**	(544)	(771)
Dividends received	**79**	192	410
Interest received	**206**	149	341
Finance costs	**(15)**	(17)	(29)
Net impairment of investments, assets and goodwill	**–**	4	3
Profit on redemption and sale of investments	**6**	3 043	3 162
Consolidated profit before tax	**715**	4 021	5 103
Taxation	**(211)**	(577)	(857)
Consolidated profit after tax	**504**	3 444	4 246
Share of after-tax profit of associated companies	**2 698**	2 230	4 354
Net profit	**3 202**	5 674	8 600
Attributable to:			
Equity holders	**3 136**	5 442	8 202
Minority interests	**66**	232	398
	3 202	5 674	8 600
Share of after-tax profit of associated companies			
Profit before taking into account impairments, capital and non-recurring items	**2 789**	2 193	4 428
Net impairment of investments, assets and goodwill	**7**	(118)	(157)
Profit on the sale of investments	**26**	566	681
Restructuring costs	**(142)**	(164)	(280)
Non-recurring portion of BEE costs	**–**	(319)	(380)
Other capital and non-recurring items	**18**	72	62
	2 698	2 230	4 354

RECONCILIATION OF HEADLINE EARNINGS

	Six months ended 30 September 2006 R'm	2005 R'm	Year ended 31 March 2006 R'm
Net profit for the period attributable to equity holders	**3 136**	5 442	8 202
Plus/(minus) – portion attributable to equity holders:			
– Net impairment of investments, assets and goodwill	**(7)**	114	157
– Profit on redemption and sale of investments	**(32)**	(3 273)	(3 475)
– Restructuring costs	**142**	164	279
– Other capital and non-recurring items	**(6)**	(75)	(67)
– Net loss/(surplus), after taxation, on disposal of property, plant and equipment	**(1)**	–	(12)
Headline earnings	**3 232**	2 372	5 084
Non-recurring portion of BEE costs	**–**	319	380
Headline earnings – excluding non-recurring portion of BEE costs	**3 232**	2 691	5 464

ABRIDGED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Six months ended 30 September 2006 R'm	Six months ended 30 September 2005 R'm	Year ended 31 March 2006 R'm
Balance at 1 April	**38 090**	36 503	36 503
Total income accounted for	**8 786**	5 576	9 108
Exchange rate adjustments	**5 232**	(682)	(1 395)
Net fair value adjustments for the period	**352**	584	1 903
Net income directly accounted for in equity	**5 584**	(98)	508
Net profit for the period	**3 202**	5 674	8 600
Dividends paid	**(3 069)**	(3 975)	(4 676)
Change in reserves of subsidiary companies, associated companies and joint ventures	**(246)**	50	(527)
Purchase of shares by wholly owned subsidiary (treasury shares)	**(942)**	(563)	(977)
Medi-Clinic*	**–**	–	(1 418)
Net shares sold/(purchased) by The Remgro Share Trust	**(60)**	2	92
Other	**11**	13	(15)
Total equity	**42 570**	37 606	38 090

* *Medi-Clinic was consolidated for nine months to 31 December 2005 only and has been accounted for as an associated company from 1 January 2006.*

EARNINGS AND DIVIDENDS

	Six months ended 30 September 2006 Cents	Six months ended 30 September 2005 Cents	Year ended 31 March 2006 Cents
Headline earnings per share			
– Basic	**678.1**	489.2	1 052.3
– Diluted	**659.8**	479.4	1 027.7
Headline earnings per share – excluding non-recurring portion of BEE costs			
– Basic	**678.1**	555.0	1 130.9
– Diluted	**659.8**	544.9	1 106.1
Earnings per share			
– Basic	**657.9**	1 122.4	1 697.6
– Diluted	**639.6**	1 110.6	1 671.3
Dividends per share			
Ordinary	**153.00**	133.00	361.00
– Interim	**153.00**	133.00	133.00
– Final			228.00
Special			400.00

ADDITIONAL INFORMATION

	30 September 2006	30 September 2005	31 March 2006
Number of shares in issue			
– Ordinary shares of 1 cent each	**448 802 207**	486 493 650	448 802 207
Issued at 1 April	**448 802 207**	486 493 650	486 493 650
Cancelled during the period	**–**	–	(37 691 443)
– Unlisted B ordinary shares of 10 cents each	**35 506 352**	35 506 352	35 506 352
Total number of shares in issue	**484 308 559**	522 000 002	484 308 559
Number of shares held in treasury	**(11 481 584)**	(40 056 880)	(4 473 004)
– Ordinary shares repurchased and held in treasury	**(8 002 196)**	(35 709 404)	(1 379 635)
– Ordinary shares held by The Remgro Share Trust and accounted for as treasury shares	**(3 479 388)**	(4 347 476)	(3 093 369)
	472 826 975	481 943 122	479 835 555
Weighted number of shares	**476 643 317**	484 841 736	483 154 691

In determining earnings per share and headline earnings per share the weighted number of shares was taken into account.

	30 September 2006 R'm	30 September 2005 R'm	31 March 2006 R'm
Listed investments			
Associated			
– Book value	**11 184**	9 645	9 989
– Market value	**21 567**	17 653	23 248
Other			
– Book value	**4 427**	2 529	4 013
– Market value	**4 427**	2 529	4 013
Unlisted investments			
Associated			
– Book value	**20 577**	16 016	16 109
– Directors' valuation	**55 867**	36 884	41 564
Other			
– Book value	**124**	93	123
– Directors' valuation	**124**	93	123
Additions to and replacement of property, plant and equipment	**246**	346	689
Capital commitments	**399**	750	275
(Including amounts authorised, but not yet contracted for)			
Dividends received from associated companies set off against investments	**1 283**	1 215	3 349

COMMENTS

1. ACCOUNTING POLICIES

The interim report is prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards (IFRS), IAS 34: Interim Financial Reporting, the requirements of the South African Companies Act, Act 61 of 1973, as amended, and the Listings Requirements of the JSE Limited.

These financial statements incorporate accounting policies that are consistent with those of the previous financial periods, with the exception of the implementation of the following new accounting standards, interpretations and amendments to IFRS:

- IFRIC 4: Determining whether an Arrangement Contains a Lease
- IFRS 4 (Amendment): Financial Guarantee Contracts
- Amendments to IAS 19: Employee Benefits, IAS 21: The Effects of Changes in Foreign Exchange Rates, and IAS 39: Financial Instruments – Recognition and Measurement.

The adoption of these new accounting standards, interpretations and amendments to IFRS had no impact on the results of either the current or prior periods.

2. PRIOR YEAR ADJUSTMENTS

Restatement of comparative figures in respect of associated companies

As previously reported, FirstRand Limited (FirstRand) and RMB Holdings Limited (RMBH) restated their IFRS results to comply with the revised accounting circular on headline earnings. The revision of the circular had the effect that profits and losses on the realisation of equity accounted private equity or venture capital investments are excluded from headline earnings.

Accordingly, Remgro reduced its headline earnings for the comparative interim period ended 30 September 2005 by R42 million, or 8.7 cents per share, as set out in the table below.

	Six months ended 30 September 2005	
	Non-recurring portion of BEE costs included R'm	Non-recurring portion of BEE costs excluded R'm
Headline earnings as reported during April 2006	2 414	2 733
Restatement of comparative figures in respect of associated companies	(42)	(42)
Restated headline earnings	2 372	2 691
Headline earnings per share as reported during April 2006 (cents)	497.9	563.7
Restated headline earnings per share (cents)	489.2	555.0

Note: "Headline earnings as reported during April 2006" was disclosed in the updated Transition Report and Revised Unaudited Financial Information issued on 19 April 2006.

Comparison with prior periods

During the previous financial year various investee companies in the Group concluded black economic empowerment (BEE) transactions. The specific accounting treatment of these transactions resulted in non-recurring charges of R318.6 million and R379.7 million respectively against headline earnings for the six months ended 30 September 2005 and the year ended 31 March 2006.

Due to the material effect that the accounting treatment of these transactions had on Remgro's results, headline earnings per share is also presented excluding the non-recurring portion of BEE costs.

Since 1 January 2006, Medi-Clinic Corporation Limited (Medi-Clinic) is accounted for as an associated company, whilst previously it was consolidated. Certain balance sheet and income statement items are therefore not directly comparable with those of prior periods.

3. RESULTS

Headline earnings

Headline earnings increased by 36.3% from R2 372 million to R3 232 million. Headline earnings per share, however, increased by 38.6% from 489.2 cents to 678.1 cents due to the favourable impact of the share repurchase programme. Headline earnings and headline earnings per share, excluding the non-recurring portion of BEE costs, increased by 20.1% and 22.2% respectively.

Contribution to headline earnings

	Six months ended 30 September				
		Non-recurring portion of BEE costs included		Non-recurring portion of BEE costs excluded	
	2006 R'm	% change	2005 R'm	% change	2005 R'm
Tobacco interests	**1 483**	17.3	1 264	17.3	1 264
Financial services	**772**	55.0	498	(1.9)	787
Industrial interests	**729**	44.9	503	36.8	533
Mining interests	**76**	(1.3)	77	(1.3)	77
Corporate finance and other interests	**172**	473.3	30	473.3	30
	3 232	36.3	2 372	20.1	2 691

The contribution of the tobacco interests, which represented 45.9% (2005: 47.0%) of headline earnings (excluding the non-recurring portion of BEE costs), increased by 17.3%.

Currency movements had a greater impact on the Group's earnings than a year ago. Due to the weaker rand, the currency impact on translation of R&R Holdings SA, Luxembourg's (R&R) contribution to headline earnings increased from an unfavourable R4 million in 2005 to a favourable R104 million as set out in the table below.

	Six months ended 30 September 2006	2005	Year ended 31 March 2006
Average exchange rate (£/R)	**12.5995**	11.7175	11.4050
Closing exchange rate (£/R)	**14.5143**	11.1970	10.6437
R&R contribution (£'m)	**118**	108	208
R&R contribution (R'm)	**1 483**	1 264	2 369
Favourable/(unfavourable) currency impact (R'm)	**104**	(4)	(26)

The combined contribution of FirstRand and RMBH to Remgro's headline earnings amounted to R772 million (2005: R375 million). This increase can be attributed mainly to the non-recurring BEE costs resulting from FirstRand's BEE transaction (Remgro's portion amounting to R289 million) accounted for during the comparative period. In 2005 dividends from Absa Group Limited amounting to R123 million were also accounted for in headline earnings.

The contribution of the industrial interests increased by 44.9%, mainly due to good performances by Unilever Bestfoods Robertsons LLC and Total South Africa. As Remgro effectively acquired its interest in Kagiso Trust Investments (Proprietary) Limited (KTI) during December 2005, no income from KTI was accounted for during the six months ended 30 September 2005. KTI's contribution to Remgro's headline earnings for the period under review was R37 million. Rainbow and Distell reported solid earnings growth and their contribution to headline earnings was R107 million and R74 million respectively (2005: R95 million and R57 million). Nampak's contribution to headline earnings increased from R13 million in 2005 to R55 million for the period under review. This increase can be attributed mainly to the non-recurring BEE costs resulting from Nampak's BEE transaction (Remgro's portion amounting to R30 million) accounted for during the comparative period. Medi-Clinic's contribution to Remgro's headline earnings amounted to R131 million (2005: R143 million). This decrease can be attributed mainly to that company's BEE transaction concluded during December 2005, which resulted in the dilution of Remgro's shareholding in Medi-Clinic.

The total contribution of the mining interests decreased by 1.3% to R76 million. Trans Hex reported lower results and its contribution to headline earnings was R3 million (2005: R16 million). Dividends received from Implats during the period under review amounted to R73 million (2005: R60 million).

The central treasury division's contribution to Remgro's headline earnings increased from R53 million to R196 million for the period under review. This increase can be attributed mainly to higher interest rates as well as higher average cash balances compared to 2005. Included in the central treasury division's contribution to headline earnings referred to above, are foreign currency profits amounting to R74 million (2005: R10 million loss) relating to outstanding intergroup balances. These intergroup balances have been settled subsequent to 30 September 2006.

Earnings

Total earnings decreased by 42.4% to R3 136 million (2005: R5 442 million), mainly as a result of capital gains arising on the realisation of investments accounted for during the comparative period.

4. INTRINSIC VALUE

Remgro's intrinsic value per share increased by 17.5% from R157.59 at 31 March 2006 to R185.17 at 30 September 2006. Refer to Annexure A for full details.

5. BRITISH AMERICAN TOBACCO PLC (BAT)

Remgro's interest in BAT is represented by its one-third holding of the ordinary shares and all of the "2005" participation securities, issued by R&R. This gives Remgro an effective interest of 10.4% in BAT at 30 September 2006. The other two-thirds of the ordinary share capital of R&R is held by Compagnie Financière Richemont SA.

There was no change in the number of BAT shares held by R&R. However, due to the positive effect of BAT's continuing share buy-back programme, R&R's interest in BAT increased to 29.2% at 30 September 2006 (2005: 28.7%).

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

	Six months to September	
	2006 **£'m**	2005 £'m
Attributable profit of BAT before capital and non-recurring items	**1 100**	1 011
R&R's share of the attributable profit of BAT: – 29.06% to 29.21% (2005: 28.56% to 28.72%)	**320**	290
R&R's non-BAT income	**6**	15
R&R's headline earnings for the six months to 30 September	**326**	305
Remgro's share thereof:		
– 35.46% of R&R's share of the attributable profit of BAT	**114**	103
– portion of R&R's non-BAT income	**4**	5
	118	108
	R'm	R'm
Translated at an average £/R rate of 12.5995 (2005: 11.7175)	**1 483**	1 264

BAT has a 31 December year-end but reports to its shareholders on a quarterly basis. The following commentary is condensed from BAT's financial report for the nine months ended 30 September 2006.

BAT's reported profit from operations was 2% higher at £1 944 million. However, profits from operations would have been 8% higher (or 6% at comparable rates of exchange) if exceptional items and the impact arising from the change in terms of trade following the sale of Etinera, an Italian distribution business, were excluded, with all regions except Europe contributing to this good growth. This like-for-like information provides a better understanding of the subsidiaries' trading results.

Tobacco product volumes from BAT's subsidiaries increased by 1% to 509 billion on both a reported and a like-for-like basis. BAT's reported revenue for the nine months ended 30 September rose by 5% to £7 251 million. On a like-for-like basis, revenue increased by 6% (or 4% at comparable rates of exchange). This volume and revenue growth was achieved across a broad spread of markets. The four global drive brands achieved impressive overall volume growth of 16% on a like-for-like basis. Kent volumes grew by 16%, Dunhill rose by 5%, but Lucky Strike volumes declined by 4%, mainly as a result of lower industry volumes in Germany and Japan, but there were good share growth performances in a number of key markets for Lucky Strike. Pall Mall continued its exceptional growth, with an increase of 37%.

In Europe, profit at £594 million was £22 million lower than last year as a result of very competitive trading conditions in a number of markets and the inclusion in the comparative period of a one-off benefit, resulting from the change in terms of trading following the sale of Etinera. Excluding this benefit, profit decreased by £8 million, with strong growth from Russia, Italy and France, more than offset by declines in Germany, Spain, Poland and Ukraine. Regional volumes on a like-for-like basis were 1% higher at 184 billion, with growth in Russia, Spain and Hungary partly offset by declines in Italy, Germany and Ukraine.

In Asia-Pacific, regional profit rose by £48 million to £466 million, mainly attributable to strong performances in Australia, Malaysia, South Korea and New Zealand. Volumes at 106 billion were 3% higher as strong increases in Pakistan, Bangladesh, South Korea and Vietnam were partially offset by declines in Malaysia and Indonesia.

Profit in Latin America increased by £69 million to £447 million due to good performances across the region coupled with strong local currencies. Volumes also grew in many of the markets contributing to an overall increase of 3% to 113 billion.

Profit in the Africa and Middle East region grew by £54 million to £362 million, mainly driven by South Africa, Nigeria and Iran, as well as reduced losses in Turkey. Volumes declined by 2% to 74 billion, as a result of Turkey, the Levant and supply chain problems in West Africa and the Caucasus, partly offset by increases in Iran, Egypt and the Gulf.

The profit from the America-Pacific region increased by £5 million to £332 million, with a strong performance in Japan offsetting the lower profit contribution from Canada. Volumes were down 1% to 33 billion as higher volumes from Japan were more than offset by the decline in Canada.

BAT's share of the post-tax results of its own associates increased by £71 million to £348 million. Excluding exceptional items, BAT's share of the post-tax results of its associates increased by £58 million to £331 million. The contribution from Reynolds American, excluding the benefit from the favourable resolution of tax matters in 2006 and restructuring costs in 2005, was £42 million higher mainly due to improved pricing, cost reductions, the timing of promotional spending and the impact of the stronger US dollar. Reynolds American acquired Conwood, the second largest manufacturer of smokeless tobacco products in the US, for US$3.5 billion on 31 May 2006. Reynolds American reported that on a pro forma basis, as if it had been owned since the beginning of 2005, Conwood delivered strong gains in volume, share and operating income for the nine months to 30 September 2006.

In the nine months to September 2006 BAT's adjusted earnings per share (excluding restructuring costs and other distortions) rose by 13% compared to the prior year as the higher net finance costs and minority interests were more than offset by the improvement in profit from operations, the share of associates' post-tax results, a lower tax rate and the benefit from the share buy-back programme.

6. OTHER INVESTMENTS

The most important changes to Remgro's other investments during the period under review were as follows:

Repurchase of Remgro shares

During the period under review, a wholly owned subsidiary company of Remgro acquired a further 6 622 561 ordinary Remgro shares at an average price of R142.23 for a total amount of R941.9 million. Together with those shares acquired in the previous financial year, 8 002 196 ordinary Remgro shares (1.8%) are held as treasury shares by the wholly owned subsidiary.

During the period under review, The Remgro Share Trust purchased 563 000 ordinary Remgro shares at an average price of R130.40 for a total amount of R73.4 million, while 176 981 shares were delivered to participants against payment of the subscription price.

Gencor Limited (Gencor)

On 14 March 2006, Gencor announced that it has been placed under voluntary liquidation and it had declared a liquidation dividend of R0.20 per share. During May 2006, Remgro received R7.6 million.

Sage Group Limited (Sage)

As previously reported, Remgro sold its 17.9% interest in Sage to Momentum Group Limited during the previous financial year for R114 million, or R1.75 per Sage share, comprising an initial payment of R1.42 per share and a potential subsequent payment of up to R0.33 per share. The initial payment received amounted to R92 million and an after-tax capital gain of R10 million was realised on this transaction. On 31 March 2006 the potential subsequent payment was still subject to certain tax queries being resolved.

During the period under review Remgro received a further R6 million, or R0.0913 per Sage share, as partial payment of the potential subsequent payment.

Subsequent to 30 September 2006:

KTI and the Kagiso Infrastructure Empowerment Fund (KIEF)

Remgro has entered into agreements with KTI and KIEF, in terms of which it has 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.

KIEF has drawn no funds to date.

7. INFORMATION REGARDING UNLISTED INVESTMENTS

Tsb Sugar Limited (TSB)

TSB's contribution to Remgro's headline earnings amounted to R54 million (2005: R23 million).

TSB's results for the period have been positively affected by the inclusion of the income from its 27.0% investment in Royal Swaziland Sugar Corporation, since its acquisition on 1 October 2005.

It is expected that TSB's sugar production for the season will be 440 600 tons (2005: 456 800 tons). The decrease in production is attributed to the after-effects of the drought that prevailed during the previous financial year. The strengthening of the export sugar price and the weaker exchange rate as well as the citrus division's return to profitability did, however, lead to increased income during the period under review.

Wispeco Holdings Limited (Wispeco)

Wispeco's results for the six months ended 30 September 2006 were satisfactory. Sales volumes for the period increased by 15% compared to the same period last year although turnover was 45% higher, mainly due to price increases and the acquisition of two new stockist outlets. Headline earnings increased from R29 million to R33 million. Capacity expansions in the extrusion and finishing plants are in progress. A second extrusion press in Parow will be commissioned early in 2007.

Total South Africa (Proprietary) Limited (Total SA)
Total SA's contribution to Remgro's headline earnings for the period under review was R116 million (2005: R83 million). Total SA's higher earnings was mainly due to a higher market share in the retail business and increased refining margins.

Total SA continued to grow its market share in the retail business, while the regulated marketing margin remained constant. The Natref refinery performed well although production capacity decreased by 14% following the introduction of new fuel specifications on 1 January 2006. Refining margins remained strong.

Air Products South Africa (Proprietary) Limited (Air Products)
Air Products' turnover for its financial year ended 30 September 2006 increased by 5% from the previous year due to demand growth in the manufacturing sector, resulting in increased sales mainly in the packaged gas division, as well as from the commencement of the Implats oxygen-contract.

Net income before tax for the six months ended 30 September 2006 increased by 20.8% due to improved plant and operational efficiencies and improved margins in the packaged gas division. A significant STC-charge on dividends paid in the 2006 year resulted in Air Products' contribution to headline earnings increasing by only 3.1%, from R32 million for the six months ended 30 September 2005 to R33 million.

Unilever Bestfoods Robertsons LLC (UBR)
UBR's contribution to Remgro's headline earnings for the period (which includes interest on the shareholders' loan of R8 million (2005: R11 million)) amounted to R92 million (2005: R53 million). The increased contribution is mainly due to increased trading profits partially being offset by increased taxation charges. Interest on the shareholders' loan decreased due to the repayment of loan capital since 30 September 2005.

The South African retail operation delivered an underlying turnover growth of 12.9%, mainly driven by volume. The key product categories continued to gain market share due to innovation, advertising and promotional activities. The Food Solutions business delivered an 8.0% underlying sales growth.

The Israeli business reported an underlying turnover growth of 1.3%, resulting mainly from a 3.1% growth in the Food Solutions business. Despite the recent border conflict with Lebanon, the increased turnover, together with lower indirect costs resulting from prior restructuring, enabled the Israeli business to deliver improved results.

KTI
KTI's contribution to Remgro's headline earnings amounted to R37 million.

KTI's headline earnings for its year ended 30 June 2006 increased by 23.2% to R473 million (2005: R384 million) mainly due to fair value gains in its investment in Metropolitan Holdings Limited and increased contributions by its investments in associated companies and joint ventures.

DIVIDEND DECLARATION

Declaration of Dividend No 13
Notice is hereby given that an interim dividend of 153 cents (2005: 133 cents) per share has been declared in respect of both the ordinary shares of one cent each and the unlisted B ordinary shares of ten cents each, for the half year to 30 September 2006.

Dates of importance

Last day to trade in order to participate in the interim dividend	Friday, 5 January 2007
Trading on or after this date will be ex the interim dividend	Monday, 8 January 2007
Record date	Friday, 12 January 2007
Payment date	Monday, 15 January 2007

Shareholders may not dematerialise or rematerialise their holdings of ordinary shares between Monday, 8 January 2007, and Friday, 12 January 2007, both days inclusive.

Signed on behalf of the Board of Directors.

Johann Rupert
Chairman

Thys Visser
Chief Executive Officer

Stellenbosch
29 November 2006

DIRECTORATE

Non-executive directors
Johann Rupert (*Chairman*), E de la H Hertzog (*Deputy Chairman*), P E Beyers, G D de Jager*, J W Dreyer, P K Harris*, J Malherbe#, D Prins*, F Robertson* (**Independent*, #*Appointed on 11 October 2006*)

Executive directors
M H Visser (*Chief Executive Officer*), W E Bührmann, D M Falck, J A Preller (Mrs), T van Wyk

Retirement
Mr J F Mouton retired as director on 11 October 2006.

CORPORATE INFORMATION

Secretary
M Lubbe (Mrs)

Listing
JSE Limited
Sector: Financials – General Financial

American depositary receipt (ADR) program
Cusip number 75956M107
ADR to ordinary share 1 : 1

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

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 2004 (Proprietary) Limited, 70 Marshall Street, Johannesburg 2001
(PO Box 61051, Marshalltown 2107)

Auditors
PricewaterhouseCoopers Inc., Cape Town

Sponsor
Rand Merchant Bank (A division of FirstRand Bank Limited)

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ANNEXURE A

INTRINSIC NET ASSET VALUE

	Notes	Shares held million	Stock exchange closing price	£'m	Exchange rate	30 September 2006 R'm	31 March 2006 R'm
Tobacco interests							
R&R Holdings				3 274.5	14.5143	47 527	34 065
– BAT ordinary shares	1	214.3	1 444	3 094.5			
– Cash and dividends accrued				180.2			
– Other net assets				(0.2)			
Financial services							
FirstRand		481.1	1 770			8 516	9 623
RMB Holdings		274.1	2 700			7 401	7 990
Sagecor		–	–			–	1
Industrial interests							
Medi-Clinic Corporation		171.0	2 040			3 488	3 531
Unilever Bestfoods Robertsons						2 235	1 984
Distell Group		58.7	3 975			2 332	2 112
Nampak		78.1	1 820			1 421	1 308
Total South Africa						2 248	1 889
Rainbow Chicken		172.8	1 061			1 834	1 642
Tsb Sugar						1 805	1 260
Air Products South Africa						813	801
Dorbyl		14.1	1 400			197	191
Wispeco						465	441
Caxton		7.8	1 640			128	117
Kagiso Trust Investments						710	710
Mining interests							
Implats		3.3	128 500			4 287	3 886
Trans Hex Group		30.2	1 025			310	363
Gencor		38.0	–			–	8
Other							
Sundry investments and loans						116	116
Deferred taxation asset/(liability)						(501)	(417)
Other net assets/(liabilities)						271	(100)
Cash at the centre							
– Local	2					308	4 066
– Offshore	2			237.7	14.5143	3 450	1 729
Intrinsic net asset value						89 361	77 316
Potential CGT liability	3					(1 809)	(1 699)
Intrinsic net asset value after tax						87 552	75 617
INTRINSIC VALUE PER SHARE						R185.17	R157.59
Issued shares after deduction of shares repurchased and the shares in The Remgro Share Trust (million)						472.8	479.8

Notes

1. This represents Remgro's effective interest of 10.4% in BAT Plc.
2. Cash at the centre excludes cash held by subsidiaries and associated companies that are separately valued above.
3. The potential capital gains tax (CGT) liability, which is unaudited, is calculated on the specific identification method using the most favourable calculation for investments acquired before 1 October 2001 and also taking into account the corporate relief provisions. Deferred CGT on investments available-for-sale (Implats and Caxton) is included in "Other" above.
4. The listed investments are valued at stock exchange prices and unlisted investments at directors' valuation.

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