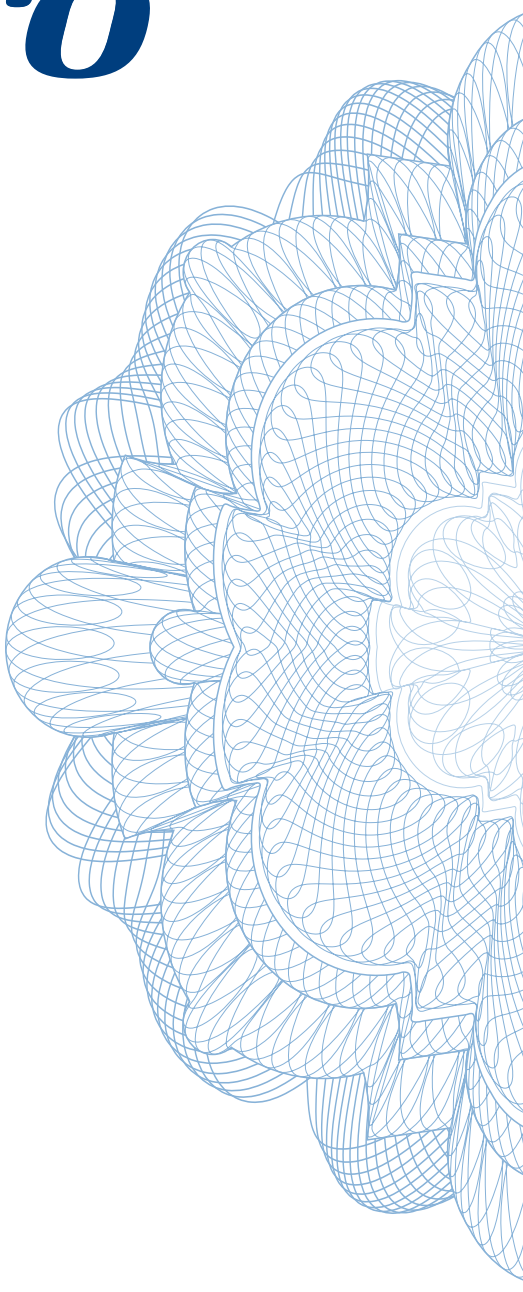
Remgro Limited



2012 INTEGRATED ANNUAL REPORT

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OVERVIEW OF BUSINESS



SALIENT FEATURES

STATUTORY BASIS

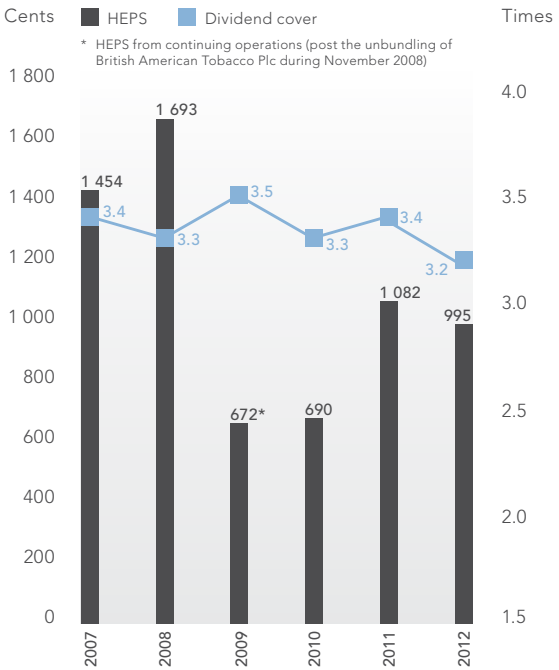
	Twelve months ended 30 June 2012	Fifteen months ended 30 June 2011	% change
HEADLINE EARNINGS PER SHARE	**994.6c**	1 082.4c	*(8.1)*
EARNINGS PER SHARE	**1 805.9c**	2 112.4c	*(14.5)*
HEADLINE EARNINGS	**R5 113m**	R5 555m	*(8.0)*
EARNINGS – net profit for the period	**R9 284m**	R10 841m	*(14.4)*
Dividends per share			
Ordinary	**314.00c**	314.00c	–
– Interim	**126.00c**	101.00c	*24.8*
– Final	**188.00c**	213.00c	*(11.7)*
Net asset value per share (attributable to own members) – at intrinsic value	**R152.61**	R135.97	*12.2*
Remgro share price Closing price per share at 30 June	**R131.49**	R111.60	*17.8*
Percentage discount to net asset value	**13.8%**	17.9%	*(22.9)*

COMPARABLE BASIS

	Twelve months ended 30 June 2012	Twelve months ended 30 June 2011	% change
HEADLINE EARNINGS PER SHARE	**994.6c**	788.8c	*26.1*
HEADLINE EARNINGS	**R5 113m**	R4 049m	*26.3*

DIVIDEND COVER

HEPS: HEADLINE EARNINGS PER SHARE



Headline earnings per share on a comparable basis

+26.1%

Ordinary dividend per share on a comparable basis

+25.1%

Intrinsic value per share

R152.61

REMGRO LIMITED* IS AN INVESTMENT HOLDING COMPANY

* Remgro or the Company

OUR BUSINESS

Originally established in the 1940s by the late Dr Anton Rupert as a tobacco manufacturer, Remgro's investment portfolio currently includes more than 30 investee companies. The Company is listed on the Johannesburg Securities Exchange (JSE) operated by the JSE Limited in South Africa under the "Industrials – Diversified Industrials" sector, with the share code "REM".

Our interests consist mainly of investments in the following industries:

- BANKING AND FINANCIAL SERVICES
- MEDICAL SERVICES
- FOOD, WINE AND SPIRITS
- PETROLEUM PRODUCTS
- GLASS PRODUCTS
- SHIPPING AND FREIGHT LOGISTICS
- MEDIA
- TECHNOLOGY

OUR APPROACH TO REPORTING

The 2012 Integrated Annual Report provides a holistic view of Remgro's business model, how the Company is managed and also how it manages its investments. In this regard our main focus is to provide a complete analysis of our business to satisfy the information needs of the broad range of stakeholders that use the Annual Report. In order to ensure that we address all the material issues that matter to us and our stakeholders, we also report on matters such as:

- Our business model; and
- Our most significant business risks, as identified through our integrated risk-management process.

The information provided thus aims to provide our stakeholders with a good understanding of the financial, social, environmental and economic impacts of the Group to enable them to evaluate the ability of Remgro to create and sustain value for our stakeholders.

SCOPE AND BOUNDARIES OF OUR REPORT

Remgro is an investment holding company and accordingly all references to "the Group" in this context denote the Company and its subsidiaries.

In determining the parameters for this report, guidance was taken from the Global Reporting Initiative™ (GRI) Boundary Protocol. Disclosure is therefore limited to those entities where the Group 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.

Currently Remgro has three operating subsidiaries, i.e. Rainbow Chicken Limited (Rainbow Chicken), Tsb Sugar Holdings (Pty) Limited (Tsb Sugar) and Wispeco Holdings Limited (Wispeco). As Rainbow Chicken (a 73% subsidiary) is listed on the JSE, detailed information regarding its financial, sustainability and social performance is available on its website at www.rainbowchicken.co.za.

Both Tsb Sugar and Wispeco are unlisted wholly owned subsidiaries which are operated and managed on a decentralised basis as independent entities with autonomous boards of directors. Based on the above, as well as the fact that these companies only represent 4.7% of Remgro's intrinsic net asset value, only summarised "non-financial" disclosure relating to social and environmental performance will be provided for these companies. This is in line with Remgro's reporting on the financial performance of these companies.

Following on the philosophy outlined above, Remgro manages all investee companies on the same decentralised basis, irrespective of whether they are subsidiaries, associates or joint ventures. Therefore data relating to the social and environmental performance of subsidiaries, associates and joint ventures, over which Remgro does not exercise operational control, are not covered in this report. However, information is provided in instances where material sustainable development issues are at stake. Except where otherwise indicated, all disclosures relating to social and environmental performance thus only relate to Remgro's activities at its head office in Stellenbosch.

During the previous period Remgro changed its financial year-end from 31 March to 30 June. For the year under review the Integrated Annual Report thus covers the results for the twelve months ended 30 June 2012, compared to the fifteen months ended 30 June 2011 in the comparative period. For more detail relating to the change in financial year-end, refer to the Chief Financial Officer's Report on page 33.

OWNERSHIP STRUCTURE

Remgro's issued share capital consists of two classes of shares, as follows:

- Ordinary shares of 1 cent each that are listed on the JSE; and
- Unlisted B ordinary shares of 10 cents each.

Each ordinary share has one vote, while each B ordinary share has ten votes. All of the unlisted B ordinary shares are held by Rembrandt Trust (Pty) Limited (Rembrandt Trust), a company incorporated in South Africa which is the holding vehicle for Rupert family interests in Remgro. As at 30 June 2012 the unlisted B ordinary shares were entitled to 42.58% (2011: 42.61%) of the total votes of shareholders of the Company.

An analysis of major shareholders appears on pages 198 and 199.

SIGNIFICANT EVENTS DURING REPORTING PERIOD

No significant events occurred during the reporting period or after the end of the reporting period, which may have a significant impact on the size, structure or ownership of the Group. Refer to the Report of the Chief Executive Officer on page 28 for a summary of the most significant investment activities during the year under review.

COMPANY HISTORY

1940s

Remgro Limited's (Remgro) founding history goes back to the forties of the previous century when the founder of the Group, Dr Anton Rupert, established in Johannesburg, South Africa, the tobacco company Voorbrand, forerunner of Rembrandt Group Limited (Rembrandt). Rembrandt was incorporated in 1948.

Rembrandt thus entered the South African cigarette and tobacco industry in 1948 and in the fifties expanded abroad through the establishment of various international partnerships.

Rembrandt's interests in the wine and spirits industry also dates back to the 1940s when Dr Rupert and Dr D W R Hertzog founded Distillers Corporation.

1950s

Rembrandt was listed on the JSE Securities Exchange South Africa in 1956.

1970s

In 1972, the overseas tobacco interests of Rembrandt were consolidated in Rothmans International, which was listed on the London Stock Exchange.

Since the 1970s Rembrandt expanded its interests outside tobacco, wine and spirits with investments in various other economic sectors in South Africa, amongst which were banking and financial services, mining, printing and packaging, medical services, engineering and food interests.

1980s

The separation of local and overseas interests was effected in 1988 with the founding of Compagnie Financière Richemont AG (Richemont) – a Swiss-listed luxury goods group that included brands such as Cartier, Dunhill and Mont Blanc which then also acquired a share in Rothmans International.

1990s

During 1993, Rembrandt co-founded South Africa's first cellular telephony company Vodacom, which was eventually disposed of in 2006 by VenFin Limited (VenFin). In 1995, Rembrandt and Richemont consolidated their respective tobacco interests in Rothmans International, at the time the world's fourth largest cigarette manufacturer, which was then delisted, and then in 1999 merged these interests with those of British American Tobacco Plc (BAT), the world's second largest cigarette producer. Since then the investment in BAT was held through a joint holding company in which Rembrandt (now Remgro) and Richemont held 33$^{1}/_{3}$% and 66$^{2}/_{3}$% respectively. Following the above restructuring, Rembrandt became a pure investment holding company.

2000

The restructuring of Rembrandt was advanced a step further in September 2000 when the South African pyramid holding structure, consisting of four listed companies, was collapsed into two listed companies, namely Remgro and VenFin. Following the restructuring, Remgro represented Rembrandt's established interests in tobacco, financial services, mining and industry, while the telecommunication and technology interests were housed in VenFin.

2009

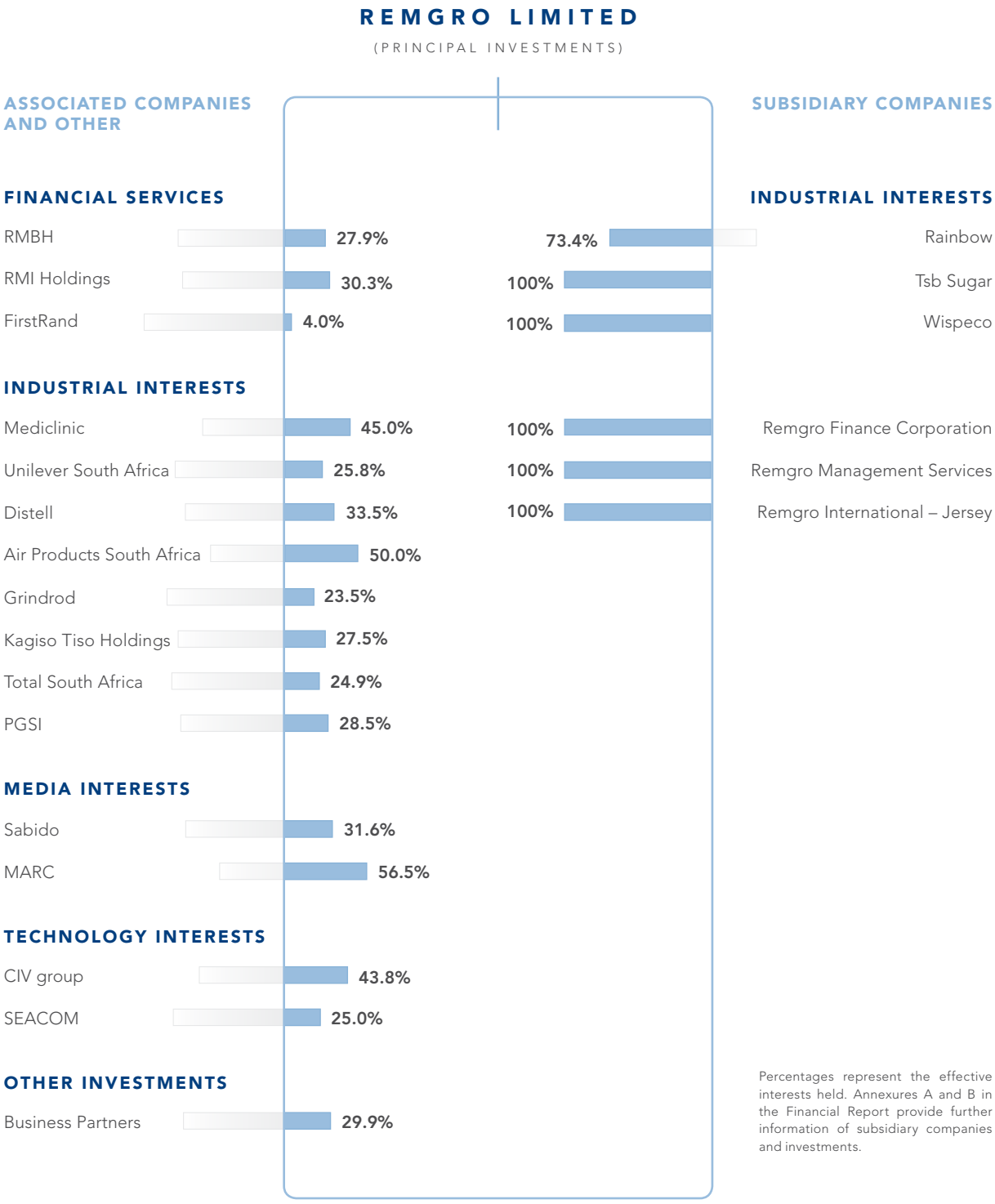
During November 2009 Remgro and VenFin merged again, adding media and technology interests to the Group's investments.

2008

During November 2008 Remgro unbundled its investment in BAT to its shareholders by way of an interim dividend *in specie* amounting to a total amount of R55.2 billion. Following the BAT unbundling the Group's remaining interests consisted 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.

At 30 June 2012 the value of the dividend referred to above amounted to R85.7 billion.

GROUP STRUCTURE AT 30 JUNE 2012



Percentages represent the effective interests held. Annexures A and B in the Financial Report provide further information of subsidiary companies and investments.

EXECUTIVE MANAGEMENT STRUCTURE

HOW REMGRO IS MANAGED

Mr Thys Visser, Chief Executive Officer of Remgro, tragically passed away following a car accident on 26 April 2012. Mr Jannie Durand was appointed as Remgro's Chief Executive Officer on 7 May 2012.

The Remgro Limited Board of Directors ultimately leads and controls the Group in all issues of a material or strategic nature, which can impact the reputation and performance of the Group. Following the successful acquisition of VenFin Limited during November 2009 a Management Board was established as a subcommittee of the Remgro Board that is mainly responsible for determining policies, monitoring and managing existing investments, identifying and recommending new investment opportunities and executing the decisions and strategy of the Board. Other issues, as mandated by the Board, are dealt with at senior management level as permitted in terms of a formal delegation of authority that directs limits of delegation and approval mandates.

The Management Board, together with senior management, also aims to instil a culture of compliance and good governance throughout the Remgro Group. As at 30 June 2012 the Management Board comprised six members, being all five executive directors as well as the head of Remgro's Corporate Finance division, Mr Neville Williams.

The schematic presentation on page 9 provides more detail on the day-to-day responsibilities and delegated authorities of the individual members of the Management Board.

BOARD OF DIRECTORS



CHIEF EXECUTIVE OFFICER
J J Durand (45)
BAcc (Hons), MPhil, CA(SA)
Years of service with the Group: 16

MANAGEMENT BOARD

SECRETARIAL

CORPORATE AFFAIRS
J A Preller (62)
BEcon
Years of service with the Group: 40



CHIEF FINANCIAL OFFICER
L Crouse (59)
BComm, CTA, CA(SA)
Years of service with the Group: 4



INVESTMENTS

TREASURY

FINANCE

HUMAN RESOURCES

NEW INVESTMENTS AND VENTURE CAPITAL
W E Bührmann (57)
BComm, CTA, CA(SA)
Years of service with the Group: 25



CORPORATE FINANCE
N J Williams (48)
BComm (Hons), CA(SA)
Years of service with the Group: 18



STRATEGIC INVESTMENTS
J W Dreyer (61)
BComm, LLB, H Dip Co Law, H Dip Tax
Years of service with the Group: 12



KEY OBJECTIVES AND PRINCIPAL INTEGRATED RISKS

REMGRO'S KEY OBJECTIVES

Managing with a view to maximising value creation and sustainable growth

We focus on the creation of shareholder value and sustainable growth by investing in businesses that can deliver superior earnings and dividend growth over the long term.

This objective is underpinned by Remgro's investment philosophy and strategy and also its understanding of all risks and opportunities associated with the Group's investment portfolio.

These risks and opportunities are continuously measured against the risk appetite and risk-bearing capacity determined by the Board.

Doing business ethically

1 By always considering the impact of the Company's strategy on the commercial sustainability of the Company, the indirect impacts on the society in which it operates, as well as the environment, results in being a responsible corporate citizen and investor;

2 Leadership based on ethical foundations results in a natural culture of ethical and moral behaviour and compliance with laws, rules, codes and standards; and

3 Thereby positioning ourselves as an investment partner of choice.

PRINCIPAL INTEGRATED RISKS

Remgro's three principal risks are summarised below. A more comprehensive analysis of our risk management process is provided in the Risk Management Report, while our main financial risks, including those relating to the global economy and currencies are disclosed in the Chief Financial Officer's Report.

RISK	CONTEXT
The destruction of value due to poor management of existing investments, including management at investee company level.	The successful management of investments is dependent upon a proper understanding of the businesses of the investee companies and also in identifying the appropriate Remgro executives that will represent it on the boards of the investee companies.
The loss of value or opportunity to create value due to inefficient or ineffective identification or acquisition of new investments or the disinvestment from existing investments.	Sound investment evaluation processes and qualified personnel need to be in place in order to prevent poor investment/disinvestment decisions being taken.
Risk of financial and/or reputational loss attributed to the selection of inappropriate executive directors and/or officers.	The appointment of inappropriate personnel can have negative consequences on the Company's reputation. The assessment of new senior appointments and succession planning is thus pivotal to the success of the Company.

PRINCIPAL INTEGRATED SUSTAINABILITY DRIVERS

The following aspects are considered fundamental to the sustainability of growth and wealth creation:

Remgro's size and influence enables it to acquire significant stakes in entities that are big enough to have a significant effect on Remgro's results.

The availability of cash enables Remgro to make new investments or to increase its stake in well-performing investments, or fund growth opportunities by means of shareholder loans.

The ability to add value to investee companies by means of skilled and experienced executives.

OUR BUSINESS MODEL

HOW THE INVESTMENTS ARE MANAGED

As indicated earlier, Remgro only has an interest in three operating subsidiaries, i.e. Rainbow Chicken (listed), as well as Tsb Sugar and Wispeco (both unlisted). Due to its philosophy of decentralised management, all three of these companies have autonomous boards of directors and management structures and Remgro only exerts its influence through non-executive representation on the boards of these companies.

Remgro's other investments comprise both listed and unlisted companies that are not controlled by Remgro and which are mostly associated companies and joint ventures due to the significant influence or joint control exercised by Remgro through its board representation in those investee companies. Where Remgro does not have board representation such investments are treated as portfolio investments.

Remgro manages its investments on a decentralised basis and its involvement is concentrated mainly on the provision of support rather than on being involved in the day-to-day management of business units of investees. The Remgro Limited Board considers it in the best interest of all the parties concerned to respect the decentralised business model and the fact that these businesses are conducted in separate legal entities. The support provided to the investee companies can either be in the form of strategic, financial and/or managerial support, or the unlocking of value by means of creating the environment for possible deal-making.

It should be stressed that the above management philosophy is applied to all investee companies, irrespective of the level of control that can be exercised.

Shareholder agreements are in place for Remgro's associates and joint ventures where there are also other major shareholders involved. These agreements protect its rights as shareholder and minimise risk. In terms of these agreements Remgro has decision-making involvement for a defined list of material matters of the businesses of these entities, such as the appointment/removal of directors, business strategy, large capital expenditure and mergers, acquisitions and disposals.

As a shareholder of the investee companies, Remgro also exercises its shareholder rights to ensure as far as possible that the entities concerned adhere to its requirements in respect of matters such as governance, internal controls, financial management, risk management, legal compliance, safety, health and environmental management, internal audit, ethics management, information management, stakeholder relationships and sustainability.

INVESTMENT PHILOSOPHY

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 in order to have significant influence. Sound management and the ability to generate strong cash returns and growth are important investment criteria. Remgro focuses on the southern African market but international opportunities will be considered with reputable partners. Remgro forges strategic alliances on a partnership basis and endeavours to add value where possible. The purpose is to ensure superior returns to shareholders by way of dividend and capital growth.



UNDERSTANDING THE BUSINESS OF AN INVESTMENT HOLDING COMPANY

GENERAL

The business of an investment holding company differs substantially from that of an operating company. In the latter case products and/or services are being sold at a certain gross profit margin, thereby creating revenue and cash inflows for the entity concerned. Strong cash flows and shareholder value is accordingly created by increasing revenue, as well as by limiting expenditure and optimising operational efficiencies, thus increasing the net profit from which dividends can be paid to shareholders.

In the case of an investment holding company no products and/or services are being sold. This, together with the specific accounting treatment that is required for different classes of investments in terms of International Financial Reporting Standards, has the effect that the net profit of an investment holding company is not always a fair reflection of its underlying cash flows and financial soundness. Similarly, the variance in net profit between reporting periods will not always be a good indication of the trend in dividends to be paid to shareholders. The value and performance of the underlying investments, rather than the activities at holding company level, will thus to a large extent determine the value created by investment holding companies for its shareholders.

In the section below we aim to provide more information on the following:

- How we make our money; and
- Distributions to shareholders.

HOW WE MAKE OUR MONEY

In order to understand how Remgro makes its money, one first needs to understand its reported results.

Remgro's statutory reported net profit consists primarily of the following:

- Consolidated results of its operating subsidiaries, i.e. Rainbow Chicken, Tsb Sugar and Wispeco;
- Equity accounted results of its investments in associates and joint ventures, e.g. FirstRand, RMBH, RMI and Mediclinic, the four biggest contributors towards net profit;
- Profits realised on the sale/distribution of investments;
- Dividends received from investee companies not classified as subsidiaries, associates and joint ventures, e.g. Implats (distributed to shareholders during the year under review) and Caxton;
- Interest received on surplus cash;
- Net corporate costs, including remuneration and other benefits paid to employees; and
- Taxation.

As is evident from the above, the dividends received from operating subsidiaries, associates and joint ventures are not included in Remgro's reported net profit. Furthermore, any profits realised on the sale/distribution of investments are also excluded from reported headline earnings in terms of SA GAAP.

Being an investment holding company, however, and contrary to the treatment in terms of accounting standards, Remgro's main source of income consists of dividends and interest received, as well as cash received on the realisation of investments and loans.

The best approximation of Remgro's profit at holding company level ("at the centre") should, in our view, thus comprise the following:

- Dividends received from investee companies;
- Interest received on surplus cash;
- Cash received on the realisation of investments and loans;
- Net corporate costs, including remuneration and other benefits paid to employees;
- Taxation paid; and
- Foreign exchange movements on surplus cash.

The net result of the above is available cash at the centre in order to make new investments and/or pay dividends to shareholders.

Given its nature as an investment holding company and the substantial amount of cash held, cash management and the control of treasury risks are regarded as very important. This includes the management of movements in foreign exchange rates and this area is covered in more detail in the Chief Financial Officer's Report on page 33. Also refer to page 37 for a detailed analysis of "cash movement at the centre" for the year under review.

Remgro further measures its performance in terms of the increase in its intrinsic net asset value. This measures the growth in the underlying value of the various investee companies. Refer to the Chief Executive Officer's Report on page 28 for a detailed analysis of Remgro's intrinsic net asset value.

DISTRIBUTIONS TO SHAREHOLDERS

Dividends to shareholders are funded from dividend income and interest received at the centre.

In terms of normal dividends to shareholders, it is the Company's objective to provide shareholders with a consistent annual dividend flow which at least protects them against inflation, throughout the cycles.

As in the past, in special circumstances, the Company will consider other distributions in the form of special dividends or the unbundling of investments to shareholders.

CONSOLIDATED INCOME STATEMENTS

R million	**Twelve months ended 30 June 2012**	Fifteen months ended 30 June 2011	Twelve months ended 31 March 2010	2009	2008	2007	2006
Profit before taking into account the following	**1 169**	989	1 044	1 218	1 578	1 476	1 938
Non-recurring and capital items and impairments	**4 126**	2 327	(188)	40 345	1 684	51	3 165
Consolidated profit before tax	**5 295**	3 316	856	41 563	3 262	1 527	5 103
Taxation	**(462)**	(480)	(309)	(945)	(419)	(403)	(857)
Consolidated profit after tax	**4 833**	2 836	547	40 618	2 843	1 124	4 246
Share in after-tax profit of associated companies and joint ventures	**4 532**	8 112	2 619	4 806	7 210	6 003	4 354
Net profit after tax	**9 365**	10 948	3 166	45 424	10 053	7 127	8 600
Non-controlling interest	**(81)**	(107)	(106)	(94)	(160)	(185)	(398)
Attributable net profit for the period	**9 284**	10 841	3 060	45 330	9 893	6 942	8 202
Headline earnings	**5 113**	5 555	3 355	4 660	7 991	6 892	5 084
Headline earnings per share (cents)	**994.6**	1 082.4	690.1	987.7	1 692.8	1 453.6	1 052.3
Headline earnings per share from continuing operations (cents)#	**994.6**	1 082.4	690.1	671.5	964.1		
Headline earnings per share – excluding non-recurring portion of BEE costs (cents)*	**994.6**	1 082.4	690.1	987.7	1 700.7	1 453.6	1 130.9
Earnings per share (cents)	**1 805.9**	2 112.4	629.4	9 607.9	2 095.7	1 464.2	1 697.6
Dividends per share (cents)							
– Ordinary	**314**	314	209	190	510	434	361
– Special							400

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 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.

* *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.*

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AND CASH FLOWS

R million	**30 June 2012**	30 June 2011	2010	2009	31 March 2008	2007	2006
STATEMENTS OF FINANCIAL POSITION							
Property, plant and equipment, biological agricultural assets and investment properties	**3 621**	3 270	3 241	2 866	2 668	2 564	2 444
Investments – Associated companies	**38 321**	34 920	28 052	23 795	43 175	33 033	26 098
Other non-current assets	**2 358**	6 933	7 295	5 430	9 132	6 802	4 584
Current assets	**13 727**	10 864	9 470	10 025	6 852	7 460	8 210
Total assets	**58 027**	55 987	48 058	42 116	61 827	49 859	41 336
Total equity	**54 253**	52 330	44 083	38 787	57 875	46 427	38 090
Non-current liabilities	**981**	1 481	1 517	1 172	1 872	1 580	1 144
Current liabilities	**2 793**	2 176	2 458	2 157	2 080	1 852	2 102
Total equity and liabilities	**58 027**	55 987	48 058	42 116	61 827	49 859	41 336
Net asset value per share (Rand)							
(attributable to own members)							
– at book value	**103.93**	100.37	84.38	80.75	121.11	96.69	78.14
– at intrinsic value	**152.61**	135.97	121.64	99.15	253.67	221.00	157.59

R million	**Twelve months ended 30 June 2012**	Fifteen months ended 30 June 2011	2010	Twelve months ended 31 March 2009	2008	2007	2006
STATEMENTS OF CASH FLOWS							
Cash (utilised)/generated from/(by) operations	**1 313**	52	(273)	883	1 232	1 666	1 474
Cash flow generated from returns on investments	**3 372**	2 733	1 531	1 642	3 801	3 040	4 200
Taxation paid	**(431)**	(407)	(144)	(280)	(497)	(676)	(369)
Cash available from operating activities	**4 254**	2 378	1 114	2 245	4 536	4 030	5 305
Dividends paid	**(1 819)**	(1 220)	(1 006)	(2 120)	(2 252)	(3 813)	(4 676)
Cash flow from operating activities	**2 435**	1 158	108	125	2 284	217	629
Net investing activities	**(495)**	(671)	(1 381)	1 053	(3 438)	(1 725)	3 364
Net financing activities	**139**	87	(5)	10	84	70	99
Net increase/(decrease) in cash and cash equivalents	**2 079**	574	(1 278)	1 188	(1 070)	(1 438)	4 092

SHARE STATISTICS

	Twelve months ended 30 June 2012	Fifteen months ended 30 June 2011	Twelve months ended 31 March 2010	2009	2008	2007
Weighted number of unlisted B ordinary shares ('000)	**35 506**	35 506	35 506	35 506	35 506	35 506
JSE Limited						
Weighted number of Remgro ordinary shares in issue – excluding the unlisted B ordinary shares ('000)	**478 584**	477 703	450 647	436 292	436 547	438 617
Market capitalisation at end of period (R million) – Ordinary shares only	**63 261**	53 691	47 148	29 665	87 973	81 233
Price (cents per share)						
– Last day of period	**13 149**	11 160	9 800	6 750	19 593	18 100
– Highest	**13 649**	11 539	10 250	21 401	20 700	18 294
– Lowest	**10 050**	9 100	6 899	6 100	17 200	12 200
Number of shares traded ('000)	**231 837**	311 457	310 748	416 657	289 937	236 577
Value of shares traded (R million)	**28 131**	32 652	26 117	56 990	53 841	35 509
Shares traded/weighted number of ordinary shares (%)	**48.4**	65.2	69.0	95.5	66.4	53.9
Number of transactions	**351 209**	431 614	284 637	300 257	201 515	126 747

OUR BOARD COMPRISES FOUR NON-EXECUTIVE DIRECTORS, EIGHT INDEPENDENT NON-EXECUTIVE DIRECTORS AND FIVE EXECUTIVE DIRECTORS

THE QUALITY OF OUR BOARD IS FUNDAMENTAL TO THE GROWTH AND SUCCESS OF OUR BUSINESS

Our non-executive directors provide a wide range of business, financial and global experience.

NON-EXECUTIVE DIRECTORS



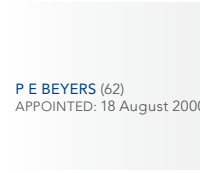
J P RUPERT (62)
APPOINTED: 18 August 2000
CHAIRMAN

Directorships: Compagnie Financière Richemont SA (Executive Chairman and Chief Executive Officer), Reinet Investments Manager SA (Chairman). He studied economics and company law at the University of Stellenbosch and has had an extensive career in international business, banking and finance. After working for Chase Manhattan Bank and Lazard Frères in New York he founded Rand Merchant Bank in 1979. In 1985 he joined the Rembrandt Group. He holds honorary doctorates in Law, Economics and Commerce, is the Chancellor of the University of Stellenbosch and Chairman of the Peace Parks Foundation.



E DE LA H HERTZOG (62)
APPOINTED: 18 August 2000
DEPUTY CHAIRMAN

Directorships: Non-executive Chairman of Mediclinic International Limited since 1992. Dr Hertzog also serves on the board of Distell Group Limited. He has a Master of Medicine degree and is a Fellow of the Faculty of Anaesthesiologists. He is a past chairman of the Council of Stellenbosch University and has served as non-executive Deputy Chairman of Remgro since June 2005.



P E BEYERS (62)
APPOINTED: 18 August 2000

Directorships: Distell Group Limited and Unilever South Africa Holdings (Pty) Limited. Mr Beyers graduated from the University of Stellenbosch with a BComm and LLB and an MBA degree from the University of Cape Town. He has served as a director on numerous boards.



J MALHERBE (56)
APPOINTED: 11 October 2006

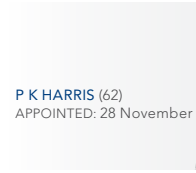
Directorships: Compagnie Financière Richemont SA and Reinet Investments Manager SA. He qualified as a Chartered Accountant and worked with a predecessor firm of PricewaterhouseCoopers before joining Rand Merchant Bank in 1985. He joined the Rembrandt Group in 1990.

INDEPENDENT NON-EXECUTIVE DIRECTORS



G T FERREIRA (64)
APPOINTED: 4 November 2009
LEAD INDEPENDENT DIRECTOR

Directorships: Currently the Chairman of RMB Holdings Limited. He has been involved in the financial services sector since graduating with commerce degrees from the University of Stellenbosch. Previous Chairmanships include AIG (SA) (Pty) Limited, FirstRand Limited, FirstRand Bank Limited, Rand Merchant Bank Limited and the Merchant Bankers Association of South Africa. Previous Directorships include Anglo American Corporation Limited, FirstRand Limited, First National Bank Limited, GlenRand MIB Limited, the Industrial Development Corporation, Lenco Limited, Malbak Limited and Momentum Life Limited. He is a member of the Investment Committee, the Remuneration and Nomination Committee and a Trustee of the Remgro Share Trust.



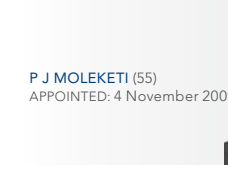
P K HARRIS (62)
APPOINTED: 28 November 2001

Directorships: Non-executive Director of FirstRand Limited, FirstRand Bank Limited and RMB Holdings Limited. Mr Harris is a member of the Remuneration and Nomination Committee, the Investment Committee and a Trustee of the Remgro Share Trust. He graduated from Stellenbosch University with an MComm in Economics and Finance. He co-founded Rand Consolidated Investments, which acquired control of Rand Merchant Bank in 1985. He was a founding board member of FirstRand after the merger of the financial services interests of Anglo American Corporation of South Africa and RMB Holdings Limited.



N P MAGEZA (57)
APPOINTED: 4 November 2009

Directorships: Until recently the Chief Operations Officer of the Absa Group. He is a Chartered Certified Accountant and a Fellow of The Association of Chartered Certified Accountants (ACCA) UK, as well as a director of a number of companies including Clover Industries Limited, Eqstra Holdings Limited, MTN Group Limited, Rainbow Chicken Limited and Sappi Limited. He has gained extensive experience through holding various executive positions in the audit, financial services and the transport and logistics sectors. He is a member of the Audit and Risk Committee.



P J MOLEKETI (55)
APPOINTED: 4 November 2009

Directorships: A former Deputy Minister of Finance of the Republic of South Africa and Gauteng Province MEC of Finance and Economic Affairs as well as a director of a number of companies including Annuity Properties Limited, Brait South Africa, Development Bank of South Africa, Harith Fund Managers, MMI Holdings Limited and Vodacom Group Limited. He holds postgraduate economics and management qualifications from the University of London and Harvard Business School and has extensive international exposure, extensive strategic leadership skills and in-depth corporate governance experience in both the public and private sectors. He is a member of the Audit and Risk Committee.



M M MOROBE (55)
APPOINTED: 18 June 2007

Directorships: Chief Executive Officer of Kagiso Media Limited and director of City Year South Africa, various Kagiso Media Limited group companies and Resolve Group (Pty) Limited. Murphy Morobe is a well-known figure from South Africa's anti-apartheid movement. As a leader of the liberation struggle, he served three years on Robben Island until being released in 1982. He cares about making the world a better place and takes opportunities to make a difference. He involves himself with various social causes such as WWF, Food and Trees for Africa and City Year South Africa, a youth community service initiative. Currently he also serves on the board of The Steve Biko Foundation.



M A RAMPHELE (64)
APPOINTED: 4 November 2009

Directorships: A former Managing Director of The World Bank and former Vice-Chancellor of the University of Cape Town. She was appointed Chairperson of Gold Fields in 2010 and Technology Innovation Agency in 2009. She was the Founder of Letsema Circle and is a director of a number of companies including Anglo American Plc, Mediclinic International Limited and Edu-Loan. Dr Ramphele is a medical doctor with, inter alia, a PhD in Social Anthropology and a commerce degree. She has received numerous prestigious national and international awards including 20 honorary doctorates acknowledging her scholarship, her service to the community and her leading role in raising development issues and spearheading projects for disadvantaged persons throughout South Africa.



F ROBERTSON (57)
APPOINTED: 28 March 2001

Directorships: Executive Deputy Chairman of Brimstone Investment Corporation Limited. Mr Robertson and his business partner formed Brimstone Investments Corporation Limited from a start-up in 1995, which is now listed on the JSE. He is also Chairman of Commlife Holdings, Lion of Africa Insurance Company, Lion of Africa Life Assurance Company Limited, House of Monatic and Sea Harvest Corporation (Pty) Limited. He is a member of the Audit and Risk Committee, the Remuneration and Nomination Committee and a Trustee of the Remgro Share Trust.



H WESSELS (67)
APPOINTED: 22 August 2008

Directorships: Mr Wessels is a director of Keeromstraat 30 Investments Limited, Naspers Investments Limited, Trencor Limited, Peace Parks Foundation and WWF South Africa. A former partner at PricewaterhouseCoopers and former chairman of the Governing Board of the South African practice, Mr Wessels uses his extensive experience and knowledge as a consultant in financial business matters. He holds a BComm (US), CTA (Unisa) and CA(SA). He is chairman of the Audit and Risk Committee and attends various other committee meetings as an invitee.

EXECUTIVE DIRECTORS



J J DURAND (45)
CHIEF EXECUTIVE OFFICER
BAcc (Hons), MPhil (Oxon), CA(SA)
Years of service with the Group: 16

Directorships: Discovery Holdings Limited, Distell Group Limited, Grindrod Limited, Mediclinic International Limited, Rainbow Chicken Limited, RMI Holdings Limited and Unilever South Africa Holdings (Pty) Limited.



W E BÜHRMANN (57)
INVESTMENTS
BComm, CTA, CA(SA)
Years of service with the Group: 25

Directorships: Currently a director of Invenfin (Pty) Limited and Pembani Remgro Infrastructure Managers (Pty) Limited.

L CROUSE (59)
CHIEF FINANCIAL OFFICER
BComm, CTA, CA(SA)
Years of service with the Group: 4



Directorships: CIV Fibre Network Solutions (Pty) Limited, Dark Fibre Africa (Pty) Limited, FirstRand Limited, FirstRand Bank Limited, Metropolitan Life Limited, MMI Holdings Limited, Momentum Group Limited, RMB Holdings Limited, RMI Holdings Limited and Total South Africa (Pty) Limited.

J W DREYER (61)
INVESTMENTS
BComm, LLB, H Dip Co Law, H Dip Tax
Years of service with the Group: 12



Directorships: Air Products South Africa (Pty) Limited, Business Partners Limited, Kagiso Tiso Holdings (Pty) Limited (RF), RMB Holdings Limited, RMI Holdings Limited, Tsb Sugar Holdings (Pty) Limited and Wispeco Holdings Limited.

J A PRELLER (62)
CORPORATE AFFAIRS
BEcon
Years of service with the Group: 40



Directorships: Responsible for corporate affairs and corporate social investments of the Company. Non-executive director of Vendome Distributors (Pty) Limited and serves on the board of the South African College of Tourism.

MEMBERS OF COMMITTEES

AUDIT AND RISK COMMITTEE
H Wessels (Chairman) – originally appointed 2 August 2008
N P Mageza – originally appointed 30 November 2009
P J Moleketi – originally appointed 30 November 2009
F Robertson – originally appointed 20 June 2001

INVESTMENT COMMITTEE
J P Rupert (Chairman); L Crouse; J J Durand; G T Ferreira; P K Harris; J Malherbe

MANAGEMENT BOARD
J J Durand (Chairman); W E Bührmann; L Crouse; J W Dreyer; J A Preller; N J Williams

REMUNERATION AND NOMINATION COMMITTEE
J P Rupert (Chairman); G T Ferreira; P K Harris; F Robertson

SOCIAL AND ETHICS COMMITTEE
H Wessels (Chairman); J A Preller; N J Williams

DATES OF IMPORTANCE TO SHAREHOLDERS

Financial year-end	30 June
Annual general meeting	Tuesday, 27 November 2012

FINANCIAL REPORTS

Announcement of interim results	March
Interim report	March
Announcement of annual results	September
Annual financial statements	October

DIVIDENDS

Interim dividend	
– declared	March
– paid	April
Final dividend	
– declared	September
– paid	November

FINAL DIVIDEND NUMBER 24

Ordinary dividend per share	188 cents
Last day to trade in order to participate in the final dividend	Friday, 9 November 2012
Trading on or after this date will be ex the final dividend	Monday, 12 November 2012
Record date	Friday, 16 November 2012
Payment date	Monday, 19 November 2012

COMPANY INFORMATION

COMPANY SECRETARY
M Lubbe

BUSINESS ADDRESS AND REGISTERED OFFICE
Millennia Park
16 Stellentia Avenue
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.
Stellenbosch

LISTING
JSE Limited
Sector: Industrials – Diversified Industrials

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

WEBSITE
www.remgro.com

REPORTS TO SHAREHOLDERS



CHAIRMAN'S REPORT



JOHANN RUPERT
CHAIRMAN

AT A GLANCE

ON A LIKE-FOR-LIKE BASIS THE INTRINSIC VALUE PER SHARE INCREASED BY 16.7% COMPARED TO JUNE 2011

ECONOMIC OVERVIEW

The global economic recovery from the 2008/09 recession remains a stop-start affair. The ebb and flow of global economic sentiment played out dramatically in the first half of 2012 when sharp gains in risky assets during the first quarter of 2012 were followed by significant sell-offs during the second quarter. In the third quarter, global financial markets have been more stable, although key commodities such as oil, maize and iron ore have experienced sharp price movements.

Global growth in the second quarter of 2012 turned out to be the weakest in the recovery so far as both final demand and industrial output growth weakened. Whereas it has been clear for some time that the eurozone economy will be in recession during 2012, a number of other important regions are also experiencing a slowdown in growth. The synchronised growth moderation includes important emerging countries such as China, India and Brazil, while the US – the world's leading economy – also posted softer GDP growth in the first half of 2012 after a strong end to 2011. Incoming data for Q3 suggest that a quick growth turnaround is unlikely.

Given the important link to the demand for and the price of key commodities that South Africa exports, the easing in Chinese growth is of particular importance. After moderating to 7.6% year on year during 2012Q2, indications are that Chinese GDP growth for 2012 as a whole could be less than 8%. If realised, it would be the first time since 1999 that Chinese growth fails to top 8% in a calendar year. Amongst other factors, concerns about the health of the Chinese economy resulted in the iron ore price declining to a three-year low of late.

The second half of 2012 should see improved world growth. The current round of interest rate reductions in major emerging countries should provide a growth boost with a bit of a lag, i.e. the real benefit should be felt towards the end of the year and beyond. In the US, tentative signs that a recovery in the housing market is taking shape bode well for household wealth.

A sustained global growth re-acceleration from the Q2 softness is dependent on a number of risks not materialising. At the top of the list is the ability and political will of eurozone leaders to work through their differences to forge a lasting solution to the EU debt crisis. While the June 2012 EU summit provided some hope, there is still a long and potentially crisis filled way to go. In the US, uncertainty surrounds the outcome of the November presidential election. Depending on the election result, it is unclear whether the Democratic and Republican parties will be able to compromise on what needs to be done in order to prevent significant government spending cuts and tax increases (the so-called fiscal cliff) from derailing the weak US recovery in 2013. Other global risks include a faster than expected moderation in Chinese growth, an escalation of geopolitical tensions between Iran and the West, as well as significantly higher US grain prices amid a severe drought in the world's leading maize exporter.

Being a small open economy intricately linked to global markets, South Africa has been impacted by yet another global soft patch through weaker export growth and a decline in business and consumer confidence. Heightened global risk aversion, a stronger US dollar and lower commodity prices have combined to push the rand to weaker levels above R8/dollar. Domestically, renewed unrest in the platinum mining industry, which seems to have already spilled over to the gold sector, may damage foreign investor perceptions regarding South Africa.

Domestic GDP growth already slowed to 2.1% year on year in 2012Q1 as mining output was severely impacted by a six-week long strike at a major platinum mine near Rustenburg. Measured from the demand side, one of the big disappointments in the first quarter was weaker than expected private sector fixed investment, which slowed to 4.7% year on year after rising by more than 5% during 2011. Growth recovered to 2.7% year on year in 2012Q2, but the improved performance is unlikely to be sustained in light of the renewed mining sector woes.

A number of forward-looking indicators for the South African economy, including the SA Reserve Bank's leading indicator and the Kagiso purchasing managers index, suggest that domestic GDP growth could moderate again in the second half of 2012. As a result, GDP growth is likely to be less than 3% (closer to 2.5%) in 2012 and may struggle to recover too much above the 3% mark during 2013.

On a more positive note, the domestic inflation outlook appears more favourable than earlier in the year. Headline consumer inflation surprised on the downside for the sixth consecutive month in July, slowing to 4.9% year on year. May was the first time since September 2011 that the annual CPI inflation rate was back within the Central Bank's 3% to 6% inflation target range. A slowdown in the rate of food price increases was largely responsible for the better than expected inflation outcomes. However, South African maize and wheat futures prices have increased sharply during recent weeks in reaction to the surging US grain prices.

Notwithstanding the risks stemming from higher food costs, the short-term domestic inflation prospects remain fairly

positive. The combination of a brighter inflation outlook and growing concerns about the domestic GDP growth outlook led to another interest rate reduction of 50 basis points in July. This took the prime interest rate down to a multi-decade low of 8.5%.

CORPORATE GOVERNANCE AND SUSTAINABILITY

Remgro is fully committed to managing its business in a sustainable way and upholding the highest standards of ethics and corporate governance practices. In this regard the guidelines such as honesty, correctness, courtesy, service, mutual support and trust are thoroughly integrated in Remgro's way of doing business. During the year under review the Board established a Social and Ethics Committee in order to further entrench the above values and to assist it in monitoring the Group's performance as a good and responsible corporate citizen.

A highlight during the year was the completion of Remgro's new green head office, Millennia Park, in Stellenbosch. The building was commissioned early in May 2012 and it was awarded a five-star rating by the Green Building Council of South Africa, a first in the country for a refurbished building.

SUMMARY OF FINANCIAL PERFORMANCE

During the previous reporting period the Company was compelled to change its financial year-end from 31 March to 30 June. As a result of the change in year-end, the results for the twelve months to 30 June 2012 being reported on are not directly comparable to those of the fifteen months to 30 June 2011. The main reason for this is that different accounting periods of certain investee companies are accounted for in the comparative periods presented. In order to enable shareholders to make a meaningful comparison with the results of the twelve months under review, we have prepared as additional information an analysis of headline earnings for the comparative twelve months ended 30 June 2011. Headline earnings per share of 994.6 cents for the year ended 30 June 2012 represents an increase of 26.1% over the comparative period, which is a credible result in the difficult economic times.

Remgro's intrinsic value per share increased by 12.2% from R135.97 at 30 June 2011 to R152.61 at 30 June 2012, despite the unbundling of the investment in Implats which reduced the intrinsic value at 30 June 2012 by R4.55. The increase in the effective capital gains tax rate further reduced the intrinsic value per share by R1.60. Therefore, on a like-for-like basis the intrinsic value per share increased by 16.7% compared to June 2011.

INVESTMENT ACTIVITIES

During the year under review new investments totalled R3 049 million of which the most significant was the R2 089 million acquisition of a 23.5% equity interest in Grindrod. In addition to the unbundling of Remgro's equity interest in Implats to our shareholders, disposals during the year under review amounted to R3 442 million of which the most significant was the disposal of shares in RMBH and RMI to Royal Bafokeng Holdings to enable the two investee companies to strengthen their BEE equity ownership significantly.

DIRECTORATE AND ACKNOWLEDGEMENTS

Mr Thys Visser, Chief Executive Officer of Remgro, passed away following a car accident on 26 April 2012. The Board and employees of Remgro wish to pay tribute to him and honour him for his leadership, vision, integrity and esteemed contribution to the Group.

Mr Jannie Durand was appointed as the new Chief Executive Officer of Remgro on 7 May 2012.

We extend our sincere appreciation to all who contributed to the performance of the Group over the past twelve months. 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
Chairman

Stellenbosch
20 September 2012

CHIEF EXECUTIVE OFFICER'S REPORT



Remgro's intrinsic value is the best indicator of the value added for our shareholders. Over the twelve months under review the intrinsic value per share has increased by 12.2% from R135.97 at 30 June 2011 to R152.61 at 30 June 2012.

JANNIE DURAND
CHIEF EXECUTIVE OFFICER

AT A GLANCE

OUTPERFORMANCE OF JSE ALL SHARE INDEX OVER PAST TWELVE MONTHS

INTERNAL RATE OF RETURN OF 28.3% PER ANNUM OVER PERIOD SINCE THE UNBUNDLING OF THE INVESTMENT IN BAT IN NOVEMBER 2008

INVESTMENTS OF R3 049 MILLION MADE DURING YEAR UNDER REVIEW

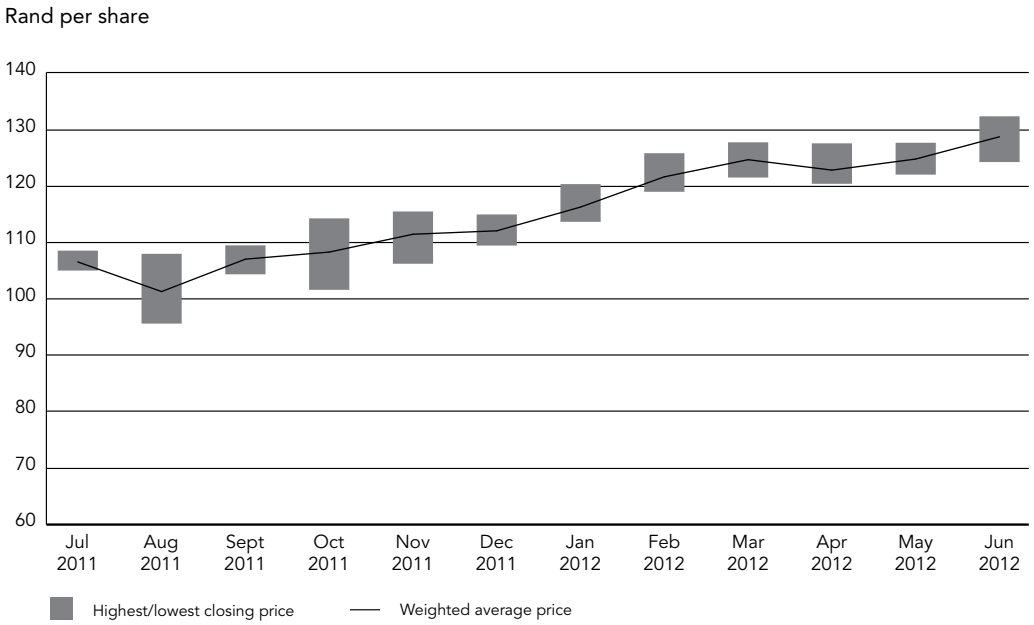
INTRODUCTION

Remgro's intrinsic value is the best indicator of the value added for our shareholders. Over the twelve months under review the intrinsic value per share has increased by 12.2% from R135.97 at 30 June 2011 to R152.61 at 30 June 2012, despite the unbundling of the investment in Implats which reduced the intrinsic value at 30 June 2012 by R4.55. The increase in the effective capital gains tax rate further reduced the intrinsic value per share by R1.60. Therefore, on a like-for-like basis the intrinsic value per share increased by 16.7% compared to June 2011.

Over the same period the JSE All share index has increased by 5.8%, while Remgro's share price grew by 17.8%. Refer to the tables on page 30 where the relative performances are set out in more detail.

This report aims to provide shareholders with a better understanding of the methodology behind the calculation of the intrinsic value, especially relating to the valuation of our unlisted investments. A summary of our investing activities during the year under review is also provided.

REMGRO SHARE PRICE



INTRINSIC NET ASSET 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. No tradeability discount is applied to the valuation due to the 50% shareholding.

Business Partners
The last material share trade was used.

CIV group
The discounted cash flow method was used.

Kagiso Tiso Holdings
The annual external valuation performed was used.

MARC
The discounted cash flow method was used.

PGSI
The discounted cash flow method was used.

Sabido
A historical price-earnings ratio was used.

SEACOM
The discounted cash flow method was used.

Total South Africa
A historic price-earnings ratio was used.

Tsb Sugar
The discounted cash flow method was used.

Unilever South Africa
The discounted cash flow method was used.

Wispeco
The discounted cash flow method was used.

Refer to the table on page 32 for a detailed analysis of Remgro's intrinsic net asset value.

RELATIVE PERFORMANCE OF INTRINSIC NET ASSET VALUE AND REMGRO INTERNAL RATE OF RETURN (IRR)

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 on 28 October 2008 reflects the unbundling of Remgro's interest in BAT on 3 November 2008 to Remgro shareholders.

	30 June 2012	30 June 2011	31 March 2010	31 March 2009	28 Oct 2008*	31 March 2008	31 March 2007
Intrinsic net asset value – Rand per share	**152.61**	135.97	121.64	99.15	84.34	253.67	221.00
JSE – All share index	**33 708**	31 865	28 748	20 364	18 549	29 588	27 267
– Fin & Ind 30 index	**35 943**	30 834	26 592	18 080	18 649	23 868	24 960
– Financial 15 index	**9 618**	8 128	8 061	5 438	5 527	7 424	9 345
– Resource 10 index	**47 234**	53 933	51 854	38 767	30 617	64 543	50 018
Remgro share price (Rand)	**131.49**	111.60	98.00	67.50	61.00	195.93	181.00

** Effective 28 October 2008, Remgro traded without its unbundled interest in BAT.*

Relative performance	Twelve months 30 June 2012 (% year on year)	Period from 28 October 2008 to 30 June 2012 (% comp per annum)
Intrinsic net asset value	**12.2**	**17.5**
JSE – All share index	**5.8**	**17.7**
– Fin & Ind 30 index	**16.5**	**19.6**
– Financial 15 index	**18.3**	**16.3**
– Resource 10 index	**(12.4)**	**12.5**
Remgro share price	**17.8**	**23.3**

The following table 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 28 October 2008 to 30 June 2012 (% comp per annum)
JSE – All share index	**20.9**
– Fin & Ind 30 index	**23.1**
– Financial 15 index	**21.1**
– Resource 10 index	**14.9**
Remgro share	**28.3**

INVESTMENT ACTIVITIES

During December 2011 Remgro sold a portion of its interests in RMBH and RMI to Royal Bafokeng Holdings (RBH), thereby assisting RBH to increase its stake in those entities to just below 15%. The transaction effectively reduced Remgro's interests in RMBH and RMI from 31.5% and 34.9% to 27.9% and 30.3% respectively.

In addition to the above Remgro invested R2 089 million in Grindrod for a 23.5% interest (23.1% on a fully diluted basis). We also increased our investment in the CIV group of companies by investing an additional R248 million.

During October 2011 we sold our investment in Tracker for a total consideration of R1 226 million, while the investment in Implats was unbundled to Remgro shareholders during June 2012.

The table below represents the cash effect of Remgro's investing activities for the twelve months to 30 June 2012. These activities exclude the investing activities of Remgro's three operating subsidiaries, i.e. Rainbow Chicken Limited, Tsb Sugar Holdings (Pty) Limited and Wispeco Holdings Limited.

Investments made and loans granted	R million
Existing investee companies	
CIV group	**248**
Tsb Sugar	**200**
Milestone Capital	**178**
Other	**334**
	960
New investee company	
Grindrod	**2 089**
	3 049

Investments sold and loans repaid	R million
Tracker	**1 226**
RMBH	**1 218**
RMI	**873**
Kagiso Infrastructure Empowerment Fund	**41**
Tsb Sugar	**36**
Other	**48**
	3 442

INVESTMENT COMMITMENTS

The table below summarises the investment commitments of Remgro as at 30 June 2012.

Investment commitments	R million
Mediclinic	**3 000**
Milestone China Funds	**1 083**
Pembani Remgro Infrastructure Fund	**500**
KTH	**474**
Premier Team Holdings	**134**
Kagiso Infrastructure Empowerment Fund	**103**
Other	**42**
	5 336



Jannie Durand
Chief Executive Officer

Stellenbosch
20 September 2012

INTRINSIC NET ASSET VALUE

	30 June 2012		30 June 2011	
	Book value R million	Intrinsic value R million	Book value R million	Intrinsic value R million
Financial services				
RMBH	**9 438**	**13 758**	9 968	11 846
RMI Holdings	**5 530**	**7 810**	5 623	6 404
FirstRand	**3 258**	**5 801**	3 027	4 363
Industrial interests				
Mediclinic	**4 622**	**10 601**	4 216	8 776
Unilever SA Holdings	**3 051**	**7 026**	2 990	5 313
Distell Group[1]	**2 258**	**5 935**	2 100	4 725
Rainbow Chicken	**2 139**	**3 140**	2 108	3 455
Tsb Sugar	**1 910**	**3 372**	1 546	2 804
Air Products South Africa	**642**	**2 774**	521	2 257
Grindrod	**2 315**	**1 871**	–	–
KTH/KTI	**1 765**	**1 667**	1 441	1 667
Total South Africa	**941**	**1 217**	972	1 374
PGSI	**581**	**585**	578	582
Wispeco	**409**	**350**	383	343
Other industrial interests	**425**	**424**	458	457
Media interests				
Sabido	**845**	**1 768**	898	1 405
MARC	**168**	**168**	169	168
Other media interests	**56**	**56**	16	16
Mining interests				
Implats[2]	**–**	**–**	4 862	4 862
Technology interests				
CIV group[3]	**1 428**	**1 550**	1 027	1 236
Tracker	**–**	**–**	587	1 196
SEACOM	**586**	**926**	577	1 057
Other technology interests	**228**	**226**	255	278
Other investments	**1 200**	**839**	944	634
Central treasury – cash at the centre[4]	**8 327**	**8 327**	5 852	5 852
Other net corporate assets	**1 332**	**1 622**	441	744
Net asset value (NAV)	**53 454**	**81 813**	51 559	71 814
Potential CGT liability[5]		**(3 319)**		(1 965)
NAV after tax	**53 454**	**78 494**	51 559	69 849
Issued shares after deduction of shares repurchased (million)	**514.3**	**514.3**	513.7	513.7
NAV after tax per share (Rand)	**103.93**	**152.61**	100.37	135.97

(1) *Includes the investments in Capevin Investments Limited and Capevin Holdings Limited.*
(2) *The unbundling of the investment in Implats had a negative impact on intrinsic value of R4.55 per share. The increase in the effective capital gains tax rate further reduced the intrinsic value per share by R1.60. Therefore, on a like-for-like basis the intrinsic value per share increased by 16.7% compared to June 2011.*
(3) *Includes the investments in CIV Fibre Network Solutions (Pty) Limited, CIE Telecommunications (Pty) Limited, CIV Power (Pty) Limited, Central Lake Trading No. 77 (Pty) Limited and Dark Fibre Africa (Pty) Limited.*
(4) *Cash at the centre excludes cash held by subsidiaries that are separately valued above (mainly Rainbow Chicken, Tsb Sugar and Wispeco).*
(5) *The potential capital gains tax (CGT) liability 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" is included in "other net corporate assets" above.*
(6) *For purposes of determining the intrinsic value, the unlisted investments are shown at directors' valuation and the listed investments are shown at stock exchange prices.*
(7) *Intrinsic values have not been audited.*

CHIEF FINANCIAL OFFICER'S REPORT

Headline earnings for the twelve months to 30 June 2012 amounted to R5 113 million compared to R4 049 million for the comparable twelve months to 30 June 2011, representing an increase of 26.3%.



LEON CROUSE
CHIEF FINANCIAL OFFICER

AT A GLANCE

- INCREASE IN COMPARABLE HEADLINE EARNINGS PER SHARE OF 26.1%
- AVAILABLE CASH AT THE CENTRE AMOUNTING TO R8 327 MILLION, UP 42.3%
- INCREASE IN COMPARABLE ORDINARY DIVIDEND PER SHARE OF 25.1%

SALIENT FEATURES

	Twelve months ended 30 June 2012	Fifteen months ended 30 June 2011	% change
Headline earnings (R million)	**5 113**	5 555	*(8.0)*
– per share (cents)	**994.6**	1 082.4	*(8.1)*
Earnings (R million)	**9 284**	10 841	*(14.4)*
– per share (cents)	**1 805.9**	2 112.4	*(14.5)*
Dividends per share (cents)			
Ordinary	**314.00**	314.00	–
– Interim	**126.00**	101.00	*24.8*
– Final	**188.00**	213.00	*(11.7)*
Intrinsic value per share (Rand)	**152.61**	135.97	*12.2*

INTRODUCTION

Due to Remgro being an investment holding company, traditional measurements of performance like sales or gross profit are not meaningful criteria for evaluating the Group's performance. However, management uses "headline earnings", "intrinsic value" and "cash at the centre" to evaluate the performance of the Group on a continuous basis and hence these concepts will also be used throughout the Integrated Annual Report to provide shareholders with a better understanding of our results.

CHANGE IN FINANCIAL YEAR-END AND COMPARISON WITH PRIOR PERIOD

As previously reported, the financial year-end of the Company was changed from 31 March to 30 June with effect from 30 June 2011. As a result of the change in year-end, the results for the twelve months to 30 June 2012 being reported on are not directly comparable to those of the fifteen months to 30 June 2011. The main reason for this is that different accounting periods of certain investee companies are accounted for in the comparative periods presented.

The most significant of the investee companies referred to above, are the following:

- Air Products and Mediclinic – accounted for twelve months in both periods
- Rainbow, Tsb Sugar, Unilever and Wispeco – accounted for twelve months for the year under review, compared to fifteen months in the comparative period
- Distell, FirstRand, Kagiso, PGSI, RMBH and Total – accounted for twelve months for the year under review, compared to eighteen months in the comparative period

In order to enable shareholders to make a meaningful comparison with the results of the twelve months under review, we have prepared as additional information an analysis of headline earnings for the comparative twelve months ended 30 June 2011. A summary of these comparable results is presented in the "Contribution to headline earnings" table on the next page and in the "Composition of headline earnings" table presented at the end of this report.

With effect from 25 June 2012 the investment in Impala Platinum Holdings Limited was distributed to Remgro shareholders as a dividend *in specie*. Due to the size of the transaction certain items in the statement of financial position and income statement are therefore not directly comparable with those of the prior period.

HEADLINE EARNINGS

Headline earnings for the twelve months to 30 June 2012 amounted to R5 113 million compared to R5 555 million for the fifteen months to 30 June 2011, representing a decrease of 8.0%. Headline earnings per share decreased by 8.1% from 1 082.4 cents to 994.6 cents.

However, when compared to the comparable twelve months ended 30 June 2011, headline earnings increased by 26.3% from R4 049 million to R5 113 million, whereas headline earnings per share increased by 26.1% from 788.8 cents to 994.6 cents.

The following commentary is based on a comparison of the results of the year under review with that of the twelve months ended 30 June 2011.

Financial services

The contribution from financial services amounted to R2 538 million (2011: R1 915 million). The increase of 32.5% is mainly due to strong operational performances in both FNB and WesBank, as well as the inclusion of the results of RMI Holdings for the full twelve months under review, compared to only four months in the comparative period.

CONTRIBUTION TO HEADLINE EARNINGS

	Twelve months ended 30 June 2012 R million	% change	Twelve months ended 30 June 2011 R million	Fifteen months ended 30 June 2011 R million
Financial services	**2 538**	*32.5*	1 915	2 845
Industrial interests	**2 236**	*15.9*	1 930	2 512
Media interests	**93**	*200.0*	31	20
Mining interests	**148**	*32.1*	112	112
Technology interests	**77**	*(20.6)*	97	111
Other investments	**22**	*(12.0)*	25	28
Central treasury	**140**	*84.2*	76	89
Other net corporate costs	**(141)**	*(2.9)*	(137)	(162)
	5 113	*26.3*	4 049	5 555

Refer to the composition of headline earnings on page 40 for further information.

Industrial interests

The contribution of the industrial interests to headline earnings increased by 15.9% to R2 236 million (2011: R1 930 million). Mediclinic's and Unilever's contribution to headline earnings amounted to R491 million and R367 million respectively (2011: R474 million and R312 million). Distell's contribution to Remgro's headline earnings, which includes the investments in Capevin Holdings and Capevin Investments, amounted to R324 million (2011: R328 million). Rainbow's contribution to headline earnings amounted to R197 million (2011: R220 million). Rainbow is currently experiencing difficult trading conditions, with its results being significantly impacted by record levels of cheap imports and rising input costs. Total South Africa's contribution to Remgro's headline earnings amounted to R124 million (2011: R191 million). Total South Africa reported negative stock revaluations during the twelve months under review, compared to substantial favourable stock revaluations in the comparative period. Effective 1 July 2011 Kagiso Trust Investments (KTI) and the Tiso Group merged into a new entity, Kagiso Tiso Holdings (KTH). KTH's contribution to Remgro's headline earnings amounted to R93 million (2011: Remgro's share of KTI's headline earnings – R59 million). During the year under review KTH's results were positively impacted by favourable fair value adjustments relating to its interests in Exxaro Resources Limited and MMI Holdings Limited. Tsb Sugar produced excellent results with a contribution to headline earnings of R352 million (2011: R134 million). This increase is mainly due to higher local and export sugar prices, as well as an improved operational performance from Tsb Sugar's milling activities resulting from higher sugar production. It should also be noted that the 2011 results of Tsb Sugar included a non-recurring cost of R43 million relating to the closure of a pension fund. Grindrod contributed R88 million to headline earnings for the eight months since acquisition.

Media interests

Media interests primarily consist of the interests in Sabido, MARC and Premier Team Holdings (PTH). Sabido's contribution to Remgro's headline earnings amounted to R129 million (2011: R116 million). MARC contributed R11 million to headline earnings (2011: R17 million loss). It should be noted that MARC's comparative results included a negative fair value adjustment of R22 million relating to the MARC convertible preference shares. PTH's contribution to headline earnings amounted to a loss of R35 million (2011: R37 million loss). No income from One Digital Media was accounted for during the year under review (2011: R31 million loss) as the investment was sold during April 2012.

Mining interests

Until the unbundling of Implats to Remgro shareholders during June 2012, Implats was the only remaining investment being reported under mining interests. Dividends received from Implats during the year under review amounted to R148 million (2011: R112 million).

Technology interests

Technology interests primarily represent the interests in the CIV group of companies and the investment in SEACOM. For the year under review the CIV group contributed R85 million to Remgro's headline earnings (2011: R89 million). SEACOM reported a headline loss of R109 million for the year under review (2011: R121 million loss), with Remgro's share of this

loss amounting to R27 million (2011: R30 million loss). Before it was sold the investment in Tracker was "held for sale" and therefore no income from Tracker was accounted for during the year under review (2011: R23 million).

Other investments

The contribution of other investments to headline earnings amounted to R22 million (2011: R25 million), of which Business Partners' contribution was R12 million (2011: R18 million).

Central treasury and other net corporate costs

Higher average cash balances resulted in an increase in the contribution from the central treasury division to R140 million (2011: R76 million). Other net corporate costs amounted to R141 million (2011: R137 million). The increase in other net corporate costs can be attributed mainly to a higher share scheme cost resulting from the adjustment to the offer prices of share appreciation rights held by participants following the unbundling of the investment in Implats.

TOTAL EARNINGS

Total earnings decreased by 14.4% to R9 284 million (fifteen months to 30 June 2011: R10 841 million), mainly as a result of the change in year-end in 2011 resulting in certain investee companies being accounted for fifteen or eighteen months in the comparative period, compared to only twelve months during the year under review. It should also be noted that the earnings for the year under review include, inter alia, capital gains amounting to R4 047 million realised on the disposal of RMBH shares and RMI shares to Royal Bafokeng Holdings (Pty) Limited, the disposal of Tracker and the unbundling of the investment in Implats, as well as an accounting profit amounting to R231 million realised on the KTI and Tiso merger.

CASH AT THE CENTRE AND FOREIGN EXCHANGE RATES

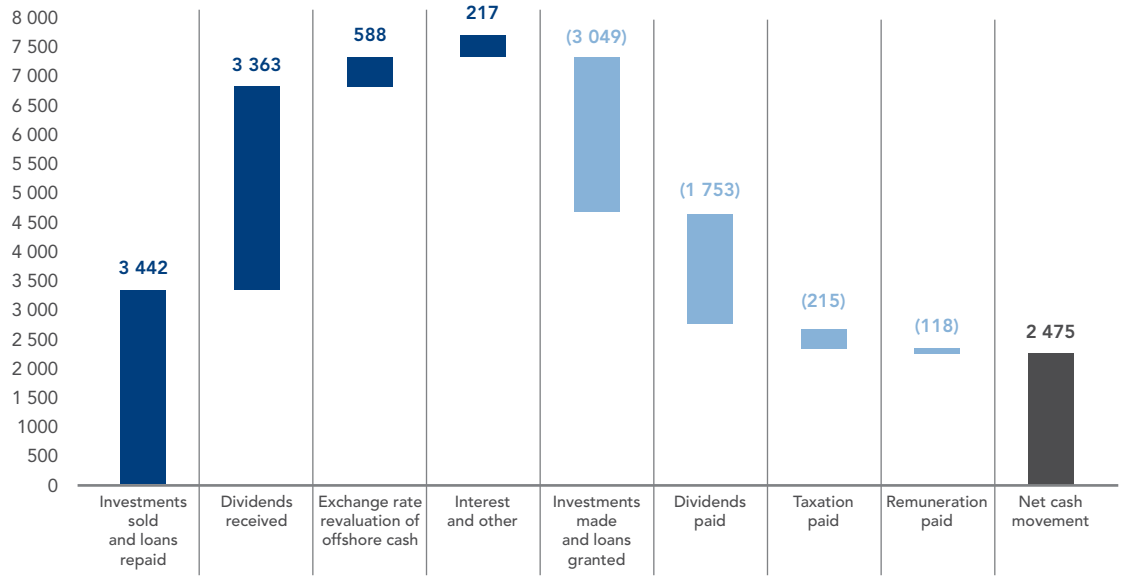
	30 June 2012			
	Currency value million	Exchange rate	R million	30 June 2011 R million
USA dollar	**371.1**	**8.1393**	**3 021**	2 159
Euro	**64.4**	**10.3347**	**666**	1 358
British pound	**21.8**	**12.7996**	**278**	232
Swiss franc	**35.8**	**8.6059**	**308**	187
SA rand			**4 054**	1 916
			8 327	5 852

On 30 June 2012 Remgro's cash at the centre amounted to R8 327 million (2011: R5 852 million), of which 52% was invested offshore (2011: 68%). The cash is held in different currencies of which approximately 49% was held in SA rand, 36% in USA dollar, 8% in euro and 7% in Swiss franc and British pound.

Remgro's offshore cash is managed through a strategy whereby the exposure to different currencies is limited to certain maximum levels. During the year under review it was decided to reduce Remgro's exposure to the euro by approximately 50% as a result of the European sovereign debt crises. The majority of these funds were re-invested in USA dollar. Since 30 June 2011 the SA rand has weakened considerably against all major international currencies, especially the USA dollar where it weakened from R6.76 = $1.00 at 30 June 2011 to R8.14 = $1.00 at 30 June 2012. This has resulted in foreign exchange rate profits amounting to R588 million being accounted for during the year under review, compared to losses of R161 million for the fifteen months to 30 June 2011. For accounting purposes these exchange movements are accounted for directly in equity and will only realise once the cash is utilised for investment purposes or when cash is switched between different currencies inside the cash pool. As a result of the partial disinvestment from the euro during the year under review, a portion of the cumulative foreign currency losses that were previously accounted for in equity became realised losses. These losses amounting to R94 million were reclassified to the income statement but were accounted for outside of headline earnings.

As at 30 June 2012 the cumulative unrealised foreign exchange rate losses that are still being accounted for in equity amounted to R707 million.

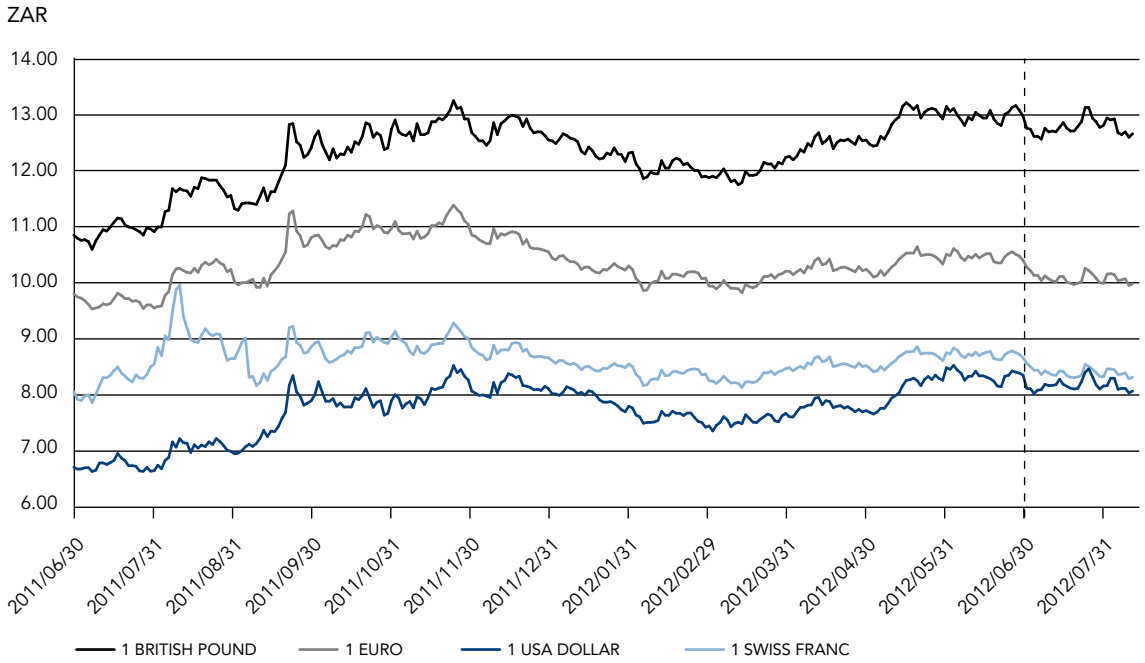
CASH MOVEMENT AT THE HOLDING COMPANY ("CASH AT THE CENTRE") (R MILLION)



Closing exchange rates	30 June 2012	30 June 2011	*Movement %*
USD/ZAR	**8.1393**	6.7605	*(20.4)*
EUR/ZAR	**10.3347**	9.8000	*(5.5)*
GBP/ZAR	**12.7996**	10.8287	*(18.2)*
CHF/ZAR	**8.6059**	8.0451	*(7.0)*

Average exchange rates	Twelve months ended 30 June 2012	Fifteen months ended 30 June 2011	*Movement %*
USD/ZAR	**7.7750**	7.0987	*(9.5)*
EUR/ZAR	**10.3821**	9.5410	*(8.8)*
GBP/ZAR	**12.3009**	11.1353	*(10.5)*
CHF/ZAR	**8.6659**	7.2506	*(19.5)*

ZAR VS FOREIGN CURRENCIES REMGRO HOLDS



CONTINGENT LIABILITIES

The contingent liabilities primarily relate to three unresolved disputes with the South African Revenue Service totalling R2 073 million.

Two of the disputes relate to a potential secondary tax on companies (STC) liability involving previous cancellations of treasury shares held in VenFin and Remgro subsidiaries, with a potential exposure amounting to R383 million and R954 million respectively, including interest. The third matter relates to the disposal of investments with a potential tax exposure, including interest, amounting to R736 million.

On the strength of legal opinion received, we have challenged all three assessments and the Board is of the opinion that the challenges will be successful.

DIVIDENDS

The final dividend per share was determined at 188 cents (2011: 213 cents). Total ordinary dividends per share in respect of the twelve months to 30 June 2012 therefore amounted to 314 cents (fifteen months to 30 June 2011: 314 cents).

It should be noted that the total dividend for the period to 30 June 2011 of 314 cents per share included 63 cents per share in respect of the three months with which the financial year-end of the Group was extended to 30 June 2011. The dividend is covered 3.2 times by headline earnings against 3.4 times the previous period.

Together with the Implats shares that were distributed as a dividend *in specie* on 25 June 2012, which amounted to R7.28 per share, the total distributions to Remgro shareholders for the year under review will therefore amount to R10.42 per share.

STC AND DIVIDEND TAX

With effect from 1 April 2012, STC was replaced with a dividend tax. In terms of the new legislation, companies will be allowed to apply their available STC credits against future dividends declared for a period of three years from the effective date of dividend tax. As at 30 June 2012 Remgro's available STC credits amounted to R5 132 million which can be offset against future dividend tax obligations of shareholders. R971 million of the STC credits will be utilised for the final dividend of 188 cents per share declared on 20 September 2012.

Shareholders are encouraged to read future shareholder notices carefully as the introduction of the dividend tax will require certain shareholder action to ensure that the correct dividend tax percentage is applied. Remgro will keep shareholders informed regarding important developments in this regard.

INTRINSIC VALUE

Remgro's intrinsic value per share at 30 June 2012 was R152.61 compared to R135.97 on 30 June 2011. Refer to the Chief Executive Officer's Report on page 29 for a detailed discussion regarding Remgro's intrinsic value and its relative performance with certain selected JSE indices.

ACCOUNTING POLICIES

The annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The accounting policies have been consistently applied to both periods presented, with the exception of the implementation of the revised *IAS 24: Related Party Disclosures*. The adoption of the revised accounting standard only affected disclosure and had no impact on the results of either the current or prior periods.

RISK MANAGEMENT

The Company has implemented a comprehensive Risk Management Policy that is based on the principles of the international COSO (Committee of Sponsoring Organisations of the Treadway Commission) framework and complies with the recommendations of King III. A comprehensive risk management structure has also been implemented to ensure the effective and efficient management of risk within the Group.

Remgro's risk management process is summarised in the Risk Management Report on page 85, as well as in note 33 to the annual financial statements on page 187.



Leon Crouse
Chief Financial Officer

Stellenbosch
20 September 2012

COMPOSITION OF HEADLINE EARNINGS

	Twelve months ended 30 June 2012 R million	Twelve months ended 30 June 2011 R million	Fifteen months ended 30 June 2011 R million
Financial services			
RMBH	**1 261**	1 014	1 489
RMI Holdings	**768**	183	183
FirstRand	**509**	718	1 173
Industrial interests			
Mediclinic	**491**	474	474
Unilever SA Holdings	**367**	312	374
Distell Group[1]	**324**	328	433
Rainbow Chicken	**197**	220	285
Tsb Sugar	**352**	134	187
Air Products South Africa	**181**	139	139
Grindrod	**88**	–	–
Nampak	**–**	33	33
KTH/KTI	**93**	59	256
Total South Africa	**124**	191	289
PGSI	**1**	18	11
Wispeco	**44**	35	45
Other industrial interests	**(26)**	(13)	(14)
Media interests			
Sabido	**129**	116	116
MARC	**11**	(17)	(14)
Other media interests	**(47)**	(68)	(82)
Mining interests			
Implats	**148**	112	112
Technology interests			
CIV group[2]	**85**	89	91
Tracker	**–**	23	57
SEACOM	**(27)**	(30)	(51)
Other technology interests	**19**	15	14
Other investments	**22**	25	28
Central treasury	**140**	76	89
Other net corporate costs	**(141)**	(137)	(162)
Headline earnings	**5 113**	4 049	5 555
Weighted number of shares (million)	**514.1**	513.3	513.2
Headline earnings per share (cents)	**994.6**	788.8	1 082.4

[1] Includes the investments in Capevin Investments Limited and Capevin Holdings Limited.
[2] Includes the investments in CIV Fibre Network Solutions (Pty) Limited, CIE Telecommunications (Pty) Limited, CIV Power (Pty) Limited, Central Lake Trading No. 77 (Pty) Limited and Dark Fibre Africa (Pty) Limited.

INVESTMENT REVIEWS

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FINANCIAL SERVICES

As a result of the change in Remgro's year-end during the previous reporting period, the results for the eighteen months to 30 June 2011 of FirstRand Limited (FirstRand), RMB Holdings Limited (RMBH) and RMI Holdings Limited (RMI) have been equity accounted in the Remgro results for the prior period, as opposed to equity accounting their results for the twelve months to 30 June 2012 during Remgro's current financial year.

In addition to the above, the contribution of these companies to Remgro's headline earnings of the previous reporting period are not comparable with that of the current year, due to various corporate actions completed at these companies during the prior period.

CONTRIBUTION TO HEADLINE EARNINGS

	Twelve months ended 30 June 2012 R million	Fifteen months ended 30 June 2011 R million
FirstRand	**509**	1 173
RMBH	**1 261**	1 489
RMI	**768**	183
	2 538	2 845

FIRSTRAND

4.0%

effective direct interest
(total effective interest: 13.8%)

Profile

FirstRand provides banking and insurance products and services to retail, commercial, corporate and public sector customers in South Africa and several African countries. The group is differentiated by its owner-manager culture and executes its strategy through a portfolio of leading franchises; Rand Merchant Bank (RMB), First National Bank (FNB) and WesBank.

Market capitalisation at 30 June 2012 **R148 785 million**
Chief Executive Officer **S E Nxasana**
Listed on the JSE Limited
Remgro nominated director **L Crouse**
Website: **www.firstrand.co.za**

FirstRand's contribution to Remgro's headline earnings represents Remgro's 4.0% direct interest in FirstRand and excludes the indirect contribution from FirstRand through Remgro's interest in RMBH.

FirstRand's latest results for its year ended 30 June 2012 reported that headline earnings increased by 28% to R12 642 million (2011: R9 856 million). During the previous year, FirstRand unbundled its 100% shareholding in the Momentum group, effective 30 November 2010, and disposed of its 45% interest in OUTsurance, effective 4 May 2011. The headline earnings for the previous year therefore include five months of contribution from Momentum (treated as discontinued operations) and six months of contribution from OUTsurance.

Headline earnings from continuing operations for its year under review have increased by 34% to R12 642 million (2011: R9 438 million). The most significant driver of this increase was the very strong operational performances from FNB and WesBank, both of which showed excellent revenue growth. In the case of FNB, this was the result of specific strategies to acquire customers, grow loans and deposits, and drive transactional volumes across all of its platforms, particularly electronic. WesBank delivered excellent new business growth. The RMB franchise performed well, especially given the tough trading environment for corporate and investment banking and the high base created in recent years, particularly the significant private equity realisations accounted for in the previous year.

RMBH

27.9%
effective direct interest

Profile

RMBH is a focused investment company, holding a 33.9% interest in FirstRand, Southern Africa's pre-eminent banking group.

Market capitalisation at 30 June 2012 **R49 240 million**
Chief Operating Officer **P Cooper**
Listed on the JSE Limited
Remgro nominated directors **L Crouse, J J Durand**
Website: **www.rmbh.co.za**

The contribution of RMBH to Remgro's headline earnings for the year under review amounted to R1 261 million (eighteen months to 30 June 2011: R1 489 million).

During the previous period, RMBH has restructured its banking and insurance interests into two separately listed entities by unbundling all of its interests in insurance assets (amongst others MMI Holdings Limited, Discovery Holdings Limited and OUTsurance Limited) in the form of a newly listed company, RMI Holdings Limited, to its shareholders. RMBH's only asset, subsequent to the restructuring, is its 33.9% interest in FirstRand Limited.

RMI

30.3%
effective interest

Profile

RMI is a listed investment entity holding interests in Discovery Holdings Limited, MMI Holdings Limited, OUTsurance and RMB Structured Insurance.

Market capitalisation at 30 June 2012 **R25 806 million**
Chief Operating Officer **P Cooper**
Listed on the JSE Limited
Remgro nominated directors on RMI board **L Crouse, J J Durand**
Remgro nominated directors at other companies
J J Durand (Discovery Holdings Limited), G J Roberts-Baxter (OUTsurance Holdings Limited), L Crouse (MMI Holdings)
Website: **www.rminsurance.co.za**

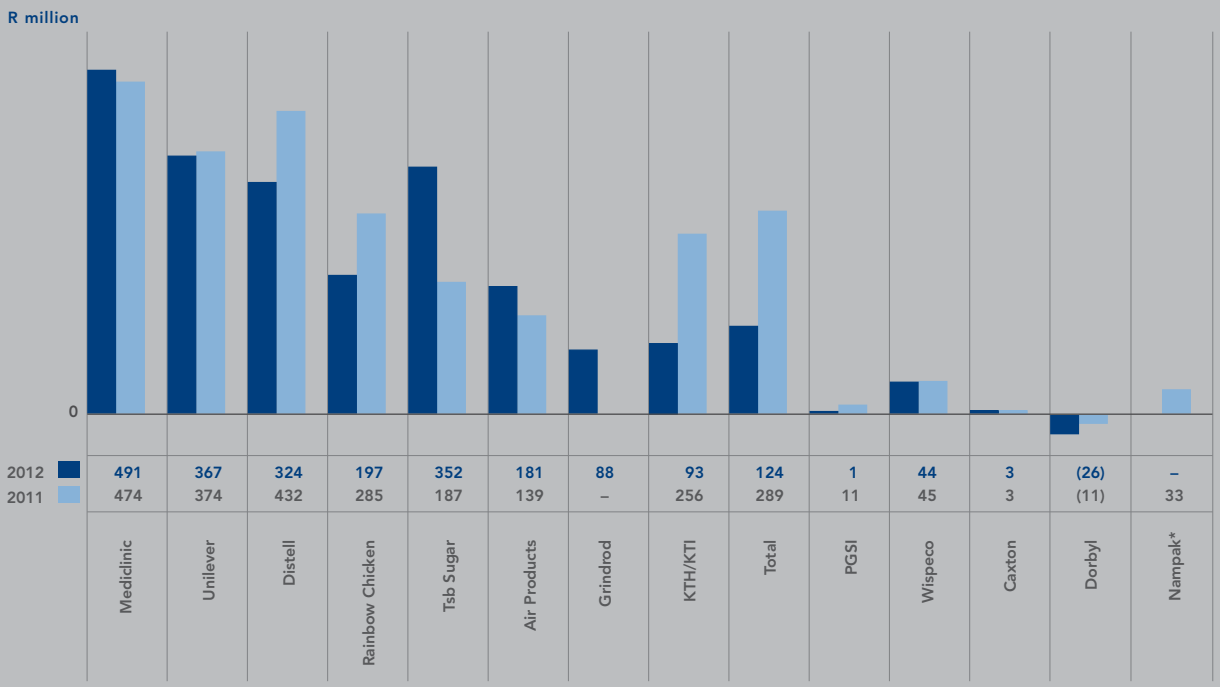
RMI was formed during the previous period, as a result of a restructuring by RMBH, whereby the insurance and banking interests of RMBH have been separated and the insurance interests unbundled, subsequent to the listing of RMI on the JSE.

The underlying investments of RMI (with %-interest in brackets) include Discovery Holdings Limited (25%), MMI Holdings Limited (25%), OUTsurance Holdings Limited (83%) and RMB Structured Insurance Limited (76%). Discovery services the health care funding and insurance markets in South Africa, The United Kingdom, United States of America and China. MMI was formed from the merger of Metropolitan and Momentum, focusing on long-term insurance, asset management, investment, healthcare administration and employee benefits. OUTsurance is a direct personal lines and small business short-term insurer, while RMB Structured Insurance creates individual insurance and financial risk solutions for large corporates by using innovative financial structures.

RMI reported headline earnings of R2 410 million in its first full year of operation, for the twelve months ended 30 June 2012. OUTsurance, Discovery and MMI contributed R1 261 million, R569 million and R550 million, respectively. The underlying investments have been transferred from RMBH with an effective date of 1 March 2011 and therefore the results of RMI for the previous period only include income from the underlying investments for the four months ended 30 June 2011.

INDUSTRIAL INTERESTS

CONTRIBUTION TO HEADLINE EARNINGS



	Mediclinic	Unilever	Distell	Rainbow Chicken	Tsb Sugar	Air Products	Grindrod	KTH/KTI	Total	PGSI	Wispeco	Caxton	Dorbyl	Nampak*
2012	491	367	324	197	352	181	88	93	124	1	44	3	(26)	–
2011	474	374	432	285	187	139	–	256	289	11	45	3	(11)	33

** Sold during August 2010.*

MEDICLINIC INTERNATIONAL LIMITED (MEDICLINIC)

45.0%
effective interest

Profile

Mediclinic'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 30 June 2012 **R24 429 million**
Chief Executive Officer **D P Meintjes**
Listed on the JSE Limited
Remgro nominated directors **J J Durand, E de la H Hertzog, C M van den Heever**
Website: **www.mediclinic.com**

Mediclinic has a March year-end and therefore its results for the twelve months to 31 March 2012 have been equity accounted in Remgro's results for the year under review.

Mediclinic's turnover for its year ended 31 March 2012 increased by 18% to R21 986 million (2011: R18 625 million), while headline earnings increased by 10% to R1 222 million (2011: R1 110 million). These results were achieved despite the continuing tough global economic conditions.

Mediclinic Southern Africa's revenue increased by 9% to R9 423 million (2011: R8 632 million) for the year under review mainly due to a 3.3% increase in bed-days sold and a 5.1% increase in the average income per bed-day. Operating income before interest, taxation, depreciation and amortisation ("EBITDA") increased by 3.7% to R1 957 million (2011: R1 887 million) and the Southern African operations contributed R787 million (2011: R731 million) to the attributable income of Mediclinic.

Mediclinic has an interest of 100% in Hirslanden, the holding company of the largest private hospital group in Switzerland. Hirslanden's revenue for the year under review increased by 24% to R10 732 million (2011: R8 659 million) and normalised EBITDA, which excludes the effect of an adjustment to past service costs of the Hirslanden pension fund, was 16% higher at R2 350 million (2011: R2 026 million). The decrease in the average rand/Swiss franc exchange rate for the year positively impacted the financial numbers above, with revenue increasing by 4% and normalised EBITDA decreasing by 2% at constant foreign exchange rates.

The major new building at Klinik Hirslanden, which is expected to be commissioned during the European spring of 2013, will add 72 inpatient beds and eight ICU beds.

Mediclinic has an interest of 50.4% in Emirates Healthcare Holdings Limited that owns and operates the Welcare Hospital and the City Hospital in Dubai. Revenue from the United Arab Emirates increased by 37% to R1 831 million (2011: R1 334 million) for the year under review, while EBITDA increased to R348 million (2011: R240 million). This excellent growth was achieved due to a solid performance from all business units, as inpatient hospital admissions increased by 23%, while hospital outpatient consultations and visits to the emergency units increased by 13%. The acquisition of the Emaar clinics resulted in an increase of 65% in clinic outpatient consultations.

The group remains uniquely positioned across three diverse international 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.

UNILEVER SOUTH AFRICA HOLDINGS (PTY) LIMITED (UNILEVER SOUTH AFRICA)

25.8%
effective interest

Profile

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 *Robertsons, Rama, Flora, Lipton, Joko, Mrs Ball's, Sunlight, Omo, Surf, Vaseline* and *Lux*.

Equity valuation at 30 June 2012 **R27 287 million**
Chief Executive Officer **M van Tiggelen**
Unlisted
Remgro nominated directors **P E Beyers, J J Durand**
Website: **www.unilever.co.za**

Unilever South Africa has a December year-end and therefore its results for the twelve months ended 30 June 2012 have been included in Remgro's results for the year under review.

Due to the change in Remgro's year-end from March to June during the previous reporting period, Unilever South Africa's results for the fifteen months to 30 June 2011 had been included in Remgro's results for the previous period, as opposed to the twelve months to 30 June 2012 for the current financial year. The results of the two periods are therefore not directly comparable.

Unilever South Africa's contribution to Remgro's headline earnings for the year under review amounted to R367 million (fifteen months to 30 June 2011: R374 million). Included in Remgro's share of Unilever's earnings are restructuring costs amounting to R17 million (2011: R41 million).

Unilever South Africa's turnover for the twelve months to 30 June 2012 increased by 11% to R14 572 million (twelve months to 30 June 2011: R13 124 million), primarily driven by growth in volumes and prices due to the Powders category launch of *Omo Liquids* and *Comfort* fabric conditioners, the re-launch of *Sunlight Powders* and *Skip Liquids*. The increased focus on complex cooking aids in *Savoury & Dressings*, launch of *Germiguard* and the *Dove* Men's Care range, coupled with the Ice-cream cabinet footprint expansion, also contributed to this increase in volumes. The acquisition of *Sara Lee* brands also had a positive contribution to the increase in turnover.

The company's profit after tax for the period under review increased by 42% to R1 739 million (2011: R1 226 million). This increase was mainly as a result of turnover growth and higher margins and an after-tax profit on the sale of brands amounting to R267 million.

DISTELL GROUP LIMITED (DISTELL)

33.5%
total effective interest

Profile
Distell produces and markets fine wines, spirits and flavoured alcoholic beverages in South Africa and internationally.

Market capitalisation at 30 June 2012 **R18 257 million**
Managing Director **J J Scannell**
Listed on the JSE Limited
Remgro nominated directors **P E Beyers, J J Durand, E de la H Hertzog**
Website: **www.distell.co.za**

Due to the change in Remgro's year-end from March to June during the previous reporting period, Distell's results for the eighteen months to 30 June 2011 had been included in Remgro's results for the previous period, as opposed to its twelve months to 30 June 2012 during the current year. The results of the two periods are therefore not directly comparable.

Distell's contribution to Remgro's headline earnings for the year under review, which includes Remgro's indirect interest in Distell held through Capevin Investments Limited and Capevin Holdings Limited amounted to R324 million (eighteen months to 30 June 2011: R432 million).

Distell reported for its year ended 30 June 2012 that turnover grew by 15% to R14.2 billion (2011: R12.3 billion) on a sales volume increase of 9.9%. Sales volume in the South African market increased by 9.6%, whilst revenue increased by 13.8%. International sales volumes and revenue, including Africa, increased by 10.7% and 21.1% respectively, benefiting from a weaker rand and a more favourable sales mix.

Distell's headline earnings for its year ended 30 June 2012 increased slightly by 0.8% from R962 million to R970 million. Strong sales volume growth was achieved, but the results for the year under review were significantly impacted by an additional net excise duty provision of R214 million. Normalised headline earnings, which excludes the effect of the excise duty provision, increased by 23% to R1 184 million (2011: R962 million), despite the challenging economic environment which continued to impact adversely on consumer demand.

RAINBOW CHICKEN LIMITED (RAINBOW)

73.4%
effective interest

Profile

Rainbow is the holding company of one principal operating subsidiary, which is a vertically integrated chicken producer.

Market capitalisation at 30 June 2012 **R5 037 million**
Chief Executive Officer **M Dally**
Listed on the JSE Limited
Remgro nominated directors **J J Durand, P R Louw, C M van den Heever**
Website: **www.rainbowchicken.co.za**

Due to the change in Remgro's year-end from March to June during the previous reporting period, Rainbow's results for the fifteen months to 30 June 2011 had been included in Remgro's results for the previous period, as opposed to the twelve months to 30 June 2012 for the current financial year. The results of the two periods are therefore not directly comparable.

For the twelve months ended 30 June 2012, Rainbow's headline earnings amounted to R267 million (fifteen months to 30 June 2011: R389 million). Comparable headline earnings for the twelve months ended 30 June 2011 amounted to R300 million, resulting in a decrease of 11% on a comparable basis. The decrease in comparable headline earnings is largely due to a significant reduction in chicken margins, as cheaper chicken imports have reached record levels and feed raw material costs continued to escalate.

Rainbow's total revenue for the year under review decreased by 8.9% to R7 855 million (fifteen months to 30 June 2011: R8 621 million), mainly attributed to the three extra trading months included in the previous financial period. Rainbow's operating results have been negatively affected by poor retail pricing of commodity chicken lines as the industry struggled to resolve significant overstocks, mainly resulting from the high level of imports. Record maize and soya meal costs, exacerbated by the rand's depreciation, as well as the high electricity tariff increases, have also adversely impacted Rainbow's operating margin.

Rainbow remains committed to its strategic focus on adding value through brands. The group's chicken consumer brands and differentiated customer offerings in both foodservice chicken and Vector's distribution service have all demonstrated growth over the past period. Management have initiated a number of projects that will contribute towards restoring operating margins to target levels.

TSB SUGAR HOLDINGS (PTY) LIMITED (TSB SUGAR)

100%
effective interest

Profile
Tsb Sugar is involved in cane growing and the production, transport and marketing of sugar and animal feed.

Equity valuation at 30 June 2012 **R3 372 million**
Chief Executive Officer **J du Plessis**
Unlisted
Remgro nominated directors **J W Dreyer, C M van den Heever**
Website: **www.tsb.co.za**

Due to the change in Remgro's year-end from March to June during the previous reporting period, Tsb Sugar's results for the fifteen months to 30 June 2011 had been included in Remgro's results for the previous period, as opposed to the twelve months to 30 June 2012 for the current financial year. The results of the two periods are therefore not directly comparable.

Tsb Sugar's contribution to Remgro's headline earnings for the year under review amounted to R352 million (fifteen months to 30 June 2011: R187 million). This increase was mainly due to the positive impact of the higher average sugar prices achieved and growth in production and sales volumes.

Turnover for the twelve months to 30 June 2012 amounted to R4 621 million (fifteen months to 30 June 2011: R4 905 million). 13.1% of turnover is represented by exports.

Tsb's raw sugar production for the 2011/2012 season increased by 4.9% to 615 046 tons (2010/2011 season: 586 239 tons) while the sugar industry's total production for the season decreased by 4.5% resulting in Tsb's share of production increasing from 30.7% to 33.7%. Since the start of the new season (April 2012 to June 2012) Tsb Sugar produced 233 684 tons of sugar compared to 194 779 tons in the comparative period for the previous year. This was due to favourable climatic conditions and good factory performances. The international sugar prices remained strong during the year under review and, combined with a weaker rand, resulted in an increase in the export price of sugar. The 2011/2012 average sugar price increased by 17.1% compared to the 2010/2011 season.

The contribution of Royal Swaziland Sugar Corporation to Tsb Sugar's headline earnings for the period under review was R73 million (2011: R42 million), positively impacted by an increase in production as well as higher sugar prices achieved.

Production by Molatek, Tsb Sugar's animal feed operation, increased by 10.2% during the year under review and its contribution to Tsb Sugar's earnings increased by 5.1%.

Tsb Sugar transferred approximately 5 662 hectares of agricultural land to the Matsamo Communal Property Association during the year under review. This transfer completed the implementation of the settlement agreement in respect of the Tenbosch Land Claim which affected the Nkomazi region. The company will, in terms of the settlement agreement, retain ownership of the land on which the Malelane and Komati sugar mills are situated. The settlement of land claims affecting the Pongola region has been delayed. The company does, however, not own significant portions of agricultural land in the Pongola region and it is not expected that ownership of the Pongola sugar mill will be affected by the land claims process.

AIR PRODUCTS SOUTH AFRICA (PTY) LIMITED (AIR PRODUCTS)

50%
effective interest

Profile

Air Products 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.

Equity valuation at 30 June 2012 **R5 548 million**
Chief Executive Officer **M Hellyar**
Unlisted
Remgro nominated directors **J W Dreyer, N J Williams**
Website: **www.airproductsafrica.co.za**

Air Products has a September year-end and therefore its results for the twelve months ended 31 March 2012 have been included in Remgro's results for the year under review. Air Products' contribution to Remgro's headline earnings for the year under review increased by 30.2% to R181 million (2011: R139 million).

Turnover for Air Products' twelve months ended 31 March 2012 increased by 10.1% to R1 549 million (2011: R1 407 million), while the company's operating profit for the same period increased by 21.2% to R543 million (2011: R448 million). Operating profit for the period was positively impacted by mark-to-market profits of R30 million on forward exchange contracts to cover imports of capital equipment, while decreased financing costs also contributed positively to net profit.

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.

Large tonnage volumes to the steel industry remain low at some of their major production sites as a result of low steel output. Most other areas of the business have performed satisfactorily with some modest volume growth being shown. Whilst the volume outlook at large tonnage customers remains mixed, the bulk liquid and packaged gas product volumes are showing signs of sustained improvement.

GRINDROD LIMITED (GRINDROD)

23.5%
effective interest

Profile

Grindrod is an investment holding company whose business involves the movement of cargo by road, rail, sea and air, through integrated logistics services utilising specialised assets and infrastructure, including vehicles, locomotives, ships, ports, terminals, warehouses and depots.

Market capitalisation at 30 June 2012 **R8 093 million**
Chief Executive Officer **A Olivier**
Listed on the JSE Limited
Remgro nominated director **J J Durand**
Website: **www.grindrod.co.za**

During the year under review, Remgro acquired an effective interest of 23.5% in Grindrod which operates mainly in the shipping and freight logistics industry.

Grindrod has a December year-end, but due to the acquisition towards the end of October 2011, eight months of its results have been included in Remgro's results for the year under review. Grindrod's contribution to Remgro's headline earnings for the year under review amounted to R88 million.

Grindrod's net profit for the six months to 30 June 2012 increased by 119% to R608 million (2011: R277 million). The freight services division contributed R580 million to net profit, which includes a once-off profit of R415 million generated on the disposal of 35% in the Maputo coal terminal. Trading profit from freight services, which excludes the aforementioned once-off item, amounted to R172 million, reflecting a 31% growth on the prior period's trading performance.

Capital expenditure for the six months to 30 June 2012 amounted to R787 million, of which 70% was expansionary and the rest for maintenance and replacement purposes. Future capital is committed to the expansion of terminal capacity, rail infrastructure, locomotives and ships. The group is confident that it has adequate funding for all capital commitments through its cash resources and bank facilities.

KAGISO TISO HOLDINGS (PTY) LIMITED (RF) (KTH)

27.5%
effective interest

Profile

KTH is an established black economic controlled company with a focus on investment banking services, media and strategic investments. KTH has an investment portfolio and strategy that is complementary to that of Remgro. Its major investments include Kagiso Media Limited, MMI Holdings Limited and Exxaro Resources Limited.

Equity valuation at 30 June 2012 **R6 655 million**
Chief Executive Officer **V Nkonyeni**
Unlisted
Remgro nominated directors **J W Dreyer, J J Durand**
Website: **www.kagiso.com**

KTH was formed through the merger of Kagiso Trust Investments (Pty) Limited (KTI) and Tiso Group (Pty) Limited into a new entity. The merger resulted in the creation of a leading black-owned investment company with in excess of R15 billion in assets and a net asset value of R9 billion. KTH has a strong and diversified asset portfolio covering the resources, industrial, media, financial services, healthcare, property and information technology sectors.

Remgro's 42.3% interest in KTI changed to a fully diluted interest of 25.1% in KTH, as at 1 July 2011, the effective date of the transaction. As KTH is a newly formed company, there are no comparative results.

KTH has a June year-end and therefore its results for the twelve months ended 30 June 2012 have been included in Remgro's results for the year under review. KTH's contribution to Remgro's headline earnings for the year under review amounted to R93 million, mainly due to positive fair value adjustments on investments in Exxaro Resources Limited and MMI Holdings Limited. Income from equity accounted investments amounted to R259 million. A profit of R304 million has been realised on the disposal of joint venture, LexisNexis, by subsidiary Kagiso Media Limited, but this profit is accounted for outside of headline earnings.

KTH has a well-defined investment and business strategy, a sound asset and capital base and an experienced and diverse management team which positions the group as a leading black-owned and managed investment company.

TOTAL SOUTH AFRICA (PTY) LIMITED (TOTAL)

24.9%
effective interest

Profile

Subsidiary of Total (France). Total'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).

Equity valuation at 30 June 2012 **R4 887 million**
Chief Executive Officer **J D Royere**
Unlisted
Remgro nominated directors **L Crouse, E de la H Hertzog**
Website: **www.total.co.za**

Total has a December year-end and therefore its results for the twelve months ended 30 June 2012 have been included in Remgro's results for the year under review. Total's contribution to Remgro's headline earnings for the year under review amounted to R124 million (2011: R289 million).

Due to the change in Remgro's year-end from March to June during the previous reporting period, Total's results for the eighteen months to 30 June 2011 had been included in Remgro's results for the previous period and the results of the two periods are therefore not directly comparable.

Total's turnover for the twelve months to 30 June 2012 increased from R25 464 million to R31 373 million, while operating profit decreased to R785 million (2011: R1 234 million). The weaker performance results mainly from stock revaluation losses of R111 million (2011: gains of R675 million), as the international oil price dropped from US$112 per barrel, at 30 June 2011, to US$94 per barrel at 30 June 2012. Marketing and refining margins have improved significantly, partially offsetting the losses on stock revaluations. Financing costs also decreased by R34 million to R57 million, contributing positively to net profit.

Retail sales of petroleum products achieved lower levels than during 2011, having decreased by 0.4% for the twelve months ended 30 June 2012. The demand for petroleum products in the retail business has decreased due to petrol pump prices above the R10 per litre level and consumer reaction thereto. Market share of Total's main fuels is deemed to have slightly decreased between 2011 and 2012, also due to stronger customer selectivity in order to increase profitability in general trade business.

The company is intensifying its investments regarding the health, safety, environment and quality constraints, at its depots as well as at its service stations. In particular, Total has launched a project to make sure all its service stations are fully compliant with Total Group norms, which are more restrictive than those of South Africa.

Natref (in which Total has an interest of 36%) experienced a stable throughput and reliability for the period under review compared to the prior period. Refining margins have continued to recover and have reached higher levels during 2012.

PGSI LIMITED (PGSI)

28.5%
effective interest

Profile

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.

Equity valuation at 30 June 2012 **R1 443 million**
Chief Executive Officer **S Jennings**
Unlisted
Remgro nominated director **J J du Toit**
Website: **www.pg.co.za**

PGSI has a December year-end and therefore its results for the twelve months ended 30 June 2012 have been included in Remgro's results for the year under review. Due to the change in Remgro's year-end from March to June during the previous reporting period, PGSI's results for the eighteen months to 30 June 2011 had been included in Remgro's results for the previous period and the results of the two periods are therefore not directly comparable.

PGSI's contribution to Remgro's headline earnings for the year under review amounted to R1 million (2011: R11 million headline earnings), which includes a negative fair value adjustment of R3 million (2011: positive adjustment of R8 million) on the conversion right attached to PGSI preference shares.

PGSI's turnover for the twelve months under review increased by 7% from R2 928 million to R3 138 million, while its operating profit amounted to R86 million (2011: R149 million). The reduction in operating results was primarily due to the weak demand in the domestic market with low building sector activity, and the surplus of glass in world markets, which has depressed prices. The results were also negatively impacted by industry strikes in the first six months of the period under review, and a slowdown in manufacturing due to the weaker demand.

The main operating subsidiary in South Africa, PG Group, has been affected by the global and local recession of the past few years, particularly in the domestic building sector. While the low-cost housing sectors have shown some positive growth, commercial buildings and the middle and upper-class home sectors are lagging and continue to experience slow glass demand. Excess manufacturing capacity has resulted in increased competition. The lower domestic demand also led to increased exports which resulted in an adverse domestic/export sales mix, mainly due to currency factors. Growth in new car sales were positive; however, the export vehicle build is lower than in the prior period due to the weaker export demand.

The difficult market conditions for manufacturing in South Africa have been further exacerbated by a very volatile rand. The PG Group has embarked on a number of initiatives to improve profitability in this difficult trading environment, including the reorganisation of management structures to focus on opportunities as well as efficiency, cost reduction and increasing yields at all manufacturing facilities.

The group is well invested with two state-of-the-art float lines and capital expenditure over the next five years will be minimal.

The outlook for 2013 has improved, with better margins expected in export markets, due to an improvement in the market and more competitive currency, as the group is a major exporter of high-quality float glass and automotive components.

WISPECO HOLDINGS LIMITED (WISPECO)

100%
effective interest

Profile
Wispeco's main business is the manufacturing and distribution of extruded aluminium profiles used mainly in the building, engineering and durable goods sectors.

Equity valuation at 30 June 2012 R350 million
Chief Executive Officer H Rolfes
Unlisted
Remgro nominated directors J W Dreyer, C M van den Heever
Website: www.wispeco.co.za

Due to the change in Remgro's year-end from March to June during the previous reporting period, Wispeco's results for the fifteen months to 30 June 2011 had been included in Remgro's results for the previous period, as opposed to the twelve months to 30 June 2012 for the current financial year. The results of the two periods are therefore not directly comparable.

Turnover for the twelve months ended 30 June 2012 increased to R1 055 million. Wispeco's comparative turnover for the twelve months to 30 June 2011 amounted to R901 million, resulting in a 17% growth on a comparable basis. This turnover growth was primarily driven by increased sales volumes while prices remained relatively stable. Headline earnings for the twelve months to 30 June 2012 amounted to R44 million (fifteen months to 30 June 2011: R45 million), while comparable headline earnings for the twelve months to 30 June 2011 amounted to R35 million. This improvement in comparable earnings was achieved as a result of the higher turnover achieved against a stable overhead cost structure and despite of a reduction in gross margins resulting from intense competition amongst local extruders accompanied by the continuing growth of imports.

The turnaround of *Sheerline*, the aluminium stockist business previously acquired from AGI, gained momentum with the acquisition and subsequent merger with XLine Aluminium Solutions (Pty) Ltd. The merged business, which continues to trade as *Sheerline* and in which Wispeco owns a majority interest of 80%, is expanding its unique expertise to develop aluminium solutions for big building projects.

Processing of recycled aluminium remains an important initiative for Wispeco with the aim of reducing its carbon footprint and supplementing often erratic import billet shipments. Wispeco is also increasing its focus on productivity and efficiency improvements in its main manufacturing divisions, to enhance competitiveness against local and foreign competitors.

Wispeco launched its progressive range of architectural products under the *Crealco* brand in 2012. To support this, effort is presently being directed towards the development of thermal design software aimed at assisting architects in the design of energy-efficient buildings and to ensure compliance with requirements of the new building regulations.

The emerging renewable energy market, in particular demand from the proposed solar power generation plants (both photovoltaic and concentrated solar power), is expected to support demand for locally manufactured aluminium extrusions over the next few years.

Other industrial interests

CAXTON CTP LIMITED (CAXTON)

Profile
Caxton is one of the largest publishers and printers of books, magazines, newspapers and commercial print in South Africa.

Website: www.caxton.co.za

1.7% effective interest

DORBYL LIMITED (DORBYL)

Profile
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.

Website: www.dorbyl.co.za

6.5% effective interest

GEMS II AND III (GEMS)

Profile
Gems, based in Hong Kong, is a private equity fund management group that makes investments in the Asia Pacific Region.

Website: www.gems.com.hk

5% & 8.1% effective interest

INVENFIN (PTY) LIMITED (INVENFIN)

Profile
Invenfin focuses on smaller early-stage investments.

Website: www.invenfin.com

100% effective interest

KAGISO INFRASTRUCTURE EMPOWERMENT FUND (KIEF)

Profile
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.

Website: www.kagiso.com

45.4% effective interest

VHF TECHNOLOGIES SA

Profile
VHF Technologies SA, based in Switzerland, develops and manufactures thin-film flexible solar cells on a plastic substrate.

Website: www.flexcell.com

15.9% effective interest

MEDIA INTERESTS

CONTRIBUTION TO HEADLINE EARNINGS

	Twelve months ended 30 June 2012 R million	Fifteen months ended 30 June 2011 R million
Sabido	**129**	116
MARC	**11**	(14)
One Digital Media*	**–**	(30)
Longkloof	**(12)**	–
Premier Team Holdings	**(35)**	(52)
	93	20

** Sold during April 2012.*

SABIDO INVESTMENTS (PTY) LIMITED (SABIDO)

31.6%
effective interest

Profile

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.

Equity valuation at 30 June 2012 **R5 608 million**
Chief Executive Officer **M Golding**
Unlisted
Remgro nominated director **H J Carse**
Website: **www.etv.co.za**

Remgro has an effective interest of 31.6% in Sabido which 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.

Sabido has a March year-end and therefore its results for the twelve months ended 31 March 2012 have been included in Remgro's results for the year under review. Sabido's contribution to Remgro's headline earnings for the year under review amounted to R129 million (2011: R116 million). This amount includes a charge of R11 million (2011: R11 million) relating to the amortisation of intangible assets, identified as part of the acquisition of VenFin Limited during November 2009.

Despite aggressive growth in pay television, which is impacting on audience share for free-to-air services, e.tv has managed to hold its own against the increasing competition. All Media Products Survey (AMPS) figures for December 2011 showed a 4% growth for e.tv, taking its reach to 16.1 million viewers. However, continued delays in the launch of digital terrestrial television have started to demonstrate an impact on the free-to-air broadcast market as viewers turn to the multi-channel offerings of pay television. Proposed legislation which would ban the advertising of alcohol on television may have a significant impact on revenues, if the legislation is passed.

e.sat's primary operating business, the eNews Channel, benefited from growth in the DStv Compact platform and retained its position as the premier news service on DStv. eNews continued to provide syndicated services to e.tv Africa, The Africa Channel and KykNET (via its eNuus brand). The 24-hour news business has entrenched itself firmly in the South African market since its launch in 2008 and is now in a position to expand its horizons.

Net advertising sales were ahead of target for the period under review, while programming and operating costs have remained stable. e.tv is required to continue to invest in local content to ensure that it retains its competitiveness and this will have an impact on the cost of programming going forward. Several expansion plans for the eNews business are being considered both in the online space and offshore.

MARC GROUP LIMITED (MARC)

56.5%
effective interest

Profile
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.

Equity valuation at 30 June 2012 **R307 million**
Chief Executive Officer **S de Villiers**
Unlisted
Remgro nominated directors **P J Liddiard, N J Williams**
Website: **www.marcgroup.co.za**

MARC is a pan-African investment company that focuses on marketing, communication and rights commercialisation in the sport and entertainment industry. This includes various strategic subsidiary and equity investments in activations marketing, sponsorships management, events management, ticketing and rugby. The group operates in 16 different African countries of which South Africa, Nigeria and Kenya are the biggest markets. The group recently entered into new markets in Rwanda, Guinea and Angola

MARC has a December year-end and therefore its results for the twelve months to 30 June 2012 are included in Remgro's results for the year under review. MARC's contribution to Remgro's headline earnings for the year increased to R11 million (2011: R14 million loss), mainly due to the inclusion of a negative fair value adjustment of R24 million on the conversion option of the preference shares, during the previous period.

MARC's net profit of R20 million (2011: R12 million) for the twelve months to 30 June 2012 was also positively impacted by an R8 million downward remeasurement of debt, which had been accounted for as part of the EXP acquisition during the previous year, as well as solid growth in its operations in Nigeria, Kenya and South Africa.

Other media interests

PREMIER TEAM HOLDINGS LIMITED (PTH)

Profile

PTH is a sports and leisure group based in the United Kingdom.

Premier Team Holdings Ltd

Website: www.mbnpromotions.co.uk

50% effective interest

MINING INTERESTS

CONTRIBUTION TO HEADLINE EARNINGS

	Twelve months ended 30 June 2012 R million	Fifteen months ended 30 June 2011 R million
Implats*	**148**	112

** Unbundled to Remgro shareholders during June 2012.*

TECHNOLOGY INTERESTS

CONTRIBUTION TO HEADLINE EARNINGS

	Twelve months ended 30 June 2012 R million	Fifteen months ended 30 June 2011 R million
CIV group	**85**	91
SEACOM	**(27)**	(51)
Tracker*	**–**	57
Britehouse	**19**	22
Other	**–**	(8)
	77	111

** Reclassified as investment "held for sale" with effect from 31 December 2010 and sold during October 2011.*

COMMUNITY INVESTMENT VENTURES HOLDINGS (PTY) LIMITED (CIV GROUP)

43.8%
effective interest

CIV FNS/DFA
CIE TELECOMMS
CIV POWER
CENTRAL LAKE

Profile

CIV Fibre Network Solutions (CIV FNS), holding company of Dark Fibre Africa (DFA), builds, owns, maintains and monitors infrastructure suitable to carry services such as fibre-optic networks.

CIE Telecommunications supplies and installs specialist products and components to the telecommunication industry.

CIV Power provides lightning and power surge protection products and solutions as well as electricity quality of Supply products, but its underlying assets are in the final stages of being sold.

Central Lake is an investment holding company with indirect interests in CIV FNS, CIE Telecommunications and CIV Power.

Equity valuation at 30 June 2012 **R2 800 million**
Chief Executive Officer **C Steyn**
Unlisted
Remgro nominated directors **L Crouse, P J Liddiard**
Website: **www.civ.co.za**

Remgro has an effective interest of 43.8% in the CIV group which is active in the telecommunications and information technology sectors. The main subsidiaries are Dark Fibre Africa (DFA) which constructs and owns fibre-optic networks, CIE Telecom which imports and distributes telecommunications equipment and is involved in the installation thereof.

The CIV group has a March year-end and therefore its results for the twelve months ended 31 March 2012 have been included in Remgro's results for the period under review. The CIV group's contribution to Remgro's headline earnings for the period under review amounted to R85 million (2011: R91 million), of which the major contributors were CIE Telecom (R43 million) and DFA (R40 million).

It is anticipated that CIV group's centre of growth will be DFA. DFA's operating profit for the twelve months to 31 March 2012 increased slightly from R235 million to R243 million, while its headline earnings decreased by 35% to R76 million (2011: R117 million), despite additional sections of the company's fibre-optic network having been completed. The decrease in headline earnings was mainly due to a R60 million increase in financing costs, as capitalisation of borrowing costs is ceased once the major parts of the network are completed. The decrease in headline earnings was further exacerbated by delays in obtaining way leave approvals from municipalities and road authorities which prevent DFA from completing fibre rings on time, which in turn delays revenue income generation to offset increasing depreciation and finance charges incurred on network rollout costs.

DFA has fibre network rings in Johannesburg, Cape Town, Durban (expanding to Pietermaritzburg), Midrand, Centurion and Pretoria. The Johannesburg ring is regarded as one of the most important communication rings in Africa. To date, a total distance of 5 251 km has been completed in the major metropolitan areas. DFA is also rolling out long-haul routes, the first one completed being from Durban to the SEACOM landing station in Mtunzini, which route was extended through Empangeni to Gauteng. DFA also completed building a long-haul route to link Cape Town to the WACS (West African Cable System) undersea cable landing station in Yzerfontein. In 2010 DFA commenced with the fibre-to-tower

project linking mobile phone operators' base stations to the core communication rings, and the project will continue to 2013 and beyond as demand for mobile backhaul increases due to, amongst others, a strong growth in data demand by smart phones. Mobile backhaul is a major growth driver for DFA due to the increased demand for mobile broadband. DFA has 3 007 base transceiver station sites on the network that cover three of the four mobile operators.

DFA has signed commercial lease agreements with 38 customers that have Electronic Communication Network Licences ranging from the largest incumbents to small niche operators, thereby establishing an annuity income-generating business.

During the current financial year the company aims to extend its presence in the South African information communication technology market by extending its infrastructure footprint to secondary cities, including Polokwane, East London, Mossel Bay, Rustenburg, Potchefstroom, George, Witbank and Middelburg, as well as expanding its sales and marketing activities.

SEACOM CAPITAL LIMITED (SEACOM)

25%
effective interest

Profile
SEACOM provides high-capacity international fibre-optic bandwidth for Southern and East Africa.

Equity valuation at 30 June 2012 **R3 704 million**
Chief Executive Officer **M Simpson**
Unlisted
Remgro nominated directors **H J Carse, G J Roberts-Baxter**
Website: **www.seacom.mu**

Remgro has an effective interest of 25% in SEACOM which launched the first terabyte undersea fibre-optic cable to connect Southern and Eastern Africa with Europe and Asia in July 2009. The cable connects South Africa, Mozambique, Tanzania, Kenya and Djibouti with the rest of the world via landing points in France (and onwards to London) and India. Landlocked countries (Uganda, Rwanda, Ethiopia, etc.) are connected by terrestrial backhaul.

SEACOM has a December year-end and therefore its results for the twelve months ended 30 June 2012 have been included in Remgro's results for the period under review. SEACOM's contribution to Remgro's headline earnings for the period under review amounted to a loss of R27 million (2011: loss of R51 million). SEACOM is, however, cash flow positive and Remgro has received dividends of R95 million from SEACOM during the year under review, bringing the cumulative dividends received since the acquisition of VenFin Limited to R180 million.

Due to the change in Remgro's year-end from March to June during the previous reporting period, SEACOM's results for the eighteen months to 30 June 2011 had been included in Remgro's results for the previous period and the results of the two periods are therefore not directly comparable.

SEACOM provides high-capacity international fibre-optic bandwidth to customers in the form of IRUs (indefeasible right of use), leases and maintenance charges, where most of the revenue is accounted for over 20 years. Delays with the implementation of the cable through Egypt has resulted in additional unforeseen operational costs, but completion of the cable is expected to occur in the latter part of this year. SEACOM maintains a proactive approach to ensuring profitability by implementing various initiatives to cut back on costs.

With the arrival of WACS (the West African Cable System), a competitor to SEACOM in Sub-Saharan Africa, and recent upgrades to the EASSy system, its East coast competitor, burgeoning supply continues to drive regular price declines into the market.

Fortunately, with affordability improving, demand elasticity is playing its part positively, ensuring that demand grows above expectations. Furthermore, ongoing reductions in terrestrial costs (mobile operator deals and other operators such as Dark Fibre Africa and FibreCo) and increased need for reliable protected routes around Africa, are also leading to increased demand. SEACOM's ability to change with the rapidly evolving market and respond to demand faster than others is critical to maintain its ongoing competitive positioning.

Other technology interests

BRITEHOUSE HOLDINGS (PTY) LIMITED (BRITEHOUSE)

Profile

Britehouse is a Venture Holding business that invests in companies with specific business software application skills and delivery track records. These businesses focus on business process automation and improvement.

Website: www.britehouse.co.za

30% effective interest

VISIONCHINA MEDIA INCORPORATED (VISIONCHINA)

Profile

VisionChina operates an out-of-home advertising network on mass transportation systems in China, including buses and subways, through TV broadcasting.

Website: www.visionchina.cn

3.9% effective interest

OTHER INVESTMENTS

CONTRIBUTION TO HEADLINE EARNINGS

	Twelve months ended 30 June 2012 R million	Fifteen months ended 30 June 2011 R million
Business Partners	**12**	18
Other	**10**	10
	22	28

BUSINESS PARTNERS LIMITED (BUSINESS PARTNERS)

29.9%
effective interest

Profile

Business Partners is a specialist investment company providing customised and integrated investments, mentorship and property management services for small and medium enterprises (SMEs) in South Africa.

Equity valuation at 30 June 2012 **R894 million**
Chief Executive Officer **N Martin**
Unlisted
Remgro nominated director **J W Dreyer**
Website: **www.businesspartners.co.za**

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

The company has a March year-end and therefore its results for the twelve months to 31 March 2012 have been equity accounted in Remgro's results for the year under review. Headline earnings attributable to Remgro for the period was R12 million (2011: R18 million).

Headline earnings of Business Partners for the twelve months ended 31 March 2012 amounted to R40 million (2011: R62 million) representing a decrease of 35% compared to the previous year. The decrease is mainly as a result of a R14 million cost incurred on the transfer of active members from the defined-benefit pension fund to the defined-contribution retirement fund, as well as an increase of R5 million in finance charges resulting from higher levels of borrowing.

Revenue remained stable at R357.7 million (2011: R357.8 million), while other operating income increased by 29% to R115 million (2011: R89 million), largely due to an increase in surpluses realised on the disposal of unlisted investments and investment properties. A decrease in net bad debts for the year to R70 million (2011: R78 million) reflects a slight easing in the economic conditions under which its SME client base is operating and the generally lower cost of borrowing.

During the period under review, finance for 307 (2011: 304) investment projects (including investment properties) amounting to R803 million (2011: R578 million) was disbursed, representing an increase of 39% in monetary terms.

Other investments

FRINGLAND LIMITED (FRING)

Profile

fring, an Israeli mobile communications company, develops and markets a mobile internet service which enables its users to communicate with other fring users.

Website: www.fring.com

2.9% effective interest

FYNBOS (PTY) LIMITED (FYNBOS)

Profile

Fynbos is an empowerment investment holding company that makes equity investments with a view to long-term capital appreciation.

Website: www.fynbosmedia.co.za

20.0% effective interest

LASHOU GROUP INC

Profile

A Chinese company for group-buy and location-based marketing campaigns.

Website: www.lashou.com

1.6% effective interest

MILESTONE CAPITAL I, II, III AND MILESTONE CAPITAL INVESTMENTS HOLDINGS

Profile

Milestone Capital, based in mainland Hong Kong, is a China-focused private equity investment firm.

Website: www.mcmchina.com

10.5%, 8.1%, 29.2% & 7.5% effective interest

VERITAS

Profile

Veritas is Israel's oldest venture capital firm and primarily invests in seed-stage technology companies.

Website: www.veritasvc.com

3.7% effective interest

CORPORATE FINANCE

CONTRIBUTION TO HEADLINE EARNINGS

	Twelve months ended 30 June 2012 R million	Fifteen months ended 30 June 2011 R million
Central treasury	**140**	89
Net corporate costs	**(141)**	(162)

CORPORATE FINANCE

Profile

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

REMGRO FINANCE CORPORATION (PTY) LIMITED, REMGRO MANAGEMENT SERVICES LIMITED *and* REMGRO INTERNATIONAL LIMITED – JERSEY

Unlisted companies

100% effective interest

The central treasury division's contribution to headline earnings for the twelve months to 30 June 2012 increased to R140 million (fifteen months to 30 June 2011: R89 million), due to higher average cash balances.

Net corporate costs amounted to R141 million (2011: R162 million) and was largely impacted by a higher share scheme cost resulting from the adjustment to the offer prices of share appreciation rights held by participants following the unbundling of the investment in Implats.

GOVERNANCE AND SUSTAINABILITY



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GOVERNANCE FRAMEWORK

Remgro Limited (Remgro) is committed to the highest level of corporate governance, integrity and ethics. The Board of Directors (the Board) is ultimately responsible for ensuring that governance standards are met and it is therein assisted by senior management who aim to instil a culture of compliance and good governance throughout the Remgro Group. This is underscored by sound and visible leadership characterised by the ethical values of responsibility, accountability, fairness and transparency. Sound corporate governance structures and processes are being applied and are considered by the Board to be pivotal to delivering sustainable growth in the interest of all stakeholders.

The Board advocates adherence to sound governance principles by all entities Remgro is invested in by using its significant influence to ensure that all Remgro's listed subsidiaries and associated companies endorse the principles contained in the King Report on Governance for South Africa 2009 (King III). Effective corporate governance forms part of Remgro's investment assessment criteria which is further monitored on a continuous basis by non-executive board representation on those investee companies' boards.

Remgro is an investment holding company and accordingly all references to "the Group" in this context denote the Company and its wholly owned subsidiaries. Remgro's two wholly owned operating subsidiaries, Tsb Sugar Holdings (Pty) Limited (Tsb Sugar) and Wispeco Holdings Limited (Wispeco) operate and are managed as independent entities with autonomous boards of directors. During the prior period Tsb Sugar put in place the required protocols to ensure an effective and efficient adoption and implementation of the governance standards as required by King III. The main areas that were addressed related to the review of existing mandates, policies and procedures over the key governance criteria, including but not limited to board and subcommittee charters and mandates, as well as stakeholder, IT governance and legal compliance policies.

In the case of Wispeco the composition of its board of directors does not comply with the independence requirements of King III due to the size of the business. Remgro's representatives on the board of that company, however, ensure that sound corporate governance and sustainability practices are followed by Wispeco through the adoption and implementation of Remgro's policies, processes and procedures.

Remgro's other wholly owned subsidiaries, excluding Tsb Sugar and Wispeco referred to above, are not operating companies and are administered by Remgro Management Services Limited (RMS). The members of Remgro's Management Board are also the directors of RMS. RMS renders management and support services to Remgro and certain of its subsidiaries and associates and partially recovers its costs through fees for services rendered. The net costs of RMS are part of the corporate costs of Remgro.

The Board is satisfied that Remgro has met the principles contained in King III throughout the year under review. When a principle of King III has not been adhered to as specified, this is explained where relevant. **For ease of reference, however, a summary of all the principles of King III that were not applied is presented below.**

- The Chairman of the Board, Mr Johann Rupert, is not an independent non-executive director, but given his knowledge of the business and his commercial experience, the Board deems this arrangement not only as appropriate but also essential for achieving the business objectives of Remgro.
- The Chairman of the Board acts as *ex officio* chairman of the Remuneration and Nomination Committee. Although he is not independent the Board is supportive of his chairmanship of the Remuneration and Nomination Committee given the necessity to align the Company's remuneration approach with corporate strategy.
- The Board and subcommittees perform self-evaluations annually, but have decided not to disclose the overview of the appraisal process, results and action plans in the integrated report due to the potential sensitive nature thereof.
- In terms of the Board's annual evaluation process, directors are not evaluated individually. Independent non-executive directors are, however, evaluated individually with regard to their independence and specifically the independence of the directors serving on the Board for more than nine years.
- In terms of King III, the integrated report should disclose the terms of reference of the Board committees; however, only a summary of the terms are disclosed in the integrated report. The complete terms of reference of Board committees are available on the Company's website, at www.remgro.com.
- The Board does not believe that directors should earn attendance fees in addition to a base fee. Many directors add significant value to the Group outside of the formal Board and Committee meetings, sometimes greater than they might do within the confines of a formal meeting.

- The Board does not intend to ask the shareholders for non-binding approval for Remgro's remuneration policy. The rationale and basis for the Group's executive remuneration policy is carefully considered by the Remuneration and Nomination Committee and is disclosed in the Annual Report.
- The Board does not intend to institute a formal dispute resolution process as it believes that the existing processes within the Group operate satisfactorily and do not require a more formal and separate mechanism. Shareholders will have remedies in terms of the new Companies Act.
- The King III Report requires that the Company's Sustainable Development Report be audited by an independent external professional party. Remgro's Sustainable Development Report has not been audited but verification of the key sustainability indicators have been obtained through agreed upon procedures performed by internal audit and independent service providers.
- A summarised version of the Integrated Annual Report is not prepared in addition to the full report currently presented. Despite the extensive amount of information conveyed in the Integrated Annual Report, the complexity is not such that a summary would benefit the readers thereof in any significant manner. A summary of the report would, to a large extent, simply amount to an unnecessary duplication of information.

The Board is further satisfied that the Company has met the requirements of the Companies Act (No. 71 of 2008), as amended ("Companies Act"), and the Listings Requirements of the JSE Limited. Compliance with all relevant laws, regulations, accepted standards or codes is integral to the Group's risk management process and is monitored on a continuous basis. As in previous years there has been no major non-compliance by, or fines or prosecutions against the Group during the year under review, with the exception of the disputes with the South African Revenue Services as disclosed in the Chief Financial Officer's Report on page 38.

Remgro measures the effectiveness of its governance processes by means of continuous successful participation in the JSE's Socially Responsible Investment (SRI) Index since the launch thereof in May 2004. In this regard the governance practices of Rainbow Chicken Limited, being Remgro's largest and only listed subsidiary, as well as those of Tsb Sugar and Wispeco, are incorporated.

A major focus during the year under review was to ensure compliance with the new requirements of the Companies Act, such as the establishment of a Social and Ethics Committee and the replacement of the Memoranda and Articles of Associations of the Group's companies registered in South Africa with the newly required Memoranda of Incorporation. In terms of the Companies Act this process needs to be completed by 30 April 2013. The Company's Memorandum of Incorporation will be presented to the shareholders at the annual general meeting on 27 November 2012. A brief summary of the proposed Memorandum of Incorporation is presented in the Notice to Shareholders on page 201 of the Integrated Annual Report.

BOARD OF DIRECTORS

Board charter and responsibilities

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 for new directors.

All directors of Remgro have endorsed the charter and a copy of the charter is available for inspection on Remgro's website.

Key responsibilities in terms of the charter include the following:

- ensuring that the Board's composition incorporates the necessary skills and experience;
- appointment of new directors;
- the annual appointment and evaluation of the Chief Executive Officer and the Chief Financial Officer;
- addressing all aspects that are of a strategic or material nature or that can impact the reputation of Remgro;
- directing the ethical standards, strategy and operations of the Group to build a sustainable business, while considering the short- and long-term impact of the Group's strategy on the economy, society and the environment;
- monitoring compliance with laws and regulations and codes of best business practice;
- ensuring that relevant and accurate information is timeously communicated to stakeholders;
- ultimate responsibility for the strategic direction, risk appetite, performance and affairs of Remgro;
- approval of new investments or extension of existing investments for amounts more than R500 million, as well as the disposal of existing investments for amounts more than R500 million;

- monitoring the operational and investment performance of Remgro;
- empowerment of executive management to implement operational and investment plans and strategies in terms of delegated authorities;
- risk management and IT governance;
- ensuring that sustainability reporting is integrated with financial reporting;
- the promotion of good governance by its subsidiaries, including the adoption and implementation of Remgro's policies, processes and procedures by subsidiaries;
- ensure that the remuneration of directors and senior management is determined in terms of the remuneration policy;
- at least twice a year, consider the going concern status of Remgro.

The Board is satisfied that it has discharged its duties and obligations as described in the Board charter during the past financial year.

Remgro has a fully functional Board that leads and controls the Group. All issues of a material or strategic nature, or which can impact on the reputation of the Group, are referred to the Board. Other issues are dealt with by the Management Board and/or the Investment Committee, or by senior management as permitted in terms of a formal delegation of authority. The Board meets at least five times a year and follows an annual work plan to ensure that all relevant matters are dealt with. Members of the Board and subcommittees receive an agenda, together with supporting documentation, at least one week prior to each meeting in order to enable them to be fully prepared. All directors have unlimited access to the services of the Company Secretary and senior management, as well as to all company records.

Composition of the Board

Details of the directors of the Company appear on pages 19 to 21 of the Integrated Annual Report.

The composition of the Board reflects a balance of executive and non-executive directors, of whom the majority are independent, in order to ensure that there is a clear balance of authority so that no one individual has unfettered decision-making powers. As at year-end the Board consisted of five executive and twelve non-executive directors of whom eight were independent. Non-executive directors are selected to serve on the Board for their broader knowledge and experience and are expected to contribute effectively to decision-making and the formulation of policy. The independence of independent non-executive directors is reviewed annually and the independence of non-executive directors who have served on the Board for more than nine years, is subject to a rigorous review by the Board.

Executive directors contribute their insight to day-to-day operations, thereby enabling the Board to identify goals, provide direction and determine the feasibility and sustainability of the strategies proposed. These directors are generally responsible for implementing all operational decisions.

The Board will not comprise fewer than four or more than nineteen directors, or any other number as the Board may from time to time determine. The Board is satisfied that its current members possess the required collective skills and experience to carry out its responsibilities, to achieve the Group's objectives and create shareholder value over the long term. In terms of the Articles of Association of the Company at least one third of the directors must resign annually on a rotation basis, but may make themselves available for re-election for a further term.

The roles and responsibilities of the Chairman of the Board and the Chief Executive Officer are separated. The Chairman, the Deputy Chairman, the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) are all elected and/or appointed on an annual basis.

As mentioned earlier, the Chairman of the Board is not an independent director. The Board acknowledges the principle in the King Reports to appoint an independent non-executive director as Chairman, but given the responsibility of the Board to focus on performance in directing the commercial and economic fortunes of Remgro, this arrangement is deemed not only appropriate, but also essential. In compliance with King III and the JSE Listings Requirements, the Board has reappointed Mr G T Ferreira as Lead Independent Director (LID) on 24 November 2011. The main function of the LID is, inter alia, to provide leadership and advice to the Board, without detracting from the authority of the Chairman, when the Chairman has a conflict of interest. The LID is appointed by the Board on an annual basis.

The CEO, Mr Jannie Durand, is responsible for the day-to-day management of the Company and he is assisted in this regard by Mr Leon Crouse (CFO). Between the two of them they have 42 years of service working for Remgro and Remgro-related businesses.

Evaluation of the Board, subcommittees and individual directors

The Board and subcommittees are evaluated annually by their members. The results of these evaluations are not disclosed in the Integrated Annual Report, but the

nomination for reappointment of directors only occurs after the evaluation of the performance of the Board. The Board determines its functions, duties and performance criteria, as well as that for subcommittees, to serve as a benchmark for the performance appraisals.

The Board is satisfied with the independence of independent non-executive directors, including the independence of Messrs Fred Robertson and Paul Harris, who have served on the Board for eleven years. Based on the evaluation there is no evidence of any circumstances and/or relationships that will impair their judgement, and their independence is in no way affected by the length of service.

Induction of new directors

Newly appointed Board members are formally informed of their fiduciary duties by the Company Secretary. Upon their appointment directors receive an induction pack consisting of, inter alia, agendas and minutes of the two most recent Board and subcommittee meetings (if applicable), latest annual financial statements and Integrated Report, the Company's code of conduct regarding insider trading, Group structure, Board charter and subcommittee mandates, etc. in order to inform them of existing matters and risks that are currently being addressed as well as to provide them with a general understanding of the Group. New Board members are also invited to have induction meetings with executive directors and senior management. In addition new members will also receive information on the JSE Listings Requirements and the obligations therein imposed upon directors.

Members of the Board, subcommittees and individual directors are entitled to seek independent professional advice concerning the affairs of the Group, at the Company's expense, with prior notification to the CEO or Company Secretary.

Company Secretary's role and responsibilities

All directors have unlimited access to the services of the Company Secretary, Mrs Mariza Lubbe, who is responsible to the Board for ensuring that proper corporate governance principles are adhered to and that Board orientation or training is given when appropriate.

The Company Secretary is furthermore responsible for ensuring the proper administration of the proceedings and matters relating to the Board, the Company and the shareholders of Remgro in accordance with applicable legislation and procedures.

The Company Secretary is not a director of Remgro and has an arm's length relationship with the Board and the directors.

Board committees

The Board has established subcommittees to assist it in discharging its duties and responsibilities. Each committee has its own mandate/terms of reference that defines its powers and duties. Copies of these mandates and terms of reference, which are reviewed on an annual basis, are available on Remgro's website.

The minutes of committee meetings are included in the agendas of subsequent Board meetings and issues that require the Board's attention or a Board resolution are highlighted and included as separate agenda items. Notwithstanding the delegation of functions to Board committees, the Board remains ultimately responsible for the proper fulfilment of such functions, except for the functions of the Audit and Risk Committee relating to the appointment, fees and terms of engagement of the external auditor.

Remuneration and Nomination Committee

The committee consists of four non-executive directors, three of whom are independent. The Company Chairman, Mr Johann Rupert, is also the chairman of the committee, while the Head of Human Resources acts as secretary. The CEO attends all committee meetings by invitation.

Meetings of the committee are held periodically (but at least once a year) in order to advise the Board on matters such as the remuneration principles and terms of employment of all directors and Management Board members, the Board structure and composition, directors' remuneration and long-term incentive schemes and succession plans for the Board, CEO and other Management Board appointments.

Remgro's remuneration principles are set out in the Remuneration Report on pages 121 to 130 of the Integrated Annual Report. As mentioned earlier the Board does not intend to ask shareholders for a non-binding advisory vote on the Company's remuneration policy at the forthcoming Annual General Meeting on 27 November 2012.

Audit and Risk Committee

The committee is governed by a mandate that includes the recommendations of King III and the requirements of the Companies Act. The committee consists of four independent non-executive directors, elected by Remgro's shareholders on recommendation by the Board, and is chaired by Mr Herman Wessels. The committee meets at least four times a year and the CEO, CFO and the head of internal audit attend all meetings, *ex officio*.

The main role of the committee is to assist the Board in discharging its responsibilities regarding the following:

- risk management;
- internal controls;
- internal financial controls, accounting systems and information;
- the effectiveness of the CFO and financial function;
- accounting policies;
- internal and external audit;
- information technology systems;
- protection of assets;
- public reporting; and
- to monitor compliance with laws, rules, codes of conduct and standards.

The annual appointment of the external auditor, the approval of its terms of engagement and audit approach, as well as the approval of fees relating to audit services and non-audit services are also performed by this committee. These responsibilities apply to Remgro and its wholly owned subsidiaries administered by RMS. The Audit and Risk Committees of Remgro's two wholly owned operating subsidiaries, Tsb Sugar and Wispeco, report to the Group's Audit and Risk Committee at each meeting by way of including its minutes of meetings in the agenda.

The Audit and Risk Committee meets at least once per year with the external and internal auditors and executive management to ensure that their efforts relating to risk management and internal control are properly co-ordinated.

The committee furthermore evaluates the effectiveness of its two subcommittees, the Financial Statements Committee and the Risk and IT Governance Committee. The Financial Statements Committee is not an official subcommittee of the Audit and Risk Committee, but its tasks include the revision of Remgro's Integrated Annual Report (including the annual financial statements) prior to submission thereof to the Audit and Risk Committee. The Risk and IT Governance Committee's mandate includes the maintenance of the risk management policy and plan, establishment and maintenance of an operational risk register, information technology risk management, legal compliance and occupational health and safety. Both of these committees are chaired by Remgro's CFO, Mr Leon Crouse, and the chairman of the Audit and Risk Committee attends the meetings by invitation.

The committee is also responsible for ensuring that the combined assurance model introduced by King III is applied to provide a coordinated approach to all assurance activities. In particular the committee:

- will ensure that the combined assurance received is appropriate to address all the significant risks facing the Company; and
- monitors the relationship between the external service providers and the Company.

The committee's report describing how it has discharged its statutory duties in terms of the Companies Act and its additional duties assigned to it by the Board in respect of the financial year ended 30 June 2012 is included in the Integrated Annual Report on pages 134 to 135.

Investment Committee

The Investment Committee comprises four non-executive directors, of whom two are independent, as well as the Chief Executive Officer and the Chief Financial Officer. The committee is chaired by Mr Johann Rupert and meets when required for significant investment decisions.

The duties and responsibilities of the committee are:

- to consider, and if appropriate, approve:
  - new investments up to an amount of not more than R500 million;
  - the extension of existing investments for amounts between R100 million and R500 million;
  - the disposal of existing investments up to an amount of not more than R500 million; and
- to consider and make recommendations to the Board regarding investments decisions amounting to more than R500 million.

During the year under review one meeting was held, while the remaining resolutions were adopted in writing by members of the Investment Committee.

Management Board

The Management Board consists of all five executive directors as well as a member of senior management, Mr Neville Williams. The committee meets on a monthly basis and the duties and responsibilities of committee members are in addition to their duties and responsibilities as members of the Board (in the case of members who are directors) and/or their other duties as executives.

The key duties and responsibilities of the committee are as follows:

- development of operational and investment plans and strategies for Remgro for submission to the Board and the implementation thereof once approved;
- evaluating and monitoring of existing Group investments;
- extension of existing investments up to an amount of not more than R100 million;
- recommendation of all new investments and extension of existing investments for more than R100 million to the Investment Committee and the Board for approval;
- appropriate reporting in respect of existing investments to the Board;
- nomination of representatives of Remgro as directors on the boards of investee companies, for approval by the Board.

Social and Ethics Committee

The Board established the Social and Ethics Committee during February 2012. The Committee's responsibilities are governed by a formal mandate as approved by the Board and the main objectives of the Committee are to:

- assist the Board in monitoring the Group's performance as a good and responsible corporate citizen by the monitoring of its sustainable development practices; and
- perform the statutory duties of a Social and Ethics Committee in terms of the Companies Act and other functions assigned to it by the Board.

The committee's report describing how it has discharged its statutory duties in terms of the Companies Act and its additional duties assigned to it by the Board in respect of the financial year ended 30 June 2012 is included in the Integrated Annual Report on pages 92 to 94.

ATTENDANCE AT MEETINGS

	Board	Audit and Risk Committee	Remuneration and Nomination Committee	Social and Ethics Committee	Management Board	Investment Committee
Number of meetings held	**7**	**4**	**1**	**1**	**10**	**1**
Attendance by directors						
Non-executive directors						
J P Rupert	**6**	**–**	**1**	**–**	**–**	**1**
E de la H Hertzog	**7**	**–**	**–**	**–**	**–**	**–**
P E Beyers	**7**	**–**	**–**	**–**	**–**	**–**
J Malherbe	**6**	**–**	**–**	**–**	**–**	**1**
Independent non-executive directors						
G T Ferreira	**7**	**–**	**1**	**–**	**–**	**1**
P K Harris	**6**	**–**	**1**	**–**	**–**	**1**
N P Mageza	**7**	**4**	**–**	**–**	**–**	**–**
P J Moleketi	**7**	**3**	**–**	**–**	**–**	**–**
M M Morobe	**6**	**–**	**–**	**–**	**–**	**–**
M A Ramphele [1]	**1**	**–**	**–**	**–**	**–**	**–**
F Robertson	**7**	**3**	**1**	**–**	**–**	**–**
H Wessels	**7**	**4**	**–**	**1**	**–**	**–**
Executive directors and Management Board						
M H Visser [2]	**4**	**–**	**–**	**–**	**8**	**1**
W E Bührmann	**7**	**–**	**–**	**–**	**9**	**–**
L Crouse	**7**	**–**	**–**	**–**	**10**	**1**
J W Dreyer	**5**	**–**	**–**	**–**	**10**	**–**
J J Durand	**7**	**–**	**–**	**–**	**10**	**1**
J A Preller	**7**	**–**	**–**	**1**	**10**	**–**
N J Williams [3]	**–**	**–**	**–**	**1**	**9**	**–**

[1] The chairman approved Dr M A Ramphele's leave of absence for the meetings which she was unable to attend.

[2] Mr Thys Visser, Chief Executive Officer of Remgro, passed away on 26 April 2012.

[3] Mr N J Williams is only a member of the Management Board and the Social and Ethics Committee.

Dealing in securities

In accordance with the Listings Requirements of the JSE, the Company has adopted a code of conduct for insider trading. During price-sensitive or closed periods directors and designated employees are prohibited from dealing in Remgro's securities. In terms of the Group's policy closed periods lasts from the end of a financial reporting period until the publication of financial results for that period. A closed period is also applicable when the Company has issued a cautionary announcement to its shareholders.

Directors and designated employees may only deal in Remgro's securities outside the closed period, with the approval of the Chairman or the Chief Executive Officer. In addition, directors and designated employees are prohibited from dealing in the securities of listed investee companies unless permission has been obtained from the Chairman or the Chief Executive Officer.

Conflicts of interests

Mechanisms are in place to recognise, respond to and manage any actual, potential or perceived conflicts of interest. Directors are required to disclose their personal financial interests, and those of persons related to them, in contracts or other matters in which Remgro has a material interest or which are to be considered at a Board meeting. Where a potential conflict of interest exists, directors are expected to recuse themselves from relevant discussions and decisions.

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 Ethics, the provisions of the Securities Services Act and the requirements of the JSE Limited regarding inside information, dealings in securities and the disclosure of such dealings.

The activities and conduct of executive directors and senior management who act in a non-executive capacity on the boards of investee companies are governed by formal guidelines as approved by the Board.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has implemented a comprehensive risk management system, which incorporates continuous risk assessment, evaluation and internal control embedment. The Group's reporting on its risk management process and systems of internal control is included in the Risk Management Report on page 85 of the Integrated Annual Report.

EXTERNAL AUDIT

In terms of the JSE Listings Requirements the external auditor of all listed companies and their major subsidiaries should be accredited with the JSE. Remgro's external auditor, PricewaterhouseCoopers Inc. is accredited as such with the JSE. The 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.

Non-audit services provided by the external auditor are approved by the Audit and Risk Committee and relate mainly to tax matters. These services are effected by a department that is independent of the audit partners.

INVESTOR RELATIONS AND SHAREHOLDER COMMUNICATION

The Board acknowledges the importance of keeping shareholders and the investor community informed of developments in Remgro's business. Communication with shareholders is based on the principles of timely, balanced, clear and transparent information. Both positive and negative aspects of financial and non-financial information are provided. Interactions with institutional investors take place twice a year at the dial-in interim and final results presentations, where questions can be directed to the CEO and CFO. The most recent and historic financial and other information is also published on the Company's website. Further information regarding Remgro's initiatives on communication with all of its stakeholders is provided in the Sustainable Development Report.

BUSINESS RESCUE PROCEEDINGS

During the year under review an internal business rescue policy has been formulated and approved by the Board. Given the nature of Remgro as an investment holding company, the actual consideration of Business Rescue Proceedings will be part of the legal compliance policy approved by the Board.

Business Rescue Proceedings at investee companies are the responsibility of the boards of these entities as required by the Companies Act. Remgro has, as part of its risk management framework, processes in place to timeously identify and address underperforming investments.

RISK MANAGEMENT REPORT

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INTRODUCTION

The Board is ultimately accountable for the risk management process and system of internal control within Remgro. The Board has documented a comprehensive risk management policy and plan which has been implemented by management. This incorporates continuous risk identification and assessment and internal control embedment as well as risk reduction and insurance strategies.

The Audit and Risk Committee is mandated to monitor the risk management process and systems of internal control and is supported in this regard by its subcommittee, the Risk and IT Governance Committee. The Group's internal and external auditors, along with management and certain external consultants, are tasked to render combined assurance reports to the Audit and Risk Committee.

Ethical leadership and human capital are the cornerstones of Remgro's risk management philosophy as these ensure entrepreneurial flair, sound corporate reputation and effective governance.

The risk management process in Remgro comprises the arrangement of resources to ensure the achievement of strategy and business plans, including the exploitation of available opportunities that meet the risk appetite criteria set by the Board. Risk profiles inherent to existing activities and investments are furthermore maintained within the approved risk tolerance levels, thereby optimising the risk return parameters for the creation of sustainable growth and value for shareholders and other stakeholders.

REPORT PARAMETERS

Due to the nature and magnitude of Remgro's investment portfolio, the scope of this report, which is consistent with prior years, is compiled in accordance with the Global Reporting Initiative™ (GRI) Boundary Protocol.

This report therefore focuses on the activities of the Company and its subsidiaries, save where such entities are JSE-listed entities and the relevant information is readily available to stakeholders. As a result this report contains risk management information of the Company, Remgro Management Services Limited (Remgro's service company), V&R Management Services AG*, Tsb Sugar Holdings (Pty) Limited and Wispeco Holdings Limited.

** A wholly owned subsidiary, registered and managed in Switzerland, rendering bookkeeping and treasury services for Remgro's foreign subsidiaries and third parties.*

RISK MANAGEMENT PROCESS

The Risk Management policy is based on the principles of the international COSO (Committee of Sponsoring Organisations of the Treadway Commission) framework and complies with the recommendations of King III. This policy defines the objectives, methodology, process and responsibilities of the various risk management role-players in the Group. The Risk Management policy is subject to annual review and any amendments are submitted to the Audit and Risk Committee for approval.

Remgro is an investment holding company and as such the risk management process takes cognisance of risks and opportunities within the Company as well as the risks and opportunities inherent to its investment portfolio.

The following table sets out the key control objectives and related controls of the Company.

KEY CONTROL OBJECTIVE	KEY CONTROLS
The appointment and retention of suitably skilled and experienced directors and officers possessing the required values and drive.	Effective functioning of the Remuneration and Nomination Committee. Performance assessments and committee evaluations. Strong ethical leadership.
Ethical and visible leadership via governance structures and related processes.	Embedded system of values and ethics and maintenance thereof via visual leadership. Formalised ethics policies and codes of conduct. Corporate culture focused on excellence in execution and fairness in dealing. Comprehensive and King III compliant corporate governance structures and systems.
Adoption and implementation of appropriate long-term strategy within approved risk appetite duly communicated and delegated to the executive.	Effective Management Board supported by executive management and an experienced Investment Division.
The significance of Remgro's corporate presence in the investment environment as this enables it to acquire meaningful stakes in selected investment opportunities.	A conservative business approach with long-term investment criteria focused on growth, sustainability and liquidity. Corporate actions are aligned with the long-term strategy and responsible investment criteria.
Ensuring that opportunity risks are managed to avoid lost investment opportunities that met Remgro's stringent investment criteria.	Good corporate reputation and brand as investor of choice. Skilled and experienced investment division with efficient operational processes and controls. Effective support structures and negotiation processes supported by proven due diligence processes.
Available liquidity to fund new investments and further support successful investments.	Conservative cash administration and well-managed and secure treasury environment.
Effective group structuring to house existing and new investments.	Effective control structures supported with skilled and experienced legal and corporate tax specialists.

KEY CONTROL OBJECTIVE	KEY CONTROLS

Effective internal operations, including secretarial, financial, human resources and all other departmental activities in the service company and wholly owned subsidiaries under the control of the management of the service company.
 	
Given the significance of treasury, the following salient objectives are integrated into the Treasury Committee's (a management committee chaired by the CFO, also comprising the CEO and other senior managers) mandate:
 	
> Liquidity requirements and risk appetite are formalised
> Terms of trade with banks are reviewed to ensure adequate risk sharing
> Payment systems are secured
> Information is secure
> FAIS (Financial Advisory and Intermediary Services Act, 2002) and FICA (Financial Intelligence Centre Act, 2001) legislation is complied with
> The following treasury risks are specifically managed:
  > Liquidity risk
  > Instrument risk (derivatives)
  > Investment credit risk (credit limits and spread of cash between approved institutions)
  > Foreign currency risk (spread and composition of approved currency exposures)
  > Interest rate risk
	Employment and retention of skilled and experienced senior management.
	
	Effective and efficient internal control and assurance systems.
	
	Effective Risk and IT Governance Committee.
	
	A formalised Treasury Policy is maintained by the Treasury Committee and amendments are submitted to the Board for approval.
	
	Skilled staff is employed in the treasury department and comprehensive internal controls are deployed and complied with.
	
	The treasury department is subject to quarterly FAIS and FICA reviews from the FSB (Financial Services Board) approved compliance officer. In addition the treasury department (back and front office) are subject to regular internal audit reviews and a year-end review by the external auditor.

Effective management of underlying investments and ensuring that Remgro's investment criteria are maintained and the Group's rights are protected.*	Comprehensive shareholder agreements are concluded at time of investment. This facilitates effective control or significant influence over the executive management teams in the underlying investee companies and ensures that strategies, goals and deliverables are met. Detailed reporting, review and management structures are implemented to ensure timely, accurate and reliable information used in decision-making processes.
Accurate, transparent and reliable reporting and interaction with stakeholders.	Formalised stakeholder and communication policies. Effective internal financial controls. Comprehensive combined assurance plans and processes.
Full compliance with taxation and other relevant legislation and industry practices.	Effective Tax Committee. Legal Compliance policy linked to expert legal advice.
Reliable and secure information systems to support business objectives and requirements.	Effective outsource agreement with a credible vendor and service levels supporting cost efficient and available systems and networks. IT governance policy supported by procedures over key activities such as business continuity, information security, and document retention and user acceptable usage policies.
Due consideration and support to sustainability matters such as BBBEE, environmental management, social corporate support etc.	Formalised social support policy and process. BBBEE policies and mandates. Environmental management included under the ambit of the Risk and IT Governance Committee with formalised policies.

** As stated in the "Group Profile" section of this report, Remgro is not involved in the day-to-day management of investee activities but do have non-executive representation on these autonomous boards via shareholder agreements. These bodies are responsible for risk management at investee level.*

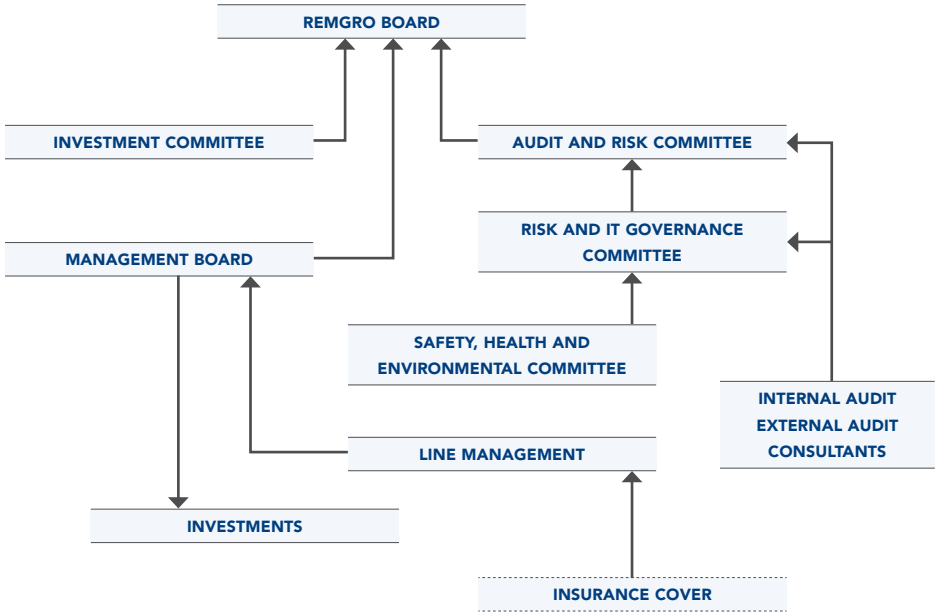
Remgro, being a responsible investor, ensures that proper corporate governance is implemented and maintained in all entities it invests in via the above process.

RISK MANAGEMENT STRUCTURE

The following structure has been implemented in the Company to ensure the effective and efficient management of risk within the Company.

In the structure below the function of the Chief Risk Officer is shared amongst the following individuals:

- The Chief Executive Officer reports directly to the Board on an ongoing basis as regards the risks that may impact the effective and efficient execution of its strategy.
- The Chief Financial Officer, as chairman of the Risk and IT Governance Committee, is responsible for the induction of risk management into the daily activities of the Company, including the drafting, review and maintenance of the Risk Register and Risk Management policy.
- The head of internal audit attends meetings of the Risk and IT Governance Committee and renders independent assurance regarding the effectiveness of this committee's activities as well as the system of internal control.



RISK TOLERANCE LEVELS

The Remgro Board has formalised and approved the following risk tolerance levels to define the Board's risk appetite and to ensure that all risks within the Group are managed within the limits so defined.

Remgro, due to the nature of its core activity, deals with risk tolerance levels in the following three risk activities using dedicated and bespoke methodologies:

Investments

Risk tolerance levels are set in accordance with the cost of funding the investments (WACC) as adjusted with a risk weighting (Beta) to ensure a sustainable and positive risk return environment.

Treasury

Given the liquidity requirements to support performing investments and to seize new investment opportunities, the risk tolerance levels for cash held in South Africa and internationally are measured in terms of lending rates achieved by major banks in the money market, including but not limited to STeFI (Short Term Fixed Interest) or LIBOR (London Interbank Offered Rate). This is continuously monitored and re-assessed given prevailing volatilities, risk and, at times, negative returns on cash in certain international money markets.

Foreign currency risk and capital preservation risk in an adverse economic climate are mitigated by means of conservative policies regarding hedging strategies and counterparty vetting.

The treasury funds are invested as per a Board-approved Treasury policy which deals with counterparty (credit) risk, liquidity risk, interest rate risk, currency risk, instrument risk and commercial risk (terms of trade), as well as the policies deployed to safeguard cash and liquid assets.

Other

This category includes risks associated with unplanned loss to assets, exposure to liabilities, fidelity, business interruption and other operational risk.

In these instances the Board has, in addition to stringent internal controls, adopted a conservative approach by taking sufficient insurance cover to mitigate the anticipated maximum loss should risk realise in these categories.

RISK APPETITE

Risk appetite is defined as the risk that the Company is prepared or willing to accept without further mitigating action being put in place or the amount of risk the Company is willing to accept in pursuit of objectives. This is also defined as the risk propensity of the Board in pursuing the creation of wealth.

The following qualitative and quantitative factors are considered by the Board in evaluating risk appetite:

- risk and return profile of the current investment portfolio;
- availability of cash resources and other liquid (available for sale) assets;
- risk return profile of prospective opportunities;
- financial ratios relevant to measuring performance, including inter alia:
  - Intrinsic Net Asset Value (IAV)
  - return on IAV relative to comparable risk investments
  - dividend policy;
- international and local economic cycles and trends;
- foreign currency rates and trends; and
- materiality of risks with reference to the IAV of the Group.

RISK-BEARING CAPACITY

Risk-bearing capacity is defined as a monetary value which is used as a yardstick, measuring the maximum loss the Company can endure without exposing it to the point where its existence and going concern status is under threat, given an equivalent loss.

Given the nature of Remgro's intrinsic net asset value composition, i.e. equity and net excess cash there are no known current exposures that could jeopardise the going concern status of the Group.

UNEXPECTED OR UNUSUAL RISK EXPERIENCES

The risk management process is furthermore also externally focused to ensure the timely identification of new emerging risks and the assessment of the effectiveness of risk responses thereto.

IT GOVERNANCE

During the prior period the Company formalised an IT Governance policy which is aligned with the limited technology needs of an investment holding company. This policy is further supplemented by governance-based policies such as the Acceptable IT Use policy and information confidentiality policies.

The head of IT reports to the Group Financial Manager and IT-related matters are addressed by an IT Steering Committee comprising of senior management. The IT risk register is considered by the Risk and IT Governance Committee and progress on IT- and control-related projects are monitored via the Risk and IT Governance Committee by the Audit and Risk Committee.

The Company has outsourced its IT operations to a credible service provider via a comprehensive service level agreement. This was done following an extended due diligence process and needs and standards analysis wherein the specifications were detailed as regards key deliverables such as system and user support, system availability, logical security, virus protection, telephony and other general controls.

The IT risk management process is included into the combined assurance process of the Company. A business continuity plan has been formalised and tests performed on the back-up and disaster recovery process.

LEGAL COMPLIANCE

The Board, as part of its ethical leadership commitment, approved a Legal Compliance Policy and confirmed that there are sufficient management capacity and controls in place to ensure that all relevant laws and salient industry practices are complied with.

The administration of the Legal Compliance System is vested in an official with the appropriate legal qualifications, supported by a designated legal firm that is mandated to furnish the Company with all relevant new legislation and amendments. Compliance controls vest with senior management who are required to report to the Risk and IT Governance Committee on a regular basis regarding their compliance using a control self-assessment methodology. This process is incorporated into the annual internal audit plan.

INTERNAL CONTROL AND INTERNAL AUDIT

The Group has implemented and maintained a comprehensive system of internal controls to mitigate the risks in the enterprise and to ensure that the Group's objectives are consistently achieved. Internal controls are based on the principle of acceptable risk being inherent to the design and implementation of a cost-effective system of internal control. The system includes monitoring mechanisms and mitigation processes to augment deficiencies when they are detected. This system is benchmarked against the discussion document of the COSO (Committee of Sponsoring Organisations of the Treadway Commission) on Integrated Control.

The internal audit function is employed by Remgro Management Services Limited and the head of internal audit, Mr Deon Annandale, reports to the chairman of the Audit and Risk Committee and functionally to the CFO. The department complies with the requirements of King III and the International Standards for the Professional Practice of Internal Auditing. The department has a three-tier quality assurance system comprising internal review processes, file and report sharing with the Group's external auditor and a three-yearly quality assessment by an international external audit firm other than the Group's external auditors.

The internal audit plans, as approved by the Audit and Risk Committee, are designed following a risk-based assurance approach and is focused on adding value to the control environment whilst rendering independent assurance to the Audit and Risk Committee and to the Board on, inter alia: the effectiveness of internal financial control; the effectiveness of internal control over operational and compliance activities; the adequacy of governance systems, including the "tone at the top".

The internal audit department also renders independent internal audit and risk management services to certain Group companies who elects to outsource the function.

When required, specialist skills are in-sourced to assist with information technology and forensic services.

EFFECTIVENESS OF RISK MANAGEMENT PROCESS AND SYSTEM OF INTERNAL CONTROL

The Board, via the Audit and Risk Committee, has considered the documented policies, procedures and independent assurance reports and is satisfied that the internal control process and risk management process implemented in the Group is effective.

The Board is not aware of any exposure or position that could culminate in the residual risk profile of the Group exceeding the risk-bearing capacity limits set by the Board.

SOCIAL AND ETHICS COMMITTEE REPORT

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93 ROLE AND RESPONSIBILITIES
94 EVALUATION OF COMMITTEE'S PERFORMANCE

The Board established the Social and Ethics Committee (the committee) during the year under review in order to assist it in monitoring Remgro's performance as a good and responsible corporate citizen. This report by the committee is prepared in accordance with the requirements of the Companies Act (No. 71 of 2008), as amended (Companies Act) and describes how the committee has discharged its statutory duties in terms of the Companies Act and its additional duties assigned to it by the Board in respect of the financial year ended 30 June 2012.

COMMITTEE MEMBERS AND ATTENDANCE AT MEETINGS

The committee comprises three suitably skilled and experienced members appointed by the Board, as set out in the table below. The chairman of the committee is Mr Herman Wessels, an independent non-executive director. In terms of the committee's mandate at least two meetings should be held annually, but due to the fact that the committee was only established during February 2012, only one meeting was held during the year under review.

Composition of the committee

Committee member*	Number of meetings held	Number of meetings attended
H Wessels (chairman)	1	1
J A Preller	1	1
N J Williams	1	1

** Abridged curriculum vitae of all the directors of the Company are set out on pages 20 to 21 of the Integrated Annual Report, while the qualifications of Mr N J Williams (who is a member of the Management Board and also a prescribed officer in terms of the Companies Act) is presented on page 9.*

ROLE AND RESPONSIBILITIES

The committee's role and responsibilities are governed by a formal mandate as approved by the Board. These responsibilities include the statutory duties as per the Companies Act, as well as those assigned to it by the Board. The mandate is subject to an annual review by the Board.

The main objective of the committee is to assist the Board in monitoring the Group's performance as a good and responsible corporate citizen. This is done by monitoring the sustainable development practices of the Group as set out below, thereby assisting the Board in achieving one of its values of doing business ethically.

Remgro's two wholly owned operating subsidiaries, Tsb Sugar and Wispeco, have established their own Social and Ethics Committees which operate independently from this committee. Remgro's representatives on the board of Tsb Sugar and Wispeco also attend the meetings of these committees, *ex officio*.

The committee is satisfied that it has fulfilled all its duties during the year under review, as further detailed below.

Monitoring of sustainable development practices

In the execution of its duties, the committee has reviewed the sustainable development practices of the Group, specifically relating to:

- ethics and compliance;
- corporate social investment;
- stakeholder relations;
- broad-based black economic empowerment;
- health and public safety;
- labour relations and working conditions;
- training and skills development; and
- management of the Group's environmental impacts.

The committee's monitoring role also includes the monitoring of any relevant legislation, other legal requirements or prevailing codes of best practice, specifically with regard to matters relating to social and economic development, good corporate citizenship, the environment, health and public safety, consumer relationships, as well as labour and employment.

The committee further monitors Remgro's participation and results achieved in external surveys in respect of any sustainability aspect pertaining to the Group. In this regard the committee noted the external recognition and achievements by the Group, as reported on page 96 of the Integrated Annual Report.

Public reporting and assurance

The committee, together with the Audit and Risk Committee, is responsible for reviewing and approving the sustainability content included in the Integrated Annual Report, as well as determining and making recommendations on the need for external assurance of the Group's public reporting on its sustainable development performance. The committee has reviewed the content of the Sustainable Development Report included in the Integrated Annual Report, and has recommended it for approval by the Board.

EVALUATION OF COMMITTEE'S PERFORMANCE

In terms of the committee's mandate, the Board has to evaluate the effectiveness of the committee annually. The first assessment of the committee will be conducted during the next evaluation process toward the end of the next financial year.



Herman Wessels
Chairman of the Social and Ethics Committee

Stellenbosch
20 September 2012

SUSTAINABLE DEVELOPMENT REPORT

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119 MILLENNIA PARK – REMGRO'S NEW GREEN HEAD OFFICE

"The best definition of a business I have heard of is that it is an institution which serves the community honourably at a profit."

(Dr Anton Rupert)

INTRODUCTION

Remgro's current value system incorporates the guidelines drawn up by its founder, Dr Rupert, more than 40 years ago for doing business successfully. These guidelines include the following:

- ***Honesty*** – because it lasts the longest
- ***Correctness*** – because it creates trust with friends and opponents
- ***Courtesy*** – which means dignity without pride and friendliness without subservience
- ***Service*** – in every respect to your client, your fellow-man, your country
- ***Mutual support*** – so that you push others up the ladder of success while climbing yourself, because if you pull others down, you will also fall
- ***Trust*** – the belief that all will work out well if everyone is doing their duty

Remgro believes that these values incorporate the spirit in which it strives to be a good corporate citizen. From the above it is evident that the three pillars of sustainable development, namely economic, social and environmental sustainability practices have always been part of Remgro's core values.

Remgro is fully committed to managing its business in a sustainable way and upholding the highest standards of ethics and corporate governance practices. While corporate governance, risk management and IT governance are addressed in the Corporate Governance and Risk Management Reports, the Sustainable Development Report provides a better understanding of Remgro's efforts on the social and environmental front in order to achieve its key objectives of maximising value creation over the short, medium and long term, whilst doing business ethically. Refer to the table below for the external recognition and achievements during the reporting period in this regard.

Sustainability highlights

- Successful participation in the JSE SRI Index since its inception in 2004
- Continued participation in the Carbon Disclosure Project (CDP) and repeat achievement of listings in the CDP Leadership and Performance Indices
- Continued membership of the Ethics Institute of South Africa
- First external assessed BBBEE scorecard, achieving a Level 5 contributor status

SCOPE AND BOUNDARY OF REPORT

This report represents Remgro's second Sustainable Development Report where more detailed information regarding the non-financial aspects of corporate practice of the Group is presented. As also set out on page 5, guidance was taken from the Global Reporting Initiative™ (GRI) Boundary Protocol in determining the parameters for this report. Disclosure is therefore limited to those entities where the Group 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.

Currently Remgro has three operating subsidiaries, i.e. Rainbow Chicken Limited (Rainbow Chicken), Tsb Sugar Holdings (Pty) Limited (Tsb Sugar) and Wispeco Holdings Limited (Wispeco). As Rainbow Chicken (a 73% subsidiary) is listed on the JSE, detailed information regarding its financial, sustainability and social performance is available on its website at www.rainbowchicken.co.za.

Both Tsb Sugar and Wispeco are unlisted wholly owned subsidiaries which are operated and managed on a decentralised basis as independent entities with autonomous boards of directors. Based on the above, as well as the fact that these companies only represent 4.7% of Remgro's intrinsic net asset value, only summarised "non-financial" disclosure relating to social and environmental performance is provided for these companies. This is in line with Remgro's reporting on the financial performance of these companies.

Following on the philosophy outlined above, Remgro manages all investee companies on the same decentralised basis, irrespective of whether they are subsidiaries, associates or joint ventures. Therefore data relating to the social and environmental performance of subsidiaries, associates and joint ventures, over which Remgro does not exercise operational control, are not covered in this report. However, information is provided in instances where material sustainable development issues are at stake. Except where otherwise indicated, all disclosures relating to social and environmental performance thus only relate to Remgro's activities at its head office in Stellenbosch.

REPORTING PRINCIPLES AND ASSURANCE

The content of this report is based on the principles and recommendations regarding integrated sustainability reporting as contained in the King Report on Governance for South Africa 2009 (King III report) as well as the G3 Sustainability Reporting Guidelines developed by the GRI. The recommendations contained in the local and international discussion papers on Integrated Reporting issued by the Integrated Reporting Committee of South Africa in January 2011 and the International Integrated Reporting Committee in September 2011 were also noted and applied wherever possible. Although Remgro is committed to improved reporting in line with the recommendations of King III and GRI G3, we have not declared our GRI G3 application level for this report. This decision was taken in the light of the fact that the fourth generation of Sustainability Reporting Guidelines (GRI G4) is currently being developed by the GRI, expected to be released in 2013. Developments in this regard are monitored continuously.

We acknowledge the increasing requirements from investors and regulatory and other guidelines, such as King III, GRI G3 and the integrated reporting guidelines for the external assurance of selected non-financial information. We further acknowledge our accountability to our stakeholders to present information that is relevant, accurate and reliable. In this regard it should be noted that Remgro follows a combined assurance model, incorporating management, internal audit and external assurance (e.g. BBBEE ownership scorecard verification, Carbon Disclosure Project (CDP) verification), as illustrated in the table below. We believe that these assurance methods provide the necessary assurance over the quality and reliability of the information presented. The different options and levels of external assurance available are continuously being considered to determine the way forward on external assurance.

COMBINED ASSURANCE

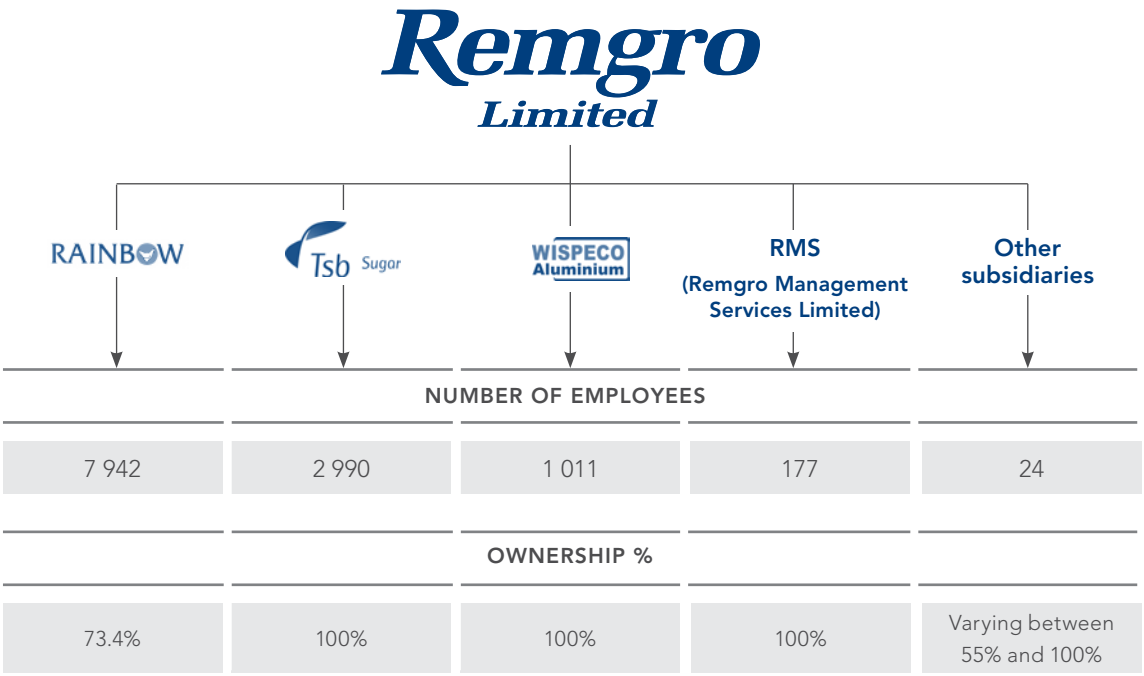
Assurance output	Business processes assured	Provider
Independent external auditor's report	Financial reporting	PricewaterhouseCoopers Inc.
Internal audit reports	Risk-based selection of audit areas	Remgro Risk and Internal audit
Internal risk management	All key business risk areas	Internal management surveys, assisted by Remgro Risk and Internal audit
BBBEE Level 5 contributor verification	Broad-based black economic empowerment	Empowerdex
External calculation of carbon footprint	Carbon footprint calculation	Carbon Calculated, assisted by an independent consultant

ORGANISATIONAL STRUCTURE

Presented in Figure 1 below is a schematic presentation of Remgro and its operating subsidiaries, including information regarding their number of employees and ownership interest.

As referred to earlier, only summarised "non-financial" disclosure relating to the social and environmental performance of Remgro's operating subsidiaries is provided in this report.

Figure 1



NUMBER OF EMPLOYEES				
7 942	2 990	1 011	177	24
OWNERSHIP %				
73.4%	100%	100%	100%	Varying between 55% and 100%

MANAGEMENT APPROACH TO SUSTAINABILITY

Remgro's Board is ultimately accountable for the performance of the Company, appreciating that strategy, risk, performance and sustainability are inseparable. In this regard the Board has delegated the general oversight and reporting of sustainability to the Audit and Risk Committee, assisted by the newly formed Social and Ethics Committee. The role and function of this committee is dealt with in more detail in the Corporate Governance Report and the Social and Ethics Committee Report on pages 83 and 92 respectively.

ETHICS AND COMPLIANCE

Ethics

The Board believes that ethical behaviour stems from appropriate value systems inherent to the people in the Company's employ as directed and supported by visual ethical leadership and a values-driven corporate culture. Leadership based on ethical foundations results in a natural culture of ethical and moral behaviour and compliance with laws, rules, codes and standards. The Board therefore retains the responsibility to establish and maintain a culture of honesty, transparency, fairness, responsibility and accountability in order to position the Company as an investment partner of choice. This is underscored by ethical leadership as ethics cannot be regulated but stems from personal conviction.

In this regard the Company has adopted a Code of Ethics (the code) that provides a framework of ethical practices and business conduct that are applicable to all directors and employees. The code is available to all employees on Remgro's in-house intranet and a copy is provided to all new employees. The code as well as a formal Gifts Policy also provides strict policies regarding gifts, invitations or favours received from suppliers or any other party. The offering of favours to gain unfair commercial advantages is also strictly prohibited.

The Audit and Risk Committee monitors compliance with the code and addresses instances of fraud or irregularities. During the reporting period there were no incidents of fraud or irregularities.

The Company has implemented an ***Ethics line*** to enable any employee or other stakeholder to report knowledge of perceived and alleged irregular or unethical behaviour in a confidential and controlled environment. The Ethics line is managed by an independent third party and is available on a 24-hour basis. During the year under review no calls were received through the Ethics line which related to alleged governance breaches or ethical anomalies at Remgro. Where calls are received which relate to alleged irregularities at investee companies, such calls are directed to the appropriate governance structures at the respective investee companies via the Remgro representatives serving on the boards of these companies.

Details regarding the Ethics line and Ethics Contact Person are available on Remgro's website at www.remgro.com.

Competition

The Group supports and adheres to the relevant competition and anti-trust laws applicable in the various jurisdictions in which the Group operates. These laws are complex and Remgro has requested Group companies to include competition law compliance as a standing item on Board agendas. During the year no enquiries regarding anti-competitive, anti-trust or similar conduct were received which resulted in fines being levied.

Compliance

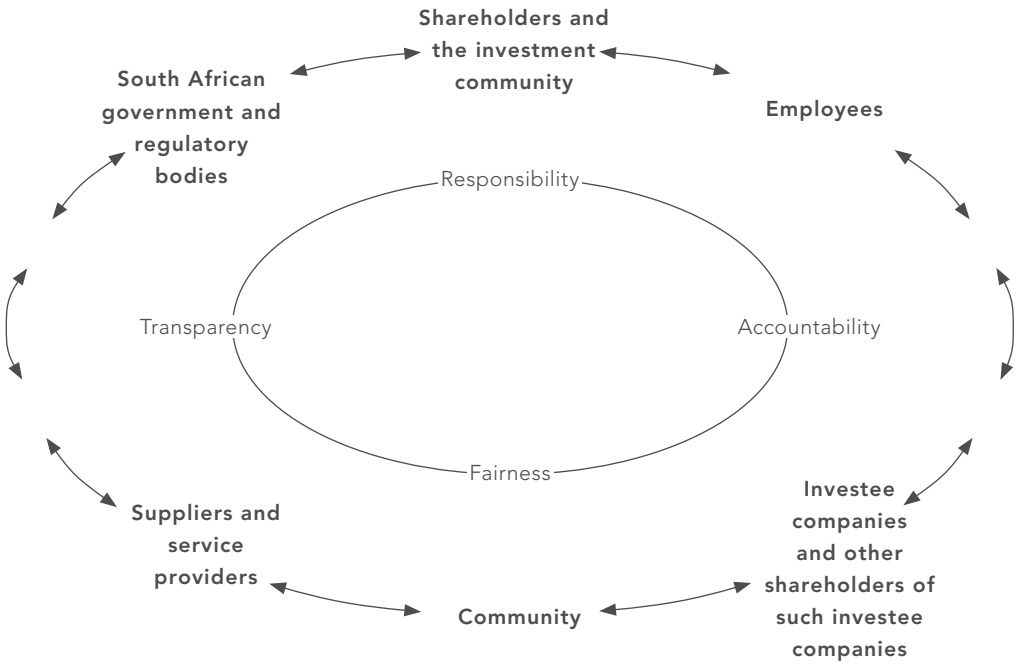
During the year under review there were no incidents of material non-compliance with any laws, regulations, accepted standards or codes, and no significant fines were imposed either.

STAKEHOLDER RELATIONS

Our relationship with all our stakeholders is based on the following values that are entrenched and supported by Remgro's Code of Ethics:

- ***Responsibility***, for the assets and actions of the Company
- ***Accountability***, for justifying its decisions and actions to shareholders and other stakeholders
- ***Fairness***, in considering the legitimate interest of stakeholders
- ***Transparency***, in disclosing information in a manner that enables stakeholders to make informed decisions about the Company's performance and sustainability

Remgro's Board is the ultimate custodian of its corporate reputation and stakeholder relationships. In this regard a formal Stakeholder Policy sets out the approach and strategy of Remgro with respect to stakeholder engagements, ensuring that a stakeholder-inclusive approach to corporate governance is followed.



Remgro utilises a wide variety of communication methods to ensure that its communication with stakeholders is clear and understandable, as well as transparent, balanced and truthful, and sets out all relevant facts, whether positive or negative. Care is taken to ensure that engagement with stakeholders is, where appropriate, not just one-way communication but constructive, partnership-based engagement. This ensures that all legitimate stakeholder expectations are identified and addressed as far as possible.

Remgro, like other organisations, has many economic impacts on our stakeholders through, amongst other things, the generation and distribution of value, the creation of employment opportunities, remunerating our employees fairly and competitively, and our corporate social investment. We continuously manage these and engage with our stakeholders on matters relevant to them, as reported elsewhere in this report.

Shareholders and the investment community

Remgro's primary objective is to maximise value creation and sustainable growth and in this regard particular care is taken to ensure that all shareholders, or classes of shareholders, are treated equitably. Special care is taken to protect minority shareholders from actions by or in the interest of the controlling shareholder that may be to their detriment. In this regard a Lead Independent Director was reappointed during the year under review to act as chairman during meetings in situations where the independence of the existing Chairman may be questionable or compromised.

Communication with investors is based on the principles of timely, balanced, clear and transparent information. In this regard the investment community has access to the same information as Remgro shareholders. Firm protocols are in place to control the nature, extent and frequency of communication with investors. Shareholders and the investment community are encouraged to attend Remgro's general meetings where topical matters are discussed openly. Further interactions with institutional investors take place twice a year at the dial-in interim and final results presentations, where questions can be directed to the CEO and CFO. The investment community is also welcome to contact senior management directly.

The most recent and historic financial and other information is published on the Company's website at www.remgro.com.

Employees

In order for Remgro to be able to achieve its main objectives it is essential to attract and retain employees of the highest calibre. Our employees are treated fairly and remunerated competitively and Remgro strives to afford all staff the opportunity to realise their full potential. During corporate actions special care is taken to ensure that employees belonging to the Remgro Equity Settled Share Appreciation Right Scheme are not treated more favourably than ordinary shareholders.

As Remgro is an investment holding company with a small staff complement, communication with employees is kept informal and is conducted through a variety of media, including email updates, the in-house intranet, Remgro website, information sessions and notice boards. Care is taken that all communication with shareholders is also communicated to employees.

Investee companies and other shareholders of such investee companies

Remgro's performance is directly linked to the performance of the underlying investee companies and accordingly communication with those entities and co-shareholders is regarded as very important. Relationships with investee companies are managed principally through board representation, with Remgro directors or senior management acting as non-executive directors on the investee companies' boards. These representatives interact with the directors and senior management of investee companies at investee companies' board meetings and, as and when necessary, representatives of investee companies are encouraged to arrange to meet with Remgro senior management to discuss their business. All dealings with co-shareholders in the investee companies are done fairly in terms of the underlying shareholders' agreements and Remgro strives to add value to these investments.

Community

Corporate citizenship, the commitment of a business to contribute to sustainable economic development, endorses the principle that no business exists in isolation but undeniably forms an integral part of the environment in which it operates.

In its relationship with the community Remgro strives to be a value partner and in this regard its involvement in the community focuses on eradicating the effects of poverty and investing in young people from disadvantaged communities in the belief that such an investment will provide sound dividends far into the future. Remgro's corporate social investment initiatives and donations are discussed in more detail on pages 105 to 107.

Suppliers and service providers

Remgro believes in building long-term partnerships with service providers through establishing a relationship of mutual trust and respect. Various criteria play a role in selecting suitable service providers, such as compliance to quality standards (if applicable), the stability and proven track record of the organisation and available support network.

As Remgro is an investment holding company its cost structure is constantly measured against that of unit trusts to ensure that its shareholders are not prejudiced. As part of managing corporate costs good relationships are maintained with suppliers and service providers.

South African government and regulatory bodies

An open and honest relationship is maintained with the government and relevant regulatory bodies. In this regard communication is on an ad hoc basis as and when the need arises and usually in the form of formal meetings. Regulatory bodies like National Treasury, the South African Reserve Bank (SARB) and the JSE Limited are kept up to date regarding corporate actions in accordance with all applicable laws and regulations. Annual meetings are held with the SARB in order to keep them up to date regarding Remgro's off-shore activities.

BROAD-BASED BLACK ECONOMIC EMPOWERMENT (BBBEE)

Introduction

The Board believes that BBBEE is a social, political and economic imperative and it supports and encourages the Company's subsidiaries and associates' initiatives in this regard. To the extent that Remgro's subsidiaries and associates implemented BBBEE, Remgro's shareholders effectively participate in BBBEE initiatives and the associated costs and benefits thereof.

During the prior period it was decided to engage Empowerdex to certify the "Equity ownership" score of the Company. This year it was decided to take this process one step further and obtain a formal assessment of Remgro's BBBEE status, as measured against the generic scorecard criteria set by the Department of Trade and Industry. In terms of the assessment (which is based on the information as at the time of the assessment) Remgro was awarded a score of 59.09, which equates to a level 5 contributor. The details of the assessment are fully set out in Figure 3.

It should be noted that the assessment includes the BBBEE initiatives of Remgro's three independent operating subsidiaries, Rainbow Chicken, Tsb Sugar and Wispeco.

Equity ownership

Verification of BBBEE ownership is governed by the Codes of Good Practice on BBBEE (the Code) which were gazetted on 9 February 2007 in terms of Section 9(1) of the Broad-Based Black Economic Empowerment Act (No. 53 of 2003). As reported above, Remgro's "Equity ownership" was certified during 2011. The methodology followed for the verification and certification of Remgro's contributions to BBBEE ownership was taken from the provisions of Code Series 100, Statement 102 – Recognition of Sale of Assets. The results of this exercise are presented in Figure 2 below.

It should be noted that, in addition to the above, there is also black ownership included in the shareholdings in Remgro held by institutional investors (refer to page 198 where Remgro's major shareholders are disclosed). Due to the fact that the records of the ultimate beneficiaries of these shareholdings are not readily available by race and gender, it was not quantified.

Figure 2

BBBEE EQUITY OWNERSHIP SCORECARD

			Scorecard	
Ownership	**Weighting**	**Targets**	**Achieved**	**Score**
Black voting rights	3	25.00%	11.44%	**1.37**
Black female voting rights	2	10.00%	2.73%	**0.55**
Black economic interest	4	25.00%	11.44%	**1.83**
Black female economic interest	2	10.00%	2.73%	**0.55**
Economic interest (specified groups)	1	2.50%	2.10%	**0.84**
Realisation points				
– Ownership fulfilment	1	Yes	Yes	**0.00**
– Net value	7	Various	11.44%	**3.20**
Bonus – New black entrants	2	10.00%	0.00%	**0.00**
Bonus – Black participants	1	10.00%	0.00%	**0.00**
Total score				**8.34**

Figure 3

BBBEE SCORECARD

Element	Indicator	Weighting	Score
Equity ownership	Percentage share of economic benefits	20	**8.34**
Management control	Percentage black persons in executive management and/or executive board committees	10	**3.28**
Employment equity	Weighted employment equity analyses	15	**4.37**
Skills development	Skills development expenditure as a proportion of total payroll	15	**5.49**
Preferential procurement	Procurement from black-owned and empowered enterprises as a proportion of total assets	20	**17.61**
Enterprise development	Average value of enterprise development contribution as a percentage of the target of 3% of net profit after tax	15	**15.00**
Socio-economic development	Corporate social investment for the benefit of black persons	5	**5.00**
Total score		100	**59.09**

Although Remgro's BBBEE score includes the initiatives of Rainbow Chicken, Tsb Sugar and Wispeco, the discussion below regarding the other elements of the generic score-card criteria only relate to the activities at Remgro's head office in Stellenbosch. For more detail regarding the BBBEE initiatives at investee company level, refer to the section "BBBEE at investee companies" on the next page.

Management control

The composition of Remgro's Board is structured in such a way as to ensure that the collective skills and experience of directors are suitable to carry out its responsibilities and to achieve the Company's objectives. The Board has transformed quite considerably during the past couple of years, with five of the twelve non-executive directors (42%) being black. On Management Board level, one of the six members is also black.

Employment equity

Employment equity represents Remgro's most significant transformation challenge. An annual labour plan is submitted to the Department of Labour where Remgro's transformation objectives are set out in detail. Although efforts are focused on improving the Company's black representation at management level, low staff turnover of 5.6% (2011: 4.3%), as well as limited organic growth remain limiting factors. More detail regarding employment equity is presented on page 103.

Remgro's summarised employment equity report as at 31 August 2011 is presented in Figure 4 and sets out the distribution by race of permanent employees per occupation level.

Skills development

Remgro complies with the requirements of the Skills Development Act in terms of which a fixed percentage of its payroll is paid as a training levy to the South African Revenue Service. An annual report concerning all the training which has taken place in the Company is also submitted to the relevant SETA.

Preferential procurement

As Remgro is not an operating company it has a small procurement function and its procurement profile is characterised by a high service component as opposed to materials purchased. Remgro purchases more than half of its goods and services from BBBEE accredited vendors. The improvement of the preferential procurement score remains a focus area for Remgro.

Enterprise and socio-economic development

A considerable amount of time and resources are spent internally on business development and corporate social investment (CSI) initiatives. Further detail regarding the Company's CSI initiatives are provided on page 105.

BBBEE at investee companies

Remgro monitors and contributes to its investees' BBBEE performance through its board representation and participation and facilitation of corporate actions in these investee companies. The BBBEE status of Remgro's operating subsidiaries is discussed in more detail in the section dealing with "Sustainability at operating subsidiaries" on page 107.

Below is the summary of the BBBEE status of a number of Remgro's associates as at 30 June 2012:

FirstRand	Level 2 contributor
Sabido	Level 2 contributor
Total South Africa	Level 2 contributor
Air Products	Level 3 contributor
Mediclinic	Level 3 contributor
Distell	Level 4 contributor
Dark Fibre Africa	Level 5 contributor
Unilever	Level 6 contributor

Figure 4

SUMMARISED EMPLOYMENT EQUITY REPORT AS AT 31 AUGUST 2011

	Male				Female				Foreign nationals		
Occupational levels	A	C	I	W	A	C	I	W	Male	Female	**Total**
Top management	0	1	0	6	0	0	0	1	0	0	**8**
Senior management	0	0	0	13	0	0	0	2	0	0	**15**
Professionally qualified and experienced specialists and mid-management	0	1	1	22	0	0	0	9	0	0	**33**
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	4	6	0	11	1	5	0	36	0	0	**63**
Semi-skilled and discretionary decision-making	19	27	0	0	7	11	0	0	0	0	**64**
Unskilled and defined decision-making	0	0	0	0	0	0	0	0	0	0	**0**
Total permanent	**23**	**35**	**1**	**52**	**8**	**16**	**0**	**48**	**0**	**0**	**183**
Temporary employees	0	1	0	2	1	0	0	0	0	0	**4**
Grand total	**23**	**36**	**1**	**54**	**9**	**16**	**0**	**48**	**0**	**0**	**187**

OUR PEOPLE

Employee composition

Remgro believes that the quality of its staff represents an important sustainable advantage. Being an investment holding company, it has a relatively small staff complement, with only 177 people being employed as at 30 June 2012 (30 June 2011: 182 employees). Refer to Figure 5 where more detail regarding the composition of our employees by race, gender and age is illustrated.

For the year under review Remgro's employee turnover rate was 5.6%, compared to 4.3% for the fifteen months to 30 June 2011. The turnover rates were calculated by using the total number of employees at year-end. By only taking into account resignations (thus avoidable employee turnover), the above numbers reduce to 2.8% for 2012 and 1.6% for 2011.

Recruitment and selection policy

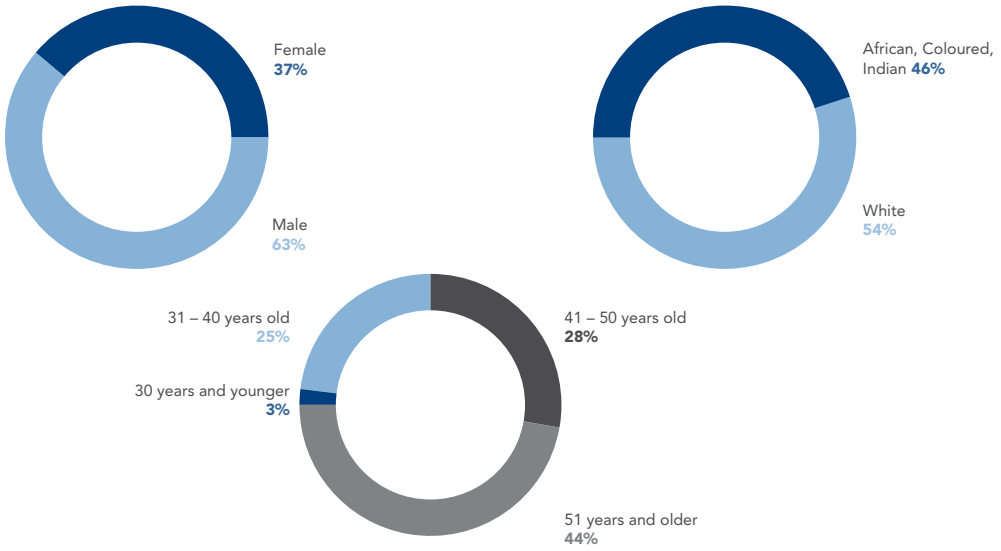
In order to ensure that Remgro remains an investment partner of choice it is imperative to attract, select and retain employees of the highest calibre. In this regard the Company will at all times endeavour to appoint the best candidate in a position. Remgro believes that all persons are entitled to equal employment opportunities and accordingly no unfair discrimination against employees or applicants based on gender, race, religion or any other factor is allowed.

Employment equity

Remgro endorses the principles of the Employment Equity Act, and in this regard its employment equity policy strives to offer equal opportunities to all employees and aims at identifying suitable individuals and developing and compensating them in line with their performance, dedication and loyalty. Special attention is given to those groups which, because of historic reasons, may be in a disadvantaged position.

Figure 5

COMPOSITION OF EMPLOYEES



Employee remuneration

Our objective is to reward our employees fairly and competitively, according to their capabilities, skills, responsibilities and performance levels. The level of salaries we pay is one of a number of elements in our strategy to retain, motivate and, where necessary, recruit high-quality people. In addition, Remgro also offers its staff a stimulating working environment. Remgro has a formal Remuneration Policy that sets out the remuneration approach for directors and members of the Management Board. Refer to the Remuneration Report on page 121 where Remgro's remuneration approach is set out in detail.

Remgro offers retirement benefits to its employees in the form of a defined-benefit (closed fund) and a defined-contribution fund that are administered independently of the finances of the Company. In addition employees are also offered medical insurance and study assistance.

Training and skills development

The main purpose of training is to equip employees in such a way that they can realise their full potential to benefit the Company and themselves. Due to the specialised nature of Remgro's workforce resulting from it being an investment holding company, no prescribed training programmes are promoted. Individuals are, however, encouraged to attend training programmes which will better equip them to do their jobs. During the past few years numerous workshops and training sessions on King III and the new Companies Act were, however, held to ensure that its directors and management are equipped to implement and practise sound corporate governance at all levels where they are involved.

Health and safety

The Company has a duly constituted health and safety committee, as required by the Occupational Health and Safety Act. The committee is a subcommittee of the Risk and IT Governance Committee and ensures 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.

HIV/Aids

From an investment holding company perspective, the risk of HIV/Aids comprises two elements:

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. More information regarding the management of HIV/Aids by Remgro's operating subsidiaries is provided on page 107 of the report.

Company risk

Remgro has a formal HIV/Aids policy and is committed to actively manage the pandemic, and the business risks associated with it. 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 confidentiality 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.

INVESTING IN THE COMMUNITY

Remgro's corporate social investment initiatives and donations programme cover a broad spectrum of society and can be summarised in the following categories:

- Community development
- Cultural development
- Entrepreneurship and training
- Environment
- Healthcare
- Sport development

Remgro aims to maintain a corporate social investment (CSI) spend of approximately 2.5% of its net free cash flow annually. In this regard an official donations committee meets regularly to consider and approve grants to institutions in need. Donations to qualifying institutions are made on an annual basis for a specified period and, although such contributions cover quite a wide range, there are two noticeable exceptions: political parties and religious institutions. Remgro respects its employees' choice to participate in these organisations, but does not exercise a choice itself.

During the year under review Remgro's CSI spending amounted to R12 million (fifteen months to 30 June 2011: R22 million), as set out in the table below.

Summary of CSI spend	Twelve months 30 June 2012 R million	Fifteen months 30 June 2011 R million
Community development	**4**	7
Cultural development	**2**	4
Entrepreneurship and training	**3**	5
Environment	**1**	3
Healthcare	**1**	1
Sport development	**1**	2
	12	22

During the year under review the most notable initiatives that Remgro has been involved with, were the following:

Community development

Strengthen our Society (SOS) – in its approach to corporate social investment, Remgro over the years has followed a strategy of investing not so much in charitable organisations, but in supporting the dedicated people who are driving these initiatives. However, we have increasingly come to realise that still more can be achieved if not only money but also expertise is shared with local institutions, thus enabling them to be more effective and to broaden the scope of their activities.

Although most community institutions are not lacking leadership or enthusiasm, they are often hamstrung by a lack of structural capacity which prevents them from breaking through and realising their full potential.

To address this issue, Remgro, together with the Greater Stellenbosch Development Trust, has, after widespread consultation, decided to launch a programme to strengthen local organisations by investing the time of staff, on a voluntary basis, as well as money into a selected group of institutions. SOS, as the initiative will be known, was launched during June 2012 and aims to bridge the gap between interested business enterprises and charitable organisations with the aim of inculcating a culture of community involvement.

SOS will endeavour to identify the needs for management expertise, administrative capacity and financial administration and to address these by providing the necessary training. The immediate goal is to strengthen 12 local community institutions over the next year.

Ikamva Labantu – for nearly half a century now this broad-based community organisation has catered for the needs of the destitute people in the poverty-stricken townships of Cape Town. It has a holistic approach to the development of impoverished communities – from early childhood and family support services to looking after the needs of senior citizens and disabled people.

Stellenbosch Community Development Programme (SCDP) – this initiative is based in a township on the outskirts of Stellenbosch, where the majority of residents (30 000) come in search of work. Most live here in informal settlements and in dire poverty. This, coupled with a high incidence of illiteracy and HIV/Aids, makes Kayamandi a community in desperate need of assistance. The prime aim of SCDP is to stamp out starvation by providing food to needy and malnourished primary and pre-school children, and in doing so improve their learning and concentrating abilities.

Stellenbosch Feeding in Action – a recent survey has indicated that 28% of the local population does not enjoy food security. Feeding in Action addresses this predicament by providing some 2 000 food parcels per week to schools and clinics. In addition, food is made available to 4 000 needy people at 27 feeding points, while assistance is given to 25 other organisations such as Youth Outreach, the Haven, various crèches and schools. A new focus of Feeding in Action is to participate in community projects aimed at youth upliftment and also to reach out to terminal patients (HIV/Aids and TB) by visiting clinics and inviting patients to existing feeding points.

Cultural development

Field Band Foundation (FBF) – from a modest beginning in 1997, the FBF has grown to an organisation with 18 field band regions and 40 bands. Through mass brass bands, the FBF tries to create a safe, inspiring and energising environment in which young people can discover and nurture their inner strengths and positive qualities. The Cape Whaler Field Band, sponsored by Remgro, has been able to solicit the support from nine schools in Stellenbosch and Macassar and that has contributed hugely to the success of this field band. More than a third of the members' parents are unemployed and children in distress are registered in a special programme where they receive support, such as school uniforms, food parcels and counselling.

Children's Art Festival (CAF) – founded more than 20 years ago, this established feature of the annual Grahamstown National Arts Festival provides children with a stimulating and exciting education in the arts. The children are mainly from the Eastern Cape, many of whom from backgrounds where any form of art is completely foreign.

Entrepreneurship and training

TSiBA – the Tertiary School in Business Administration, also known as the Entrepreneurial University of the Cape, was founded in 2004 with the aim of taking young people from the townships and providing them with a business education second to none. In 2009, it extended its operations to the Southern Cape, where it merged its activities with those of the Eden Campus near Sedgefield – a residential "green" college that focuses on entrepreneurship and skills development.

Shalamuka Foundation – this foundation was established in 2006 to raise long-term funding, inter alia through its participation in BEE transactions, for the highly regarded Penreach Programme, a non-profitmaking, holistic school development initiative. It aims at improving the skills of teachers and the quality of education and in turning schools in Mpumalanga and surrounding areas into centres of community development.

SciMathUS – was established in 2001 by the University of Stellenbosch as a bridging programme to assist talented black students from disadvantaged communities to gain access to mainstream higher education and to further their studies in physical and applied sciences, engineering, medical and health services, economic and management sciences.

Bergzicht Training Centre – based in Stellenbosch this centre provides education in job-related skills to unskilled and unemployed people from a disadvantaged background. Its approach is unique in the sense that it offers several condensed and comprehensive courses, none exceeding three months, throughout the year in various fields, such as home management, educare, frailcare and catercare.

ORT-Tech – has entered into a partnership with Remgro to improve the numeracy and literacy results of Gr. 6 learners in twelve schools in the Stellenbosch district. The project is a follow-up of the ORT SEED project funded by Remgro in Stellenbosch primary schools between 2008 and 2010. Despite the difficulties encountered, the ORT SEED/Remgro Model has developed to the extent where it can be replicated in other rural areas. Both the universities of Stellenbosch and Cape Town are involved in this initiative

which aims to change the way mathematics is taught and learnt. ORT-Tech is the innovative arm of ORT South Africa which operates throughout the country in areas of extreme poverty and disadvantage.

Environment

Peace Parks Foundation (PPF) – PPF was established with the aim of facilitating transnational conservation areas in Southern Africa through which sustainable economic development could be supported, biodiversity protected and regional peace and security promoted. An important facet of transnational parks is that populations in rural areas can be involved in nature reserves and be afforded the opportunity to share in the benefits resulting from the expected boom in tourism. Peace parks in Southern Africa today incorporate over half of the declared conservation areas in the region (measuring some 800 000 km²).

WWF South Africa (WWF-SA) – in the 44 years since its inception, WWF-SA has proved that it has the experience, scientific expertise, passion and determination to play a leadership role in nature conservation and to help find solutions for environmental issues of national and international importance. As part of the global WWF network, which operates in more than 100 countries, with a support base of almost five million people, WWF-SA is in a unique position to cooperate with various partners to conserve special environments and endangered species.

Healthcare

Wits Donald Gordon Medical Centre (WDGMC) – is the first private academic hospital in South Africa. In 2005, Mediclinic Hospital Group, in which Remgro has an interest, became a partner with Wits University in WDGMC and was awarded the management contract. WDGMC was established to create a facility in the private sector for the training of subspecialists in an attempt to retain their skills to the benefit of the healthcare sector in South Africa. Remgro has committed itself in 2004 to support the WDGMC for a period of ten years.

Organ Donor Foundation of SA – the availability of life-sustaining organs is virtually a matter of life or death. For the past 24 years the Foundation has dedicated itself to the smooth transition of organs between donor and recipient. By sponsoring four flights per year for the transport of critical organs, Remgro supports this humane effort and wishes to acknowledge the vital role played by the staff of the aviation company Falconair.

Sport development

SA Golf Development Board (SAGDB) – the main focus of the SAGDB is to make golf accessible to all South Africans by developing the game and by creating opportunities where they are lacking. At present, the SAGDB operates in ten regions of the country. Since its inception, the SAGDB has coached more than 17 000 young players from disadvantaged areas, many of whom have proceeded to represent the senior national squad and senior provincial teams.

Western Cape Cricket Academy – as a catalyst for cricket development in the country, the Academy has gone from strength to strength since its establishment in the 1990s. National and provincial teams literally swarm with players who have honed their talents at the Academy under the watchful eye of expert coaches, such as the late Eddie Barlow, Peter Kirsten, Eric Simons and more recently, Paul Adams. The provincial sides of Western Province and Boland were the greatest beneficiaries of this initiative, which has left an indelible mark on the careers of many talented players over the years.

SUSTAINABILITY AT OPERATING SUBSIDIARIES

Remgro's three operating subsidiaries, namely Rainbow Chicken, Tsb Sugar and Wispeco are operated and managed on a decentralised basis as independent entities with autonomous boards of directors. Only summarised "non-financial" disclosure relating to their governance structures, as well as social and environmental performance is provided in this report, while their financial performance is discussed in more detail in the "Investment reviews" section on page 41.

RAINBOW

Rainbow Chicken

Introduction

Rainbow has two operating subsidiaries, i.e. Rainbow Farms and Vector Logistics. ***Rainbow Farms'*** business includes the breeding and rearing of its own poultry which it feeds from its own feed mills, as well as the processing and marketing of fresh, frozen, value-added and further processed chicken. ***Vector Logistics*** is a specialist third-party logistics service provider for the frozen food industry in Southern Africa providing integrated logistics services to the retail, wholesale and food service sectors, including services to Rainbow Farms.

Rainbow's brands such as ***Rainbow***, ***Farmer Brown***, ***Rainbow FoodSolutions***, ***Epol***, ***Cobb*** and ***Vector logisticsolutions*** are well-known. The company is listed on the JSE Limited under the "Consumer Goods – Food Producers" sector, with the share code "RBW".

Governance, risk management and compliance

Rainbow's board consists of nine non-executive (four of whom are independent) and two executive directors. During April 2012 the Chairman of the Board, Mr Thys Visser, passed away. Mr Jannie Durand was appointed as the Chairman with effect from 12 June 2012. It should be noted that Mr Durand is not an independent Chairman due to his directorship of Rainbow's major shareholder, Remgro Limited. In this regard Rainbow has appointed Mr R V Smither as Lead Independent Director on 30 August 2011, to act as chairman during meetings in situations where the independence of the acting Chairman may be questionable or compromised.

As Rainbow is a listed company it has to comply with the JSE Listings Requirements and King III. During the year under review it has continued to enhance its governance, assurance and risk management practices. In this regard a new Social and Ethics Committee was established on 21 February 2012. Rainbow's Risk Committee, which is a subcommittee of the board, is responsible for overseeing the adequacy and overall effectiveness of the group's risk management function and its implementation by management. It is assisted by an internal audit department that comprises a dedicated team of appropriately qualified and technically experienced personnel.

Key sustainability areas

Customers are becoming increasingly proactive with regard to issues such as health and safety, farming practices, animal welfare, product safety, and product labelling. Rainbow addresses these issues in a variety of ways and below is an abbreviated extract from its Sustainability Report in this regard. ISO Management Systems have been implemented throughout Rainbow in order to comply with quality requirements and regulations.

STAKEHOLDER CONCERNS	WHAT WE DO
Product quality and safety	Appointment of meat inspectors and processing and engineering personnel to ensure safe products which comply with defined specifications Appointing SHEQ teams to verify processing, food safety, legal and quality compliance by conducting audits Compliance with ISO 22000
Labelling	Conforms to the regulations in Foodstuffs, Cosmetics and Disinfectant Act (No. 154 of 1972) and regulation R146 Supports the Consumer Goods Council of South Africa (CGCSA) and Global Standards (GS1) in listing of all products with GS1
Farming practices, including: *Animal welfare* *Bird housing* *Feed* *Animal health and safety*	Subscribes to the British Poultry Council's Assured Chicken Production Programme that sets the highest standards for the nutrition and welfare of poultry Animal welfare audit by independent accredited auditors throughout agricultural discipline to verify compliance to animal welfare requirements Stock density of each house is determined by the floor space of the house and the equipment in the house Access to farms regulated by strict bio-security measures Feed raw materials are controlled by the Fertilizers, Farms Feeds, Agricultural Remedies and Stock Remedies Act (No. 36 of 1947) Flock treatment is controlled by the Medicines and Related Substances Control Act (No. 101 of 1965) Regular SPCA inspections
Halaal status	Chickens are slaughtered by Halaal slaughterers and regular inspections from the South African Halaal Authority (SANHA) and from the Muslim Judicial Council (MJC)
Consumer insight	Marketing and Product Development teams ensure that Rainbow develop and market competitive brands at competitive prices
Injection levels of poultry meat	Working with Government and the Southern African Poultry Association (SAPA) to adopt a responsible approach to the injection of poultry meat

People

Rainbow recognises the importance of its people and is focused on building a community of inspirational people who have a common purpose. Through constructive recognition agreements, Rainbow has a significant bargaining unit, with 74% of its employees being within the bargaining unit, and for whom their recognised trade unions negotiate annually their salaries and conditions of employment. During 2011 Rainbow embarked upon a process of consultation and engagement with its employment equity committees to ensure the delivery of a comprehensive Employment Equity plan for 2015 and it is committed to achieving the Department of Labour targets within the set timeframe. The composition of Rainbow's workforce by race, gender and age is illustrated in Figure 6.

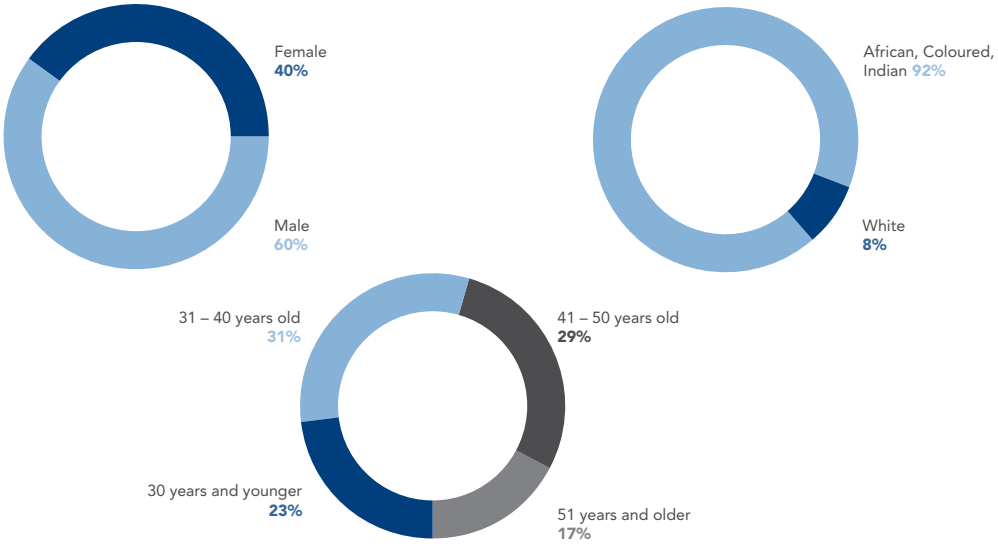
Rainbow has a National Health and Safety Policy which commits all operations and facilities to the provision and maintenance of a working environment that is healthy and safe. The company has achieved a "disabling incident frequency rate" (DIFR) of 1.63 in 2011 (2010: 1.72). The DIFR is an internationally accepted standard to measure safety performance and relates to the number of disabling incidents per 200 000 man-hours worked.

Rainbow's HIV/Aids policy covers the workforce and guides the company in the management of HIV/Aids, placing emphasis on education and peer education, prevention and voluntary counselling and testing. The policy also ensures that there is no discrimination in the workplace and employees attending clinic services do so with full confidentiality. Rainbow also sponsors HIV/Aids awareness youth days annually to increase community awareness.

Rainbow's training expenditure for the twelve months to June 2012 amounted to R15 million compared to R16 million for the fifteen months to June 2011.

Figure 6

COMPOSITION OF WORKFORCE (as at 30 June 2012)



BBBEE

Rainbow's latest BBBEE verification process was concluded during August 2012 by Empowerdex and it achieved a level 4 contribution level, equating to a 100% procurement recognition level, and a total of 66.06 points on the generic scorecard. This represents an improvement from the previous level 5 achieved during March 2011.

Corporate social investment (CSI)

In terms of Rainbow's CSI policy it has identified two focus areas where it believes it can make a significant/long-term sustained contribution to disadvantaged communities:

- Education, and
- Skills development

Rainbow's CSI expenditure for the twelve months to June 2012 amounted to R4 million compared to R4 million for the fifteen months to June 2011.

Environment

Refer to the "Environment" section on page 115 where the environmental practices of Rainbow are also incorporated.

Rainbow's complete Sustainability Report is available on its website at www.rainbowchicken.co.za.

Tsb Sugar

Introduction

Tsb Sugar is a wholly owned subsidiary of Remgro and aims to become the leading Southern African sugar producer. The company was founded in 1965 and currently owns and operates three sugar mills, two of which are situated in the Nkomazi region of Mpumalanga, while the third mill is situated in the Pongola area in northern KwaZulu-Natal. Sugar products are primarily sold under the well-established Selati brand. By-products of the sugar manufacturing process like bagasse and molasses are used in the production process of Molatek, Tsb Sugar's animal feed operation.

The company provides farming support to over 1 700 commercial and small-scale farmers on approximately 51 000 hectares of irrigated land. In turn, the farmers supply approximately 75% of the sugar cane that is processed through the mills.

Governance, risk management and compliance

Tsb Sugar has an autonomous board of directors which currently consists of eleven directors of whom seven are non-executive. Five of the non-executive directors are independent. The directors and executive management of the company fully supports the principle of responsible leadership based on the values of responsibility, accountability, fairness and transparency. These values were further entrenched during the year under review with the establishment of a Social and Ethics Committee.

In addition to the Social and Ethics Committee, the board has also established three other subcommittees to assist it in discharging its duties and responsibilities, being an Audit and IT Governance Committee, a Human Resources Committee and a Risk Committee. The Audit and IT Governance Committee consists of three independent, non-executive directors. The Risk Committee consists of two independent, non-executive directors and is responsible to review processes and policies which are implemented by executive management to ensure the integrity and effectiveness of risk management. The committee is assisted by an internal audit department that comprises a dedicated team of appropriately qualified and technically experienced personnel.

Key sustainability areas, risks and opportunities

Stakeholder concerns at Tsb Sugar mainly involve areas such as product quality and food safety, labelling, cane supply, control of rising input costs and responding to possible industry developments. On the next page is a summary of the ways in which Tsb Sugar addresses these issues.

STAKEHOLDER CONCERNS	WHAT WE DO
Product quality and food safety	All production and packaging facilities have been certified under the ISO 9001:2008 quality management system and food safety management system Packaging facilities have also been certified under the food safety systems of Hazard Analysis and Critical Control Points (HACCP), SANS10330:2007 and PAS220 (Pre-Requisite Programmes), as well as SANS1049:2011 Sugar products are supplied under a Certificate of Analyses (COA) to certify the quality of the products
Labelling	Conforms to the regulations in Foodstuffs, Cosmetics and Disinfectant Act (No 154 of 1972) Supports the Consumer Goods Council of South Africa (CGCSA) and Global Food Safety Initiative (GFSI) in listing of all products with GFSI
Halaal status	All sugar manufactured has Halaal status. Inspectors of the Islamic Council of South Africa ensure that all practices are in accordance with Halaal standards
Kosher status	Sugar and all ingredients used for the manufacturing process have Kashrut (Kosher) status. Inspectors from the Kashrut Department of the Union of Orthodox Synagogues of South Africa ensure that all practices are in accordance with Kosher requirements
Cane supply	Proactive involvement in the land reform programme in order to influence the implementation of sustainable farming models Promoting availability and security of irrigation water through participation in water management and governance of water management bodies such as Irrigation Boards and Catchment Management Agencies
Controlling rising input costs	Improve output and efficiencies to reduce unit costs Secure alternative revenue streams by diversification into the generation of power and/or ethanol production
Responding to possible industry developments	Continuous participation in Sugar Industry structures Interacting with all stakeholders in respect of the revision of the Sugar Act of 1978 to assist with the implementation of a sustainable industry model

People

Tsb Sugar currently employs approximately 2 800 staff members on a permanent basis. The company is included in the scope of two bargaining units and the remuneration of approximately 56% of the permanent workforce complement is determined through the collective agreement processes followed in these structures. Employment equity within Tsb Sugar is managed through an Employment Equity Forum which supports structured and regular participation by employee representatives in the process and also in the finalisation of annual labour plans submitted to the Department of Labour. Refer to Figure 7 where more detail regarding the composition of Tsb Sugar's workforce by race, gender and age is illustrated. Although efforts are focused on improving the company's black representation at management level, factors like a general shortage in specialised skills, particularly in engineering and sugar technology, remains a limiting factor.

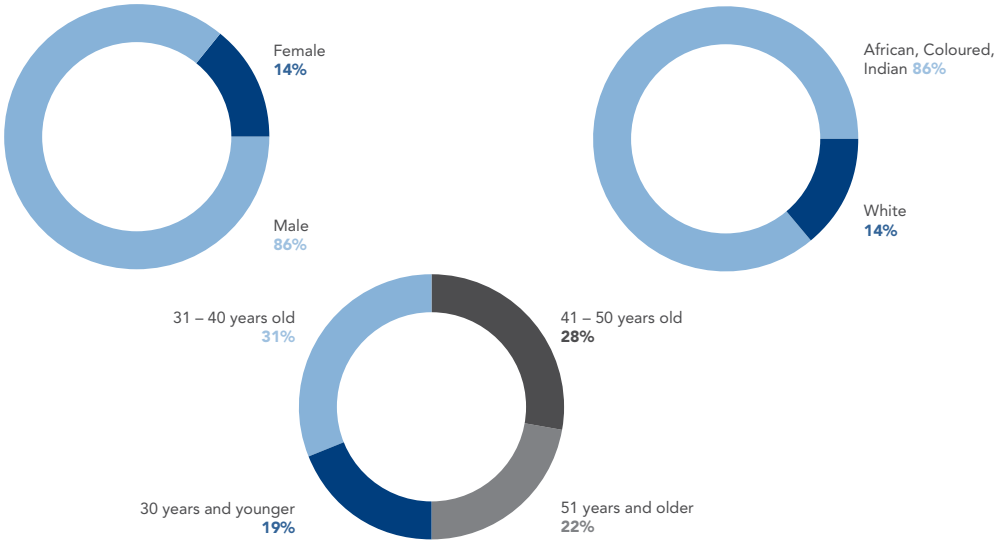
As safety is one of the key strategic objectives of Tsb Sugar, it has a formal health and safety programme that is monitored on a continuous basis by fourteen health and safety committees throughout the company. During the year under review the company has achieved a DIFR of 1.3, compared to 0.7 in 2011. Tsb Sugar uses the NOSA system to manage its health and safety processes and in the annual external audit conducted during October 2011 the company achieved a four-star NOSA rating (2010: five-star NOSA rating). Tsb Sugar views this worsening in the level of DIFR achieved, as well as the reduction in the NOSA rating obtained as a temporary setback, and plans to restore previous levels were already put in place. In addition to the above, Tsb Sugar operates three main clinics (one at each sugar mill) and seven satellite clinics for the benefit of its employees. These clinics are supported by doctors, nurses and other qualified medical staff.

Awareness in respect of HIV/Aids within Tsb Sugar is promoted through awareness programmes, supported by 54 Peer Group educators throughout the company. The Peer Group educators undergo a formal training programme and the objective is for each educator to undertake one training session per month. The company also supports a voluntary counselling and testing programme and the Government-driven programme to provide ARVs.

Tsb Sugar's training and development plan addresses areas such as leadership/management skills, core strategic skills and capabilities, as well as operational training. The company's internal training centre has been accredited as an Institute of Sectoral or Occupational Excellence (ISOE) in terms of scope and quality standards. Training expenditure for the twelve months to June 2012 amounted to R16 million compared to R15 million for the fifteen months to June 2011.

Figure 7

COMPOSITION OF WORKFORCE (as at 30 June 2012)



BBBEE

Tsb Sugar's latest BBBEE verification process was concluded during March 2012 by NERA and it achieved a level 5 contribution level, equating to a 80% procurement recognition level, and a total of 62.51 points on the generic scorecard. This represents an improvement from the previous level 6 achieved during June 2011. Various initiatives have been implemented by the company in order to improve its BBBEE rating. The objective is to improve to a level 4 contributor over a three-year period.

Corporate social investment (CSI)

Tsb Sugar's CSI programme covers areas such as education, health, sport events, as well as other social upliftment projects in rural areas. Full detail regarding the company's CSI initiatives is available on its website.

The company's CSI expenditure for the twelve months to June 2012 amounted to R3 million compared to R4 million for the fifteen months to June 2011.

Environment

Refer to the "Environment" section on page 115 where the environmental practices of Tsb Sugar are also incorporated.

For more detail regarding Tsb Sugar, refer to its website at www.tsb.co.za.

WISPECO Aluminium

Wispeco

Introduction

Wispeco is a wholly owned subsidiary of Remgro and has become one of South Africa's leading aluminium suppliers. Its main business is the manufacturing and distribution of extruded aluminium profiles used mainly in the building, engineering and durable goods sectors. Currently the company is the largest supplier of aluminium to the architectural market and leads the way with development of architectural aluminium products to meet the requirements of the new building regulations.

Governance, risk management and compliance

Wispeco's board of directors currently consists of four directors of whom only one is independent. The composition of the board does thus not comply with the independence requirements of King III. Remgro currently has two representatives on Wispeco's board and as part of their duties they ensure that sound corporate governance and sustainability practices are followed through the adoption and implementation of Remgro's policies, processes and procedures. During the year under review a Social and Ethics Committee was established as per the requirements of the new Companies Act.

It should further be noted that the composition of Wispeco's audit committee also does not comply with the requirements of the Companies Act and that of King III. In this regard it acts as a subcommittee of the Remgro Audit and Risk Committee and reports to that committee by way of including its minutes of meetings in the agenda. Remgro's internal audit division is responsible for all internal audit work at Wispeco and in this regard assists the Wispeco board to maintain a comprehensive risk management system.

Key sustainability areas, risks and opportunities

Stakeholder concerns at Wispeco mainly involve areas such as product quality, safety, raw material procurement, customer service and environmental issues. Below is a summary of the ways in which Wispeco addresses these issues.

Cheap imports by competitors represent the main risk area to the long-term sustainability of Wispeco's manufacturing business. This prompted the company to further improve its production efficiencies.

STAKEHOLDER CONCERNS	WHAT WE DO
Product quality	Appointment of dedicated quality controllers on each production line to ensure production within defined tolerance levels and specifications
	Monthly quality meetings where quality trends are monitored and problem areas identified and resolved
	Extrusions produced according to BS-EN755, finishing produced according to SANS1796 and SANS999
Safety	Dedicated safety officer supported by safety officers on plant level
	Monthly safety inspection reports for submission to monthly safety meetings
Raw material procurement	High-quality virgin billet procurement from four dedicated sources around the globe
	Extensive procurement of second hand aluminium which is sorted to remove impurities and blended with virgin material to correct metallurgical composition to specification
Customer service	In line with its vision of "One-Day-Delivery", the company is able to activate spare capacity and overtime shifts in all operational units on short notice to deal with any peaks in order intake
	Shift systems allow for a large degree of flexibility in terms of labour availability and production capacity
	Flexible production scheduling allows for urgent orders and special requests from customers to be included in daily production schedules
Environmental impact (also refer to the "Environmental" section on page 115)	The continuous monitoring and controlling of effluent waste streams from the company's anodising and powder coating plants to ensure compliance to required discharge limits
	The continuous monitoring of energy usage to ensure maximum efficiency and to identify opportunities for energy usage reduction

People

The remuneration of unionised staff representing approximately 78% of the permanent workforce of Wispeco is determined in terms of the Main Agreement negotiated annually by the Metal and Engineering Industries Bargaining Council. The latest two-year settlement agreement was reached in July 2011. Employment equity within Wispeco is managed through an Employment Equity committee that meets on a monthly basis and provides input in the finalisation of the annual labour plan submitted to the Department of Labour. Most of the transformation objectives set in Wispeco's previous Employment Equity plan submitted were achieved. A senior manager has the responsibility of managing Wispeco's employment transformation process. Refer to Figure 8 where more detail regarding the composition of Wispeco's workforce by race, gender and age is illustrated.

Wispeco management recognises its responsibility towards health and safety, as well as improving the working environment of its staff. In this regard Wispeco has a dedicated Safety Officer that is responsible for the management of its health and safety programme. Each site also has a dedicated safety representative which conducts monthly safety inspections. During the twelve months ended 30 June 2012, Wispeco had 29 injuries which were treatable at the in-house clinic. Reportable cases in terms of the Compensation Occupational Injuries and Diseases Act amounted to thirteen during the same period. The company has contracted an independent consultant to audit its health and safety processes with specific emphasis on issues such as noise and dust measurements and the wearing of protective clothing. The next health and safety audit is due for September 2012.

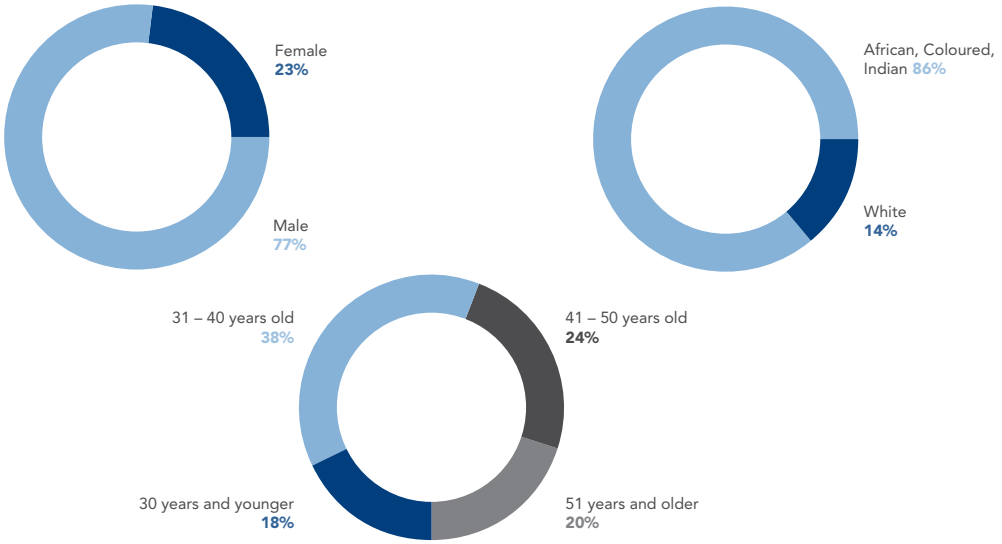
Awareness in respect of HIV/Aids within Wispeco is promoted mainly through training programmes, supported by seventeen Peer Group educators at Wispeco's head office. The Peer Group educators provide informal support and guidance to the affected employees and their families. The company also supports the Government's ARV programme and ensures the confidentiality of all employees' HIV status.

A well-established Training Committee within Wispeco is responsible for identifying the training needs of staff and for the development of training programmes to enable staff to maintain and develop the required skills in order for the company to remain competitive in the market. These initiatives include formal training programmes in the form of learnerships for leadership development, as well as technical training in the form of apprenticeships. During the past year the Certificate in Management (NQF level 3) training programme was expanded and more than 30 first-line managers and people with leadership potential are attending this training in Gauteng and Cape Town. Two internal employees started an apprenticeship programme for electrician and millwright qualifications. The company also has a proud record in the training of the disabled, with formal technical training for the deaf being provided for the past six years. In this regard a new group of ten young black males and females started an aluminium fabrication learnership in January 2012. The merSETA has ringfenced discretionary grant funding for Wispeco for this group of deaf learners.

Training expenditure for the twelve months to June 2012 amounted to R5 million compared to R6 million for the fifteen months to June 2011.

Figure 8

COMPOSITION OF WORKFORCE (as at 30 June 2012)



BBBEE

Wispeco's latest BBBEE verification process was concluded during December 2011 by BEEScore and it achieved a level 4 contribution level, equating to a 100% procurement recognition level and a total of 67.60 points on the generic scorecard. This represents an improvement from the previous level 5 achieved during March 2011. Wispeco is especially proud that it has, as with the previous verifications, achieved the maximum points allowed for three of the elements, namely skills development, enterprise development and socio-economic development. The skills development element measures the extent to which the employer carries out initiatives designed to develop the competencies of black employees. Various initiatives have been implemented by the company in order to improve its BBBEE rating over the medium term.

Corporate social investment (CSI)

Wispeco's CSI programme mainly involves training programmes in the fabrication and installation of architectural products. This practical training is facilitated by experienced trainers in technical training centres situated in Cape Town, Durban and at the company's head office in Johannesburg. During the past year more than 565 people were trained at a cost of approximately R0.8 million for Wispeco. Training includes both introductory programmes as well as advanced product-specific curricula.

Environment

Refer to the "Environment" section on page 115 where the environmental practices of Wispeco are also incorporated.

For more detail regarding Wispeco, refer to its website at www.wispeco.co.za.

ENVIRONMENT

2012 has seen a continued focus on Remgro's commitment to environmental sustainability. This has resulted in significant savings in natural resource consumption and costs, as well as increased recognition in efforts made. During the year under review specific focus was placed on carbon emissions, energy, water and waste.

Accountability

Guided by its Environmental Management Policy (the Policy) and the criteria of the Global Reporting Initiative's (GRI) G3 reporting indicators, Remgro aims to continuously improve its environmental performance against set goals and objectives; comply with all relevant legislation; and, educate and train employees in good environmental practice. These principles are primarily enacted through focus on key areas of environmental impact over which Remgro exercises due control. The Policy includes Remgro Management Services Limited (RMS – its service company), Rainbow Chicken, Tsb Sugar and Wispeco.

The Remgro Board is ultimately responsible for the implementation of the Policy, but has delegated its responsibilities to the Risk and IT Governance Committee who is responsible to review and recommend the approval of environmental procedures implemented and maintained by RMS. With regard to Rainbow Chicken, Tsb Sugar and Wispeco, it is the responsibility of Remgro's representatives on the boards of these companies to obtain assurance regarding the effectiveness and efficiency of its respective environmental management processes.

Focus on carbon emissions

Remgro has responded to international and local focus on climate change and carbon emissions by reducing its carbon footprint and, also, understanding potential impacts that climate change might have on its operations.

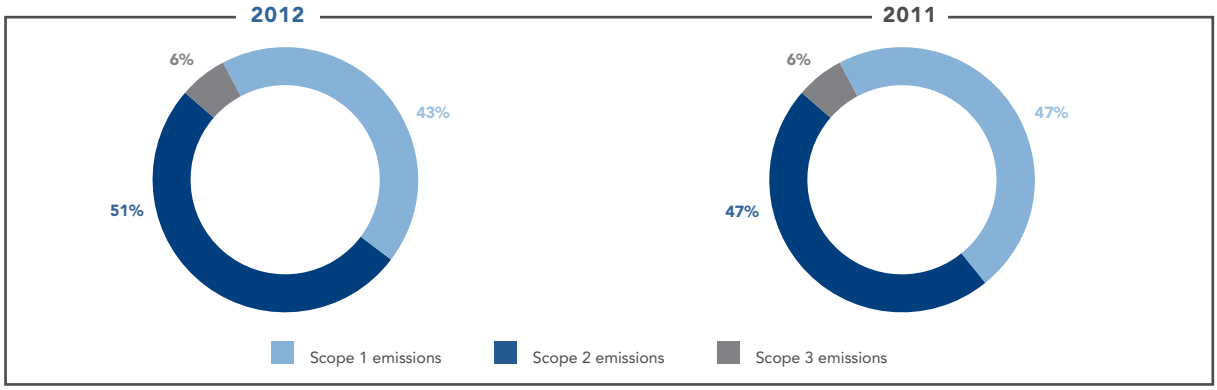
Remgro's measurement and action in carbon reduction was again recognised by the Carbon Disclosure Project (CDP) in 2011, which placed Remgro in the top seven companies listed on the Johannesburg Stock Exchange for Performance for carbon management with an "A–" rating. The CDP is an investor-driven project for the Top 100 companies listed on the JSE to disclose their carbon emissions, carbon strategies and perceived risks and opportunities relating to climate change. In 2010, Remgro was ranked joint sixth and Rainbow Chicken seventh on the CDP Leadership Index.

Remgro's performance was largely achieved through meaningful initiatives that have resulted in carbon emission reductions in both absolute and intensity-related metrics. During the past year, Remgro has recalculated its 2011 carbon emissions to align with the new financial reporting period of July-June, and recently completed its 2012 calculation for the same time period. In both instances, the carbon footprint was completed in accordance with the Greenhouse Gas Protocol (GHG Protocol) that analyses carbon emissions according to the following categories:

- Scope 1 – direct emissions from equipment owned by Remgro, e.g. factories of Rainbow Chicken, Tsb Sugar, Wispeco, etc.
- Scope 2 – indirect emissions from the consumption of electricity
- Scope 3 – indirect emissions from third-party suppliers, e.g. business travel, office paper, third-party transport, etc.
- Non-Kyoto GHG gases, e.g. freon, which is used in air-conditioning and refrigerant equipment.

Figure 9

REMGRO'S GHG EMISSIONS (tCO_2e)



TOTAL CARBON EMISSIONS PER SUBSIDIARY COMPANY 2011 – 2012

	Rainbow* Chicken	Tsb Sugar	Wispeco	RMS	Total
2011 (tCO_2e)	367 850	357 332	49 886	4 591	779 659
2012 (tCO_2e)	**372 358**	**304 425**	**46 939**	**4 165**	**727 887**

** A 73% subsidiary of Remgro*

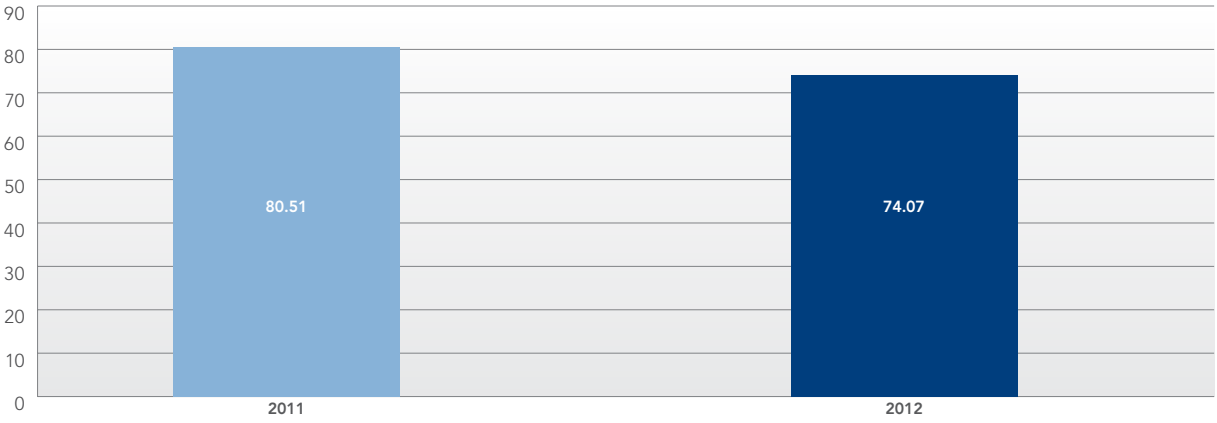
Refer to Figure 9 for an analysis of Remgro's GHG emissions per category, expressed in terms of "Tonnes of carbon dioxide equivalent (tCO_2e)".

The above table indicates the new reporting period (July-June) for both 2011 and 2012 Remgro GHG emissions per subsidiary. While Tsb Sugar, Wispeco and RMS all reduced their emissions over the two reporting periods, the largest contributor was from Scope 1 emission reduction achieved by Tsb Sugar due to a significant reduction in coal usage during 2012.

Remgro's emission intensities reported against number of employees also showed a significant decrease since 2011. This decrease is a direct function of the reduction in total emissions.

Numerous carbon reduction projects are currently in different stages of development across the Group. Many of these focus on energy reduction within the operations of the respective subsidiaries and, while not all projects have been financially quantified, significant cost savings are expected through the implementation of these projects.

GHG EMISSIONS PER FULL-TIME EMPLOYEE (FTE) (tCO_2e/FTE)



Stage of development	Number of carbon reduction projects	Estimated annual CO_2e savings
Under investigation	6	Not yet determined
To be implemented	2	3 800 t
Implementation commenced	1	625 t
Implemented	5	6 969 t

Focus on energy

Remgro's operating subsidiaries are significant consumers of different primary and secondary energy sources. In acknowledging this, effort continues to be made to reduce such consumption. Of significance has been the reduction in coal consumption, LPG and residual fuel oil during 2012.

Secondary energy (electricity) consumption continues to level out as operating subsidiaries endeavour to retain consistent consumption despite increased production output. 2011 saw the measurement, for the first time, of electricity at Tsb Sugar's agricultural farms. The use of renewable electricity takes place at Tsb Sugar's production operations through the burning of bagasse. Renewable electricity that is not consumed directly by Tsb Sugar is redirected into the national electricity grid.

The following energy efficiency initiatives have been implemented in the reporting period:

Rainbow
- energy-efficient lighting installation in four poultry houses
- coal boiler automation at Worcester, Hammarsdale and Rustenburg processing plants

Wispeco
- energy-efficient lighting installation in factories
- energy-efficient showerhead installations
- conversion from high to low flame re-melting furnace, saving gas consumption

Tsb Sugar
- servicing and maintenance of a hydropower plant to provide over 900 000 kWh renewable electricity, with a significant annual cost saving

Rainbow is investigating the installation of biogas digesters using chicken litter as a primary feedstock. This will generate on-site electricity for Rainbow or, alternatively, feed into the national electricity grid with the purpose of potentially earning carbon credit income streams. This project is currently in a pre-feasibility phase.

Focus on water

Remgro is increasingly aware of the fact that its operations in South Africa are susceptible to water scarcity and that this could realistically worsen due to the impacts of climate change. In response, it is starting to measure its water consumption patterns across its operating subsidiaries and analyse its risk to uncertain water availability in the future.

Both Tsb Sugar and Rainbow are reliant on water as a valuable resource (both as an input and also a receptacle for effluent). Rainbow has invested in two artificial wetland sites where natural fauna is used to break down organic matter from the cleaning of poultry houses before being used for irrigation. In addition, recycled water from Rainbow's three primary processing plants is used as grey water for cleaning purposes, while the Worcester plant has invested in a chemical-free water treatment plant, resulting in substantially improved quality of waste water.

Focus on waste

Although not yet measuring all its waste streams, Remgro is cognisant of the environmental, reputational and financial benefit that prudent management of its waste generation can realise. Similar benefit can be achieved by promoting the increased use of recycled material in its products.

In this regard 69% of the aluminium utilised in Wispeco's manufacturing processes consist of post-consumer recycled aluminium, while Rainbow has implemented the following waste recycling initiatives:

- waste cardboard, plastic and metal sold to recyclers
- disposal of waste coal ash
- chicken litter sold as fertiliser
- recycled paper used in outer carton packaging
- recycled plastic used in plastic catching crates
- various reductions in packaging volumes, including saving 561 tonnes of virgin liner by converting 23% of all cartons to recycled liners.

Compliance

During the year under review there were no material non-compliance with any environmental laws, regulations, accepted standards or codes applicable to the Group, and no significant fines were imposed either.

GRI INDICATOR TABLE*

Indicator and description	2012	2011	Units
Emissions, effluents and waste			
Total direct and indirect GHG emissions			
Scope 1 – Direct emissions	**311 701**	366 625	tCO_2e
Scope 2 – Indirect emissions	**368 359**	364 798	tCO_2e
Scope 3 – Indirect emissions	**44 208**	44 948	tCO_2e
Other relevant indirect GHG emissions	**3 619**	3 288	tCO_2e
Energy			
Direct energy consumption by primary source			
Petrol	**515**	435	kilolitres
Diesel	**10 734**	10 211	kilolitres
Aviation fuel	**1 036**	1 226	kilolitres
Natural gas	**5 556 938**	5 444 275	m^3
LPG	**30 837**	31 446	kilolitres
Coal	**112 479**	127 930	tonnes
Paraffin	**58**	45	kilolitres
Residual fuel oil	**421**	454	kilolitres
Heavy furnace oil	**1 002**	948	kilolitres
Carbon dioxide	**1 973**	1 707	tonnes
Indirect energy consumption by primary source			
Electricity (non-renewable)	**458 279 356**	450 660 777	kWh
Electricity (renewable)	**190 254 941**	185 152 845	kWh
Water			
Total water withdrawal at source	**8 257 419**	8 308 267	kilolitres
Total volume of water recycled and reused	**2 368 833**	2 792 789	kilolitres

** The numbers referred to above include Rainbow Chicken, Tsb Sugar, Wispeco and RMS, and cover the twelve-month periods ended 30 June 2011 and 30 June 2012.*

MILLENNIA PARK – REMGRO'S NEW GREEN HEAD OFFICE

Remgro Limited's new corporate head office located in Stellenbosch has achieved a 5 Star Office Design rating from the Green Building Council of South Africa (GBCSA). A South African first, Remgro is a leader in its commitment to a sustainable future by renovating an existing building and transforming it into its new head office. The choice to retrofit rather than demolish was made for both environmental and sentimental reasons, with the office buildings standing as a small-scale icon in the area of Stellenbosch.

The GBCSA is an independent, non-profit, membership-based organisation that was formed in 2007 by leaders from all sectors of the commercial property industry, and the green building rating tool (Greenstar) sets standards and benchmarks for green building and enables an objective assessment to be made as to how "green" a building is.

A new mezzanine floor was introduced inside the existing roof space to allow for much needed storage space and possible future growth. The old steel roof structure was reused in the manufacturing of the new undercover parking structures – 70% of all steel on site came from the original building. Crushed stone and concrete from the demolished components of the existing building was also reused to raise the level of the parking area above the 50-year floodplain. Fifty percent of the old paving was reused and a new permeable paving system was introduced in specific areas of the parking area to allow for extensive rainwater collection and water filtration. Rainwater harvesting, grey water recycling, efficient sanitary ware, drip irrigation and selection of water-wise plants for landscaping resulted in a significant reduction of water used at Millennia Park. The use of an energy-efficient "chilled beam" air-conditioning system, energy-efficient lighting design and specification and solar water heaters have resulted in significant reductions in energy consumption.



The ecological value of the site was significantly improved through the comprehensive rehabilitation of an existing wetland. The use of alternative transport is encouraged by means of carpool arrangements, provision of charging stations for electric or hybrid vehicles, provision of motorcycle and bicycle parking bays, dedicated bicycle storage facilities and the provision of lockers and showers for cyclists. Materials used were carefully selected for their sustainability credentials. For example, 95% of all timber used was harvested from sustainable forests, paints and adhesives were specified with low-volatile organic compound content and 30% less cement was used in concrete.

Some of the design constraints of the old office building were the deep, dark internal spaces, long narrow passages and low headroom on the ground floor. These were addressed by the introduction of four large skylights above double-volume, glass partitions and curved passages linked by means of open pause areas, thus inviting sunlight to spill deeper into the core of the building and maximising views of the outside gardens and surrounding mountains. The result of the refurbishment equates to a sustainable and environmentally sensitive building defined visually by a quiet (understated) and contemporary architectural language.



FEEDBACK

We welcome any feedback on Remgro's sustainable development practices and this report. In this regard please contact:

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REMUNERATION REPORT

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INTRODUCTION

The remuneration report provides an overview and understanding of Remgro's remuneration principles, policy and practices with specific reference to executive and non-executive directors and members of the Management Board. The information provided in this report has been approved by the Board on recommendation by the Remuneration and Nomination Committee.

REMUNERATION AND NOMINATION COMMITTEE

The functioning of this dedicated Board committee is well established within Remgro's mode of operation. In essence it is the committee's role to ensure that directors and executives are remunerated fairly and responsibly and that the disclosure of directors' remuneration is accurate, complete and transparent.

The committee is governed by a mandate that incorporates the recommendations of King III and serves to assist members of this committee in the execution of their role and responsibilities.

The members of the committee for the year under review were:

- Mr J P Rupert (chairman)
- Mr P K Harris
- Mr G T Ferreira
- Mr F Robertson

The Board acknowledges the principle in King III that the Chairman of the Board should not be the chairman of the Remuneration and Nomination Committee, but given the necessity to align the Company's remuneration approach with corporate strategy, this arrangement is deemed appropriate.

The committee met once during the year and details on the attendance of the meeting are set out in the Corporate Governance Report on page 83.

The terms of reference set out in the mandate of the committee include the following:

In respect of its nomination function –

- Assist the Board with the process of identifying suitable candidates for appointment as directors
- Ensure the establishment of a formal and transparent process for the appointment of directors
- Oversee the development of a formal induction programme for new directors
- Ensure that formal succession plans for the Board, Chief Executive Officer (CEO) and other Management Board members are developed and implemented

In respect of its remuneration function –

- Oversee the setting and administering of remuneration of all directors, Management Board members and other employees
- Oversee the establishment of a remuneration policy
- Advise on the remuneration of non-executive directors
- Ensure that the mix of fixed and variable pay, in cash, shares and other elements, meets Remgro's needs and strategic objectives
- Oversee the preparation and recommending to the Board the remuneration report to be included in the Integrated Annual Report

The committee is satisfied that it has carried out its responsibilities for the year in compliance with its mandate.

REMUNERATION APPROACH

Remgro has a remuneration policy for directors and members of the Management Board. The remuneration policy is aligned with the Company's approach of rewarding directors and senior executives fairly and competitively, according to their capabilities, skills, responsibilities and level of performance. It aims at supporting the Company's remuneration principles of:

- 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 standard contracts of employment

It should be noted that, as in the past, the Board will not ask shareholders for non-binding approval of the Company's remuneration policy at the Annual General Meeting on 27 November 2012.

EXECUTIVE DIRECTORS AND MEMBERS OF THE MANAGEMENT BOARD

These employees are rewarded by means of a two-tier approach in Remgro's remuneration structures which entails:

Fixed pay

This element, referred to as total guaranteed package, consists of components such as salary, cash or car allowance and the Company's contributions towards retirement funding and the medical aid scheme.

As part of the annual review process by the Remuneration and Nomination Committee ("the committee"), guaranteed packages are benchmarked against the upper quartile of the market for comparable companies as indicated per independent survey(s). The services of an independent remuneration consultancy are contracted for this purpose.

The annual review is based on the executive's level of responsibility, his/her overall performance and the achievement of specific agreed objectives. The CEO, who attends all committee meetings by invitation, can propose increases to the guaranteed packages, excluding his own, during such review meetings.

The average salary increases paid to executive directors and members of the Management Board during the year under review was 9.9% (2011: 7.8%), compared to an average salary increase paid to general staff of 7.3% (2011: 8.1%).

Variable pay

It is important to note that, due to the nature of the Company's operation as an investment holding company and in order to align the interests of management with those of shareholders, no short-term incentives are paid to executives.

Remgro currently has two long-term incentive plans, i.e. the Remgro Share Scheme and the Remgro Equity Settled Share Appreciation Right Scheme (the "SAR Scheme"). Both of these schemes are equity settled plans.

The Remgro Share Scheme was superseded by the SAR Scheme following the unbundling of British American Tobacco Plc and the only remaining participant to this scheme was the previous CEO, the late Mr M H Visser. The scheme is a deferred purchase scheme and settlement by participants 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. Payments relating to offers before 26 November 2004 must be settled within ten years, while offers thereafter must be settled before seven years have passed. In terms of the rules of the Remgro Share Scheme, the executor of the estate of the late Mr Visser is entitled to effect settlement of all the shares offered to him within twelve months after the date of his death, or before the expiry of the offer periods referred to above, whichever is the earlier.

The SAR Scheme has the aim of retaining the services of executives by incentivising them based on long-term growth in the market capitalisation of the Company. This approach ensures alignment between personal wealth creation and corporate strategy. All permanent employees of the Company participate in the SAR Scheme.

Participants in the SAR Scheme are remunerated with Remgro shares to the value of the appreciation of a specific 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

Awards to executives in terms of the SAR Scheme are made from time to time by the committee and such awards are usually based on a multiple of the total guaranteed package.

No award will be made to a single participant if at the time of or as a result of the making of such grant, the aggregate number of Remgro ordinary shares in respect of which any unexercised SARs granted to the participant may be exercised, together with any other Remgro ordinary shares that have been set aside under any other managerial share scheme to that participant, shall exceed 2 197 399 Remgro ordinary shares.

Similarly, no award will be made if at the time of or as a result of the making of such grant, the aggregate number of Remgro ordinary shares in respect of which any unexercised SARs may be exercised, together with the total number of other Remgro ordinary shares that have been set aside for delivery to employees under any other managerial scheme, shall exceed 21 000 000 Remgro ordinary shares.

For detail of the current status of awards that were made to executive directors and members of the Management Board in terms of both schemes, refer to page 127 to 130.

If it is assumed that all of the participants to both the schemes referred to above exercise all options awarded to them on 1 July 2012, Remgro will have to deliver 2.5 million shares in order to settle its obligations. This calculation is based on Remgro's closing share price on 30 June 2012 of R131.49. A 10% increase or decrease in the Remgro share price will require the number of shares to be delivered to be 2.8 million shares and 2.2 million shares, respectively.

At 30 June 2012 Remgro held sufficient treasury shares to settle its obligations to deliver shares to the schemes' participants.

The different components of the remuneration paid as described above, are summarised in the table below:

Element	Purpose	Performance period and measures	Operation and delivery
Total guaranteed package	Reflects market value of role and individual performance	Reviewed annually based on performance and market surveys	Benchmarked against upper quartile of the market of comparable companies
Long-term variable	Alignment with shareholder interests	From time to time and 3 – 5-year vesting period	As determined by the committee

Contracts of employment

Executive directors and members of the Management Board do not have fixed-term contracts, but are employed in terms of the Company's standard contract of employment. The notice period for termination of service is one calendar month and the normal retirement age is 63. Executive directors and members of the Management Board also do not have exceptional benefits associated with the termination of their services.

NON-EXECUTIVE DIRECTORS' REMUNERATION

Independent non-executive directors

Independent non-executive directors do not have any employment contracts and do not receive any benefits associated with permanent employment. Furthermore, they do not participate in the Company's long-term incentive plans.

The Board, on recommendation by the Remuneration and Nomination Committee, have decided that independent non-executive directors should not be remunerated by means of a base fee and attendance fee in respect of their Board and committee obligations. The fee payable to non-executive directors will thus, as in the past, be a fixed annual fee. The fee structure is reviewed annually on 1 July subject to prior approval by shareholders at the Company's Annual General Meeting. The fees are market related and take into account the nature of Remgro's operations. Remgro also pays for all travelling and accommodation expenses reasonably and properly incurred in order to attend meetings.

The annual fees payable to independent non-executive directors for the period commencing on 1 July 2011 were approved by shareholders on 24 November 2011.

Non-independent non-executive directors

Remgro has four non-independent non-executive directors, i.e. Mr J P Rupert, Dr E de la H Hertzog, as well as Messrs P E Beyers and J Malherbe.

Mr Rupert receives no emoluments, while Dr Hertzog's remuneration is borne by both Mediclinic International Limited (65%) and Remgro (35%). A portion of the latter, as approved by shareholders annually, is regarded as director's fees. Similarly Mr Beyers receives a salary of which a portion is also regarded as director's fees and approved annually by shareholders. Mr Malherbe receives an annual director's fee similar to that paid to independent non-executive directors.

As in the case of independent non-executive directors, these directors do not participate in the Company's long-term incentive plans. It should, however, be noted that, subsequent to the acquisition of VenFin Limited during November 2009, Remgro SARs were awarded to Mr J Malherbe to compensate him for the cancellation of the VenFin Share Appreciation Right Scheme. Mr Malherbe does not qualify for any further allocation of SARs.

In addition to their duties as non-executive directors, Dr Hertzog and Mr Beyers represent the Company on the boards of certain investee companies.

Details of the fee structure payable to non-executive directors for the year ended 30 June 2012 and period ended 30 June 2011 are presented in the table below.

Type of fee	**Fee for the twelve months ended 30 June 2012 R**	Fee for the fifteen months ended 30 June 2011 R
Board member	**199 000**	232 500
Chairman of the Audit and Risk Committee	**133 750**	156 250
Member of the Audit and Risk Committee	**67 400**	78 750
Member of the Remuneration and Nomination Committee	**33 200**	38 750

The proposed fee structure payable to non-executive directors for the year ending 30 June 2013 is presented in the table below.

Type of fee	Proposed fee for the year ending 30 June 2013 R
Board member	213 000
Chairman of the Audit and Risk Committee	143 000
Member of the Audit and Risk Committee	72 000
Member of the Remuneration and Nomination Committee	35 500
Chairman of the Social and Ethics Committee	35 500

Details of the remuneration paid to executive directors and fees paid to non-executive directors for the year under review, are set out on the following page. The current status of all offers made to the above groups in terms of the Remgro Share Scheme and SAR Scheme are also presented.

The information for Mr N J Williams, who is a member of the Management Board and also a prescribed officer in terms of the Companies Act, is presented separately.

DIRECTORS' EMOLUMENTS

(The information on pages 126 to 130 was audited)

Fixed pay

	Twelve months ended 30 June 2012					Fifteen months ended 30 June 2011				
	Fees R'000	**Salaries R'000**	**Retirement fund R'000**	**Other benefits[7] R'000**	**Total R'000**	Fees R'000	Salaries R'000	Retirement fund R'000	Other benefits[7] R'000	Total R'000
Executive										
W E Bührmann	**199**	**2 149**	**466**	**236**	**3 050**	233	2 427	536	284	3 480
L Crouse	**199**	**4 185**	**870**	**248**	**5 502**	233	4 130	879	295	5 537
J W Dreyer	**199**	**2 248**	**485**	**117**	**3 049**	233	2 533	557	139	3 462
J J Durand[1]	**199**	**5 030**	**1 037**	**248**	**6 514**	233	5 568	1 151	295	7 247
J A Preller	**199**	**1 264**	**290**	**248**	**2 001**	233	1 415	332	295	2 275
T van Wyk[2]	**–**	**–**	**–**	**–**	**–**	155	1 743	366	123	2 387
M H Visser[3]	**166**	**7 311**	**1 696**	**534**	**9 707**	233	11 200	2 303	357	14 093
Subtotal	**1 161**	**22 187**	**4 844**	**1 631**	**29 823**	1 553	29 016	6 124	1 788	38 481
Non-executive (independent)										
G T Ferreira	**232**				**232**	271				271
P K Harris	**232**				**232**	271				271
N P Mageza[4]	**266**				**266**	311				311
P J Moleketi	**266**				**266**	311				311
M M Morobe	**199**				**199**	233				233
M A Ramphele	**199**				**199**	233				233
F Robertson	**300**				**300**	350				350
H Wessels[5]	**333**				**333**	389				389
Subtotal	**2 027**				**2 027**	2 369				2 369
Non-executive (non-independent)										
P E Beyers	**199**	**718**	**182**	**117**	**1 216**	233	801	208	139	1 381
E de la H Hertzog	**199**	**1 370**	**278**	**87**	**1 934**	233	1 517	314	103	2 167
J Malherbe	**199**	**–**	**–**	**–**	**199**	233	–	–	–	233
J P Rupert[6]	**–**	**–**	**–**	**–**	**–**	–	–	–	–	–
Subtotal	**597**	**2 088**	**460**	**204**	**3 349**	699	2 318	522	242	3 781
Total	**3 785**	**24 275**	**5 304**	**1 835**	**35 199**	4 621	31 334	6 646	2 030	44 631

[1] Mr J J Durand was appointed as Chief Executive Officer on 7 May 2012.
[2] Mr T van Wyk retired as executive director with effect from 31 January 2011.
[3] Mr M H Visser passed away on 26 April 2012.
[4] During the year under review Mr Mageza also received R304 000 (fifteen months to 30 June 2011: R398 000) as director's fees from Rainbow Chicken Limited, a subsidiary company of Remgro Limited.
[5] In addition to his director's fees and fee as chairman of the Audit and Risk Committee, an amount of R84 250 was also paid to Mr H Wessels during the year under review (fifteen months to 30 June 2011: R78 750) for his attendance of meetings of subcommittees of the Audit and Risk Committee.
[6] Mr J P Rupert receives no emoluments.
[7] Benefits include medical aid contributions and vehicle benefits.

Variable pay – long-term incentive plans

Remgro Share Scheme
– ordinary shares

Participant	*Balance of shares accepted as at 30 June 2011*	***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)***	***Balance of shares accepted as at 30 June 2012***
Executive									
M H Visser[2]	172 681			**135.00**					**172 681**
	68 230			**186.70**					**68 230**
Total	240 911								**240 911**

[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 terms of the rules of the Remgro Share Scheme, the executor of the estate of the late Mr M H Visser is entitled to effect settlement of all shares offered to him within twelve months after the date of his death or before the expiry of the offer periods, whichever is the earlier.

Participant	*Balance of shares accepted as at 31 March 2010*	*Shares accepted during the period*	*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)*	*Balance of shares accepted as at 30 June 2011*
Executive									
M H Visser[2]	174 614			87.86	174 614	25/2/2011	109.66	3 807	–
	172 681			135.00					172 681
	68 230			186.70					68 230
Total	415 525				174 614			3 807	240 911

[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] According to the rules of the Remgro Share Scheme and, in addition to the Remgro shares received, Mr M H Visser also received ordinary shares in British American Tobacco Plc (BAT), Reinet Investments and Trans Hex amounting to R21.0 million.

Remgro Equity Settled Share Appreciation Right Scheme
– Share appreciation rights (SARs)

Participant	*Balance of SARs accepted as at 30 June 2011*	*SARs accepted during the year*	*Fair value of SARs on offer date (R'000)*	*Offer price[1] (Rand)*	*Number of SARs exercised*	*Date exercising SARs*	*Share price on exercise date*	*Increase in value[2] (R'000)*	*Balance of SARs accepted as at 30 June 2012*
Executive									
W E Bührmann	18 596			**64.23**					**18 596**
	98 405			**64.00**					**98 405**
	124 771			**65.50**					**124 771**
	23 548			**97.55**					**23 548**
L Crouse	418 108			**65.60**					**418 108**
	51 865			**97.55**					**51 865**
J J Durand	427 047			**38.90**	**427 047**	**26/10/2011**	**117.75**	**33 673**	**–**
	162 354			**78.30**					**162 354**
	22 717			**75.38**	**7 573**	**26/10/2011**	**117.75**	**258**	**15 144**
	12 662			**82.60**	**8 442**	**26/10/2011**	**117.75**	**230**	**4 220**
	235 895			**97.55**					**235 895**
J A Preller	76 817			**64.23**					**76 817**
	5 905			**64.00**					**5 905**
	48 788			**65.50**					**48 788**
	33 080			**97.55**					**33 080**
T van Wyk[3]	113 638			**71.71**	**113 638**	**13/10/2011**	**114.95**	**4 914**	**–**
	87 829			**73.71**	**87 829**	**13/10/2011**	**114.95**	**3 622**	**–**
M H Visser[4]	542 424			**65.50**					**542 424**
	486 465			**97.55**					**486 465**
J W Dreyer	270 270			**65.50**					**270 270**
Subtotal	3 261 184	**–**	**–**		**644 529**			**42 697**	**2 616 655**
Non-executive									
J Malherbe	195 730			**31.43**					**195 730**
	75 761			**78.30**					**75 761**
	20 847			**75.38**					**20 847**
	5 807			**82.60**					**5 807**
Subtotal	298 145	**–**	**–**						**298 145**
Total	3 559 329	**–**	**–**		**644 529**			**42 697**	**2 914 800**

[1] In terms of the rules of the SAR Scheme, the offer price of SARs that were awarded prior to the unbundling of the investment in Implats, was reduced by between R7.58 and R13.19 (depending on the offer date) to ensure that the participants were placed in substantially the same position as they were prior to the unbundling.

[2] 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.

[3] Mr T van Wyk retired as executive director with effect from 31 January 2011. In terms of the rules of the SAR Scheme, participants going into retirement are entitled to exercise all the SARs granted to them at any time within twelve months after the date of retirement or before the expiry of the SAR period (being seven years from grant date), whichever is the earlier.

[4] In terms of the rules of the SAR scheme, the executor of the estate of the late Mr M H Visser is entitled to exercise all the SARs granted to him at any time within twelve months after the date of his death or before the expiry of the SAR period (being seven years from the grant date), whichever is the earlier.

Participant	*Balance of SARs accepted as at 31 March 2010*	*SARs accepted during the period[1]*	*Fair value of SARs on offer date (R'000)*	*Offer price[2] (Rand)*	*Number of SARs exercised*	*Date exercising SARs*	*Share price on exercise date*	*Increase in value[3] (R'000)*	*Balance of SARs accepted as at 30 June 2011*
Executive									
W E Bührmann[4]	283 148			71.71	83 074	13/01/2011	113.00	3 430	
					83 073	28/03/2011	108.53	3 059	117 001
	124 771			73.71					124 771
		23 548	785	108.69					23 548
L Crouse	418 108			73.71					418 108
		51 865	730	108.69					51 865
J J Durand	427 047			38.90					427 047
	162 354			87.21					162 354
	22 717			83.65					22 717
	12 662			90.52					12 662
		235 895	7 868	108.69					235 895
J A Preller	141 411			71.71	58 689	23/06/2011	108.75	2 174	82 722
	48 788			73.71					48 788
		33 080	1 103	108.69					33 080
T van Wyk[5]	185 207			71.71	71 569	29/06/2011	110.72	2 792	113 638
	87 829			73.71					87 829
M H Visser	136 767			71.71	136 767	25/02/2011	109.66	5 190	–
	542 424			73.71					542 424
		486 465	16 225	108.69					486 465
J W Dreyer	270 270			73.71					270 270
Subtotal	2 863 503	830 853	27 711		433 172			16 645	3 261 184
Non-executive									
J Malherbe	195 730			38.90					195 730
	75 761			87.21					75 761
	20 847			83.65					20 847
	5 807			90.52					5 807
Subtotal	298 145	–	–		–			–	298 145
Total	3 161 648	830 853	27 711		433 172			16 645	3 559 329

[1] SARs were offered on 29 November 2010.

[2] In terms of the rules of the SAR Scheme, the offer price of SARs that were awarded prior to the unbundling of the investment in Trans Hex, was reduced by 29 cents to ensure that participants were placed in substantially the same position as they were prior to the unbundling.

[3] 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.

[4] Following the BAT unbundling during the 2009 financial year (and as approved by Remgro Shareholders on 7 October 2008), Remgro provided a direct finance facility to participants of the Remgro Share Scheme to settle the outstanding purchase price on certain Remgro scheme shares. As at 31 March 2010, the only related outstanding facility to executive directors was R2.5 million owing by Mr Bührmann. The outstanding amount was settled during the period under review.

[5] Mr T van Wyk retired as executive director with effect from 31 January 2011. In terms of the rules of the SAR Scheme, participants going into retirement are entitled to exercise all the SARs granted to them at any time within twelve months after the date of retirement or before the expiry of the SAR period (being seven years from grant date), whichever is the earlier.

PRESCRIBED OFFICER

Fixed pay

	Twelve months ended 30 June 2012				Fifteen months ended 30 June 2011			
	Salaries R'000	**Retirement fund R'000**	**Other benefits[1] R'000**	**Total R'000**	Salaries R'000	Retirement fund R'000	Other benefits[1] R'000	Total R'000
N J Williams[2]	**1 884**	**374**	**248**	**2 506**	2 117	426	295	2 838

[1] *Benefits include medical aid contributions and vehicle benefits.*
[2] *Mr N J Williams is a member of the Management Board, as well as the Social and Ethics Committee.*

Variable pay – long-term incentive plan

Remgro Equity Settled Share Appreciation Right Scheme
– Share appreciation rights (SARs)

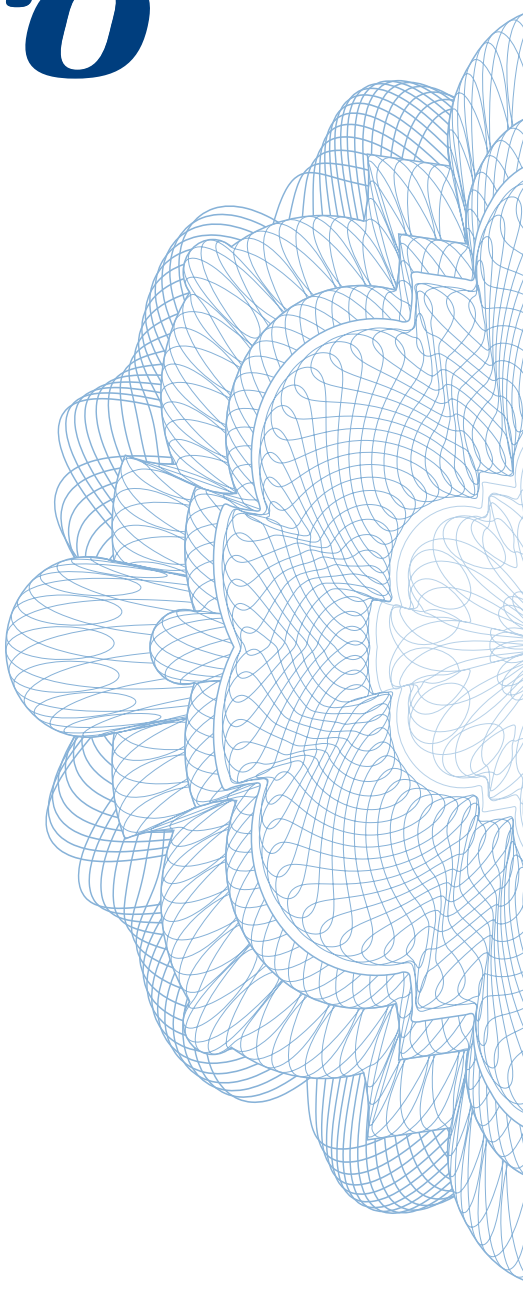
Participant	Balance of SARs accepted as at 30 June 2011	SARs accepted during the year	Fair value of SARs on offer date (R'000)	Offer price[2] (Rand)	Number of SARs exercised	Date exercising SARs	Share price on exercise date	Increase in value[1] (R'000)	Balance of SARs accepted as at 30 June 2012
N J Williams	47 449			**31.43**					**47 449**
	7 555			**75.38**					**7 555**
	54 228			**78.30**					**54 228**
	4 259			**82.60**					**4 259**
	38 652			**97.55**					**38 652**
Total	152 143								**152 143**

[1] *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.*
[2] *In terms of the rules of the SAR scheme, the offer price of SARs that were awarded prior to the unbundling of the investment in Implats, was reduced by between R7.58 and R13.19 (depending on the offer date) to ensure that the participants were placed in substantially the same position as they were prior to the unbundling.*

Participant	Balance of SARs accepted as at 31 March 2010[1]	SARs accepted during the period[2]	Fair value of SARs on offer date (R'000)	Offer price[3] (Rand)	Number of SARs exercised	Date exercising SARs	Share price on exercise date	Increase in value[4] (R'000)	Balance of SARs accepted as at 30 June 2011
N J Williams	47 449		1 325	38.90					47 449
	7 555		211	83.65					7 555
	54 228		1 515	87.21					54 228
	4 259		119	90.52					4 259
		38 652	1 289	108.69					38 652
	113 491	38 652	4 459						152 143

[1] *SARs were offered on 23 November 2009.*
[2] *SARs were offered on 29 November 2010.*
[3] *In terms of the rules of the SAR scheme, the offer price of SARs that were awarded prior to the unbundling of the investments in Trans Hex, was reduced by 29 cents to ensure that the participants were placed in substantially the same position as they were prior to the unbundling.*
[4] *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.*

Remgro Limited



2012 FINANCIAL REPORT

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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 financial statements have been prepared under the supervision of the Chief Financial Officer, Leon Crouse CA(SA).

The directors are satisfied that the information contained in the financial statements fairly represents the results of operations for the period 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 136.

Signed on behalf of the Board of Directors.



Johann Rupert
Chairman



Jannie Durand
Chief Executive Officer

Stellenbosch
20 September 2012

STATEMENT BY THE COMPANY SECRETARY

I, Mariza Lubbe, being the Company Secretary of Remgro Limited, hereby certify that all returns and notices of Remgro Limited required in terms of the Companies Act (No. 71 of 2008), as amended, have in respect of the period under review, been filed with the Commission and that all such returns and notices appear to be true, correct and up to date.



Mariza Lubbe
Company Secretary

Stellenbosch
20 September 2012

AUDIT AND RISK COMMITTEE REPORT

TO THE SHAREHOLDERS OF REMGRO LIMITED

This report by the Audit and Risk Committee ("the committee"), as appointed by the Board in respect of the year under review, is prepared in accordance with the recommendations of King III and the requirements of the Companies Act (No. 71 of 2008), as amended ("Companies Act") and describes how the committee has discharged its statutory duties in terms of the Companies Act and its additional duties assigned to it by the Board in respect of the financial year ended 30 June 2012.

COMMITTEE MEMBERS AND ATTENDANCE AT MEETINGS

The committee comprises four independent non-executive directors (as set out in the table below) and is chaired by Mr Herman Wessels who is a Chartered Accountant. All the committee members are suitably skilled and experienced. In terms of the committee's mandate, at least four meetings should be held annually.

Composition of the committee

Committee member*	Number of meetings held	Number of meetings attended
H Wessels (chairman)	4	4
N P Mageza	4	4
P J Moleketi	4	3
F Robertson	4	3

** Abridged curriculum vitae of all the directors of the Company are set out on pages 20 and 21 of the Integrated Annual Report.*

The Chief Executive Officer, Chief Financial Officer, head of internal audit and representatives of the external auditors attend the committee meetings by invitation. Committee agendas provide for confidential meetings between committee members and the internal and external auditors, as well as management.

ROLE AND RESPONSIBILITIES

The committee's role and responsibilities include its statutory duties as per the Companies Act, as well as the responsibilities assigned to it by the Board.

The committee is satisfied that it has fulfilled all of its duties during the financial year under review, as further detailed below.

The Audit and Risk Committees of Remgro's two wholly owned operating subsidiaries, Tsb Sugar and Wispeco, report to this committee at each meeting by way of inclusion of the minutes of the meetings held by these subsidiaries in the committee's agenda. Wispeco's Audit and Risk Committee function as a subcommittee of the committee. In the case of Tsb Sugar, its own Audit and Risk Committee comprises three independent non-executive directors and consequently fulfils its responsibilities independent of the committee. Remgro's representatives on the board of Tsb Sugar also attend the meetings of the Tsb Sugar Audit and Risk Committee, *ex officio*. Furthermore, the committee has satisfied itself that there are effective audit committees functioning at the Company's significant non-wholly owned subsidiaries, associates and joint ventures, whose minutes of meetings held are also included in the committee's agenda.

More information about the functioning of the committee and the matters dealt with in this report can be found in the Corporate Governance Report and Risk Management Report.

Statutory duties

In the conduct of its duties, the committee has performed the following statutory duties:

- Nominated PricewaterhouseCoopers Inc. and Mr Christo Matthee, who, in the opinion of the committee, is independent of the Company, to the shareholders for appointment as the external auditor for the financial year ended 30 June 2012
- Determined the fees to be paid to the external auditor and their terms of engagement
- Ensured that the appointment of the external auditor complies with the provisions of the Companies Act and any other legislation relating to the appointment of auditors
- Determined the nature and extent of any non-audit services that the external auditor may provide to the Company and its wholly owned subsidiaries administered by Remgro Management Services Limited (RMS), as well as Wispeco
- Pre-approved any proposed agreement with the external auditor for the provision of non-audit services to the Company and its wholly owned subsidiaries administered by RMS, as well as Wispeco.

External audit

The committee is satisfied that the Company's external auditor, PricewaterhouseCoopers Inc., is independent of the Company and is thereby able to conduct their audit functions without any influence from the Company.

A formal policy governs the process whereby the external auditor of the Company is considered for non-audit services. In terms of the policy, the committee is responsible for determining the nature and extent of any non-audit services that the external auditor may provide and also to pre-approve any proposed contract with the external auditor for the provision of non-audit services.

Internal financial control and accounting systems

The committee is responsible for assessing the systems of internal financial controls and accounting systems of the Company and its wholly owned subsidiaries, excluding

Tsb Sugar. In this regard the committee has evaluated reports on the effectiveness of the systems of internal financial controls conducted by the internal audit function, considered information provided by management and held discussions with the external auditor on the results of their audit. The committee is of the opinion that the systems of internal financial controls are effective and forms a basis for the preparation of reliable financial statements. In support of the aforementioned the committee also received reports from the internal audit function regarding the effectiveness of the combined assurance process and fraud prevention and detection measures in place.

The Remgro executives serving on the boards of investee companies (Rainbow Chicken, Tsb Sugar and other associates and joint ventures) are responsible for executing the Company's significant influence to ensure that effective internal controls are implemented and complied with.

Expertise and experience of the Chief Financial Officer and finance function

The committee has considered and has satisfied itself of the appropriateness of the expertise and experience of the Chief Financial Officer, Mr Leon Crouse, whose curriculum vitae appears on page 21 of the Integrated Annual Report.

The committee has furthermore considered, and has satisfied itself of the appropriateness of the expertise and adequacy of resources of the Company's finance function and the experience of the senior members of management responsible for the financial function.

Financial statements and going concern

The committee has reviewed the stand-alone and consolidated financial statements of the Company and is satisfied that they comply with International Financial Reporting Standards and the Companies Act, and that the accounting policies used are appropriate.

The committee has also reviewed a documented assessment by management of the going concern premise of the Company before recommending to the Board that the Company will be a going concern in the foreseeable future.

Risk management

The committee has assigned oversight of the risk management function to the Risk and IT Governance Committee, which is a subcommittee of the committee. The mandate of this committee includes the maintenance of the risk management policy and plan, establishment of an operational risk register, information technology risk management, legal compliance and occupational health and safety. The Risk and IT Governance Committee is chaired by the CFO and the fourteen other members are all executives of the Company. The chairman of the committee attends the Risk and IT Governance Committee meetings as an *ex officio* member to ensure the effective functioning of this committee and that appropriate risk information is shared with the committee.

Internal audit

The Company's internal audit division is an effective independent appraisal function and forms an integral part of the Enterprise-wide Risk Management system that provides assurance on the effectiveness of the Company's system of internal control. The internal audit division of the Company is staffed by qualified and experienced personnel and services all of Remgro's wholly owned subsidiaries administered by RMS, as well as Wispeco. In addition, the internal audit division also performs independent internal audit work for other investee companies such as Dark Fibre Africa, MARC, Mediclinic, SEACOM and Business Partners. Tsb Sugar makes use of its own internal audit division, but uses Remgro's internal audit function to perform independent quality reviews of its work.

During the year under review the committee considered and recommended the internal audit charter for approval by the Board. Further details on the Group's internal audit functions are provided in the Risk Management Report.

Compliance

The committee is responsible for reviewing any major breach of relevant legal, regulatory and other responsibilities. The committee is satisfied with the compliance to these standards and with the applicable laws and regulations. Furthermore, the committee is satisfied that it has complied with all its legal, regulatory and other responsibilities during the year under review.

Recommendation of the Integrated Annual Report for approval by the Board

The committee has reviewed and considered the Integrated Annual Report, including the annual financial statements, and has recommended it for approval by the Board.



Herman Wessels
Chairman of the Audit and Risk Committee

Stellenbosch
20 September 2012

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF REMGRO LIMITED

We have audited the consolidated annual financial statements and annual financial statements of Remgro Limited, which comprise the consolidated and separate statements of financial position as at 30 June 2012, and the consolidated and separate income statements and consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and the directors' report, as set out on pages 137 to 200.

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 and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's responsibility

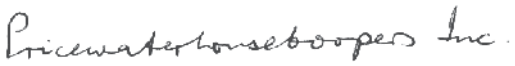
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 management, 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 consolidated and separate financial position of Remgro Limited as at 30 June 2012, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.



PricewaterhouseCoopers Inc.
Director: C J Matthee
Registered Auditor

Stellenbosch
20 September 2012

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.

The Group's interests consist mainly of investments in banking and financial services, medical services, food, wine and spirits, petroleum products, glass products, shipping and freight logistics, media and technology.

CHANGE IN FINANCIAL YEAR-END

As previously reported, the financial year-end of the Company was changed from 31 March to 30 June with effect from 30 June 2011. As a result of the change in year-end, the results for the twelve months to 30 June 2012 being reported on are not directly comparable to those of the fifteen months to 30 June 2011. Full details regarding the change in year-end and the comparison with the prior period are provided in the Chief Financial Officer's Report on page 34.

RESULTS

Period ended	Twelve months ended 30 June 2012	Fifteen months ended 30 June 2011
Headline earnings (R million)	**5 113**	5 555
– per share (cents)	**994.6**	1 082.4
– diluted (cents)	**974.3**	1 050.4
Earnings – net profit for the period (R million)	**9 284**	10 841
– per share (cents)	**1 805.9**	2 112.4
– diluted (cents)	**1 783.7**	2 072.3
Dividends (R million)	**1 622**	1 622
– ordinary – per share (cents)	**314.00**	314.00

A final dividend of 188 cents (2011: 213 cents) per share was declared after the year-end and was therefore not provided for in the annual financial statements. The final dividend of 188 cents per share that was declared after year-end is not subject to dividend tax as Remgro has sufficient STC credits available to apply against the dividend.

INVESTMENT ACTIVITIES

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

RMB Holdings Limited (RMBH) and RMI Holdings Limited (RMI)

During December 2011 Remgro sold 50 088 654 RMBH shares and 68 866 361 RMI shares to Royal Bafokeng Holdings (Pty) Limited for a total consideration of R2 091.1 million. The transaction effectively reduced Remgro's interests in RMBH and RMI from 31.5% and 34.9%, to 27.9% and 30.3% respectively.

Grindrod Limited (Grindrod)

During the year under review Remgro acquired 138 588 358 Grindrod ordinary shares for a total consideration of R2 089.4 million. These acquisitions resulted in Remgro obtaining an effective 23.5% interest in Grindrod (23.1% on a fully diluted basis). The results of Grindrod were equity accounted for eight months to 30 June 2012.

Tracker Investment Holdings (Pty) Limited (Tracker)

During October 2011 the investment in Tracker was sold for a total consideration of R1 226.5 million.

Kagiso Trust Investments (Pty) Limited (KTI) and Tiso Group (Pty) Limited (Tiso)

Effective 1 July 2011, KTI and Tiso merged into a new entity, Kagiso Tiso Holdings (Pty) Limited (RF), and Remgro's interest on a fully diluted basis in the new entity is 25.1%.

Dark Fibre Africa (Pty) Limited (Dark Fibre)

During the year under review Remgro invested a further R248.0 million directly in Dark Fibre. This investment increased Remgro's effective interest in Dark Fibre to 49.6% (2011: 46.5%).

Dorbyl Limited (Dorbyl)

During February 2012 Remgro disposed of 11 839 510 shares in Dorbyl to RECM and Calibre Limited for a nominal amount. The transaction reduced Remgro's interest in Dorbyl to 6.5% (2011: 41.4%). The remaining 2 218 836 shares (or 6.5%) were disposed of during September 2012.

Impala Platinum Holdings Limited (Implats)

On 31 May 2012 it was announced that the investment in Implats would be distributed to Remgro shareholders as a dividend *in specie* in the ratio of 5.16582 Implats shares for every 100 Remgro shares held. The Implats shares were distributed on 25 June 2012.

No dividend tax is payable on the distribution as Remgro has sufficient STC credits available to apply against the dividend.

Other smaller investments, amounting to R367 million, were made during the year under review in, inter alia, the Milestone China Funds, Premier Team Holdings Limited and Kagiso Infrastructure Empowerment Fund.

EVENTS AFTER 30 JUNE 2012:

Capevin Holdings Limited (Capevin Holdings)

During April 2012 Capevin Holdings announced its intention to acquire all the shares in Capevin Investments Limited (Capevin Investments) not already held by it through the issue of 21 Capevin Holdings shares for every 1 Capevin Investments share acquired. The effective date of the transaction was 13 August 2012.

The transaction did not affect Remgro's indirect interest in Distell Group Limited.

MARC Group Limited (MARC)

During September 2012 Remgro received an offer from Kagiso Media Limited to acquire the entire issued share capital of MARC, for an amount of R335 million, plus an additional R10 million in respect of a shareholder loan to MARC, provided that at the time of implementation of the transaction MARC's only assets will be its shareholdings in Experiential Marketing (Pty) Limited, EXP Momentum Limited, Trinergy Brand Connectors (Pty) Limited and Bull Rugby Holdings (Pty) Limited.

In order to give effect to the above transaction, Remgro will be required to acquire all the MARC shares that it does not already own from MARC's minority shareholders. Both of these transactions are subject to certain suspensive conditions being fulfilled and it is anticipated that the completion date will be 31 January 2013.

Mediclinic International Limited (Mediclinic)

On 1 August 2012, Mediclinic announced a comprehensive refinancing of its Swiss and South African debt. As part of the transaction Mediclinic proposed the raising of new equity through a R5.0 billion rights offer. Remgro has entered into an underwriting agreement with Mediclinic in terms of which it has agreed, subject to the fulfilment of certain conditions, to fully underwrite the rights offer. Remgro's exposure has been reduced to R3.0 billion due to the fact that a third party sub-underwrote R2.0 billion on a first-out basis.

On 31 August 2012, Mediclinic announced that all conditions precedent pertaining to the rights offer had been fulfilled. The rights offer will consist of an offer of 174.6 million new Mediclinic shares at an issue price of R28.63 per share in the ratio of 26.77263 new Mediclinic shares for every 100 Mediclinic shares held. In terms of the rights offer Remgro will subscribe for 75.8 million new Mediclinic shares at an aggregate subscription price of R2.17 billion. Remgro's exposure under the underwriting agreement is thus limited to R0.83 billion.

Kagiso Tiso Holdings (Pty) Limited (RF) (KTH)

During August 2012 Remgro increased its shareholding in KTH by acquiring a further 7.2% interest for a total amount of R484.8 million, thereby increasing its interest from 25.1% to 32.3%.

CASH RESOURCES AT THE CENTRE

The Company's cash resources at 30 June 2012 were as follows:

	30 June 2012			30 June
	Local R million	Offshore R million	Total R million	2011 R million
Per consolidated statement of financial position	**4 515**	**1 969**	**6 484**	4 315
Investment in money market funds	**–**	**2 344**	**2 344**	1 725
Less: Cash of operating subsidiaries	**(494)**	**(7)**	**(501)**	(188)
Cash at the centre	**4 021**	**4 306**	**8 327**	5 852

On 30 June 2012, approximately 54% (R2 344 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 15 to the annual financial statements for further details.

GROUP FINANCIAL REVIEW

Statement of financial position

The analysis of "Equity employed" 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.

	30 June 2012		30 June 2011	
	R million	R per share	R million	R per share
Equity employed				
Attributable to equity holders	**53 454**	**103.93**	51 559	100.37
Employment of equity				
Financial services	**18 226**	**35.44**	18 618	36.24
Industrial interests	**21 058**	**40.94**	17 313	33.70
Media interests	**1 069**	**2.08**	1 083	2.11
Mining interests	**–**	**–**	4 862	9.47
Technology interests	**2 242**	**4.36**	2 446	4.76
Other investments	**1 200**	**2.33**	944	1.84
Central treasury – cash at the centre	**8 327**	**16.19**	5 852	11.39
Other net corporate assets	**1 332**	**2.59**	441	0.86
	53 454	**103.93**	51 559	100.37

Income statement

	Twelve months ended 30 June 2012		Fifteen months ended 30 June 2011	
	R million	%	R million	%
Source of headline earnings				
Financial services	**2 538**	**50**	2 845	51
Industrial interests	**2 236**	**44**	2 512	45
Media interests	**93**	**2**	20	–
Mining interests	**148**	**3**	112	2
Technology interests	**77**	**1**	111	2
Other investments	**22**	**–**	28	1
Central treasury	**140**	**3**	89	2
Other net corporate costs	**(141)**	**(3)**	(162)	(3)
	5 113	**100**	5 555	100

	Twelve months ended 30 June 2012 R million	Fifteen months ended 30 June 2011 R million
Composition of headline earnings		
Subsidiary companies	**685**	515
Profits	**755**	675
Losses	**(70)**	(160)
Associated companies and joint ventures	**4 428**	5 040
Profits	**4 524**	5 185
Losses	**(96)**	(145)
	5 113	5 555

SHARE SCHEMES

Remgro currently has two long-term incentive plans, i.e. the Remgro Share Scheme and the Remgro Equity Settled Share Appreciation Right Scheme (the "SAR 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.

TREASURY SHARES

At 30 June 2011, 2 918 266 Remgro ordinary shares (0.6%) 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 Remgro's share incentive schemes.

During the year under review no Remgro ordinary shares were repurchased, while 639 111 Remgro ordinary shares were utilised to settle Remgro's obligation towards scheme participants who exercised the rights granted to them.

At 30 June 2012, 2 279 155 Remgro ordinary shares (0.5%) 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 42.58% (2011: 42.61%) of the total votes.

An analysis of the shareholders appears on pages 198 and 199.

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 20 to 21.

In terms of the provision of the Articles of Association, Messrs J P Rupert, J W Dreyer, F Robertson, H Wessels, N P Mageza and P J Moleketi retire from the Board by rotation. These directors are eligible and offer themselves for re-election.

DIRECTORS' INTERESTS

At 30 June 2012 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 2.62% (2011: 2.81%).

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 200.

DIRECTORS' EMOLUMENTS

The total directors' fees for services rendered as directors during the past financial year amounted to R3.8 million (fifteen months to 30 June 2011: R4.6 million).

SPECIAL RESOLUTIONS

Pursuant to the introduction of the Companies Act (which became effective on 1 May 2011), all the subsidiaries of the Company are in the process of adopting new Memoranda of Incorporation by special resolution in order to bring their constitutional documents (the former memorandum and articles of association) in harmony with the Companies Act. As part of this process, all wholly owned subsidiaries of the Company are by special resolution converting their par value share capital into shares of no par value, and the majority of the wholly owned subsidiaries of the Company which are public companies are by special resolution converting into private companies.

DIVIDENDS

The final ordinary dividend per share was determined at 188 cents (2011: 213 cents). Total ordinary dividends per share in respect of the twelve months to 30 June 2012 therefore amount to 314 cents (fifteen months to 30 June 2011: 314 cents).

DECLARATION OF CASH DIVIDEND

Secondary tax on companies (STC) and dividend tax

With effect from 1 April 2012, STC was replaced with a dividend tax. In terms of the new legislation, companies will be allowed to apply their available STC credits against future dividends declared for a period of three years from the effective date of dividend tax.

Declaration of Dividend No. 24

Notice is hereby given that a final gross dividend of 188 cents (2011: 213 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 year ended 30 June 2012.

The total dividend per share for the twelve months ended 30 June 2012 therefore amounts to 314 cents, compared to 314 cents for the comparative fifteen months ended 30 June 2011.

Shareholders should note that the total dividend for the period to 30 June 2011 of 314 cents per share included 63 cents per share in respect of the three months with which the financial year-end of the Group was extended to 30 June 2011.

The Company will be utilising STC credits amounting to 188 cents per ordinary share and 188 cents per unlisted B ordinary share. As a result there will be no dividend tax deducted from the final gross dividend for any Remgro shareholder.

The issued share capital at the declaration date is 481 106 370 ordinary shares and 35 506 352 B ordinary shares. The income tax number of the Company is 9500-124-71-5.

Together with the Implats shares that were distributed as a dividend *in specie* on 25 June 2012, which amounted to R7.28 per share, the total distributions to Remgro shareholders for the year under review will therefore amount to R10.42 per share.

Payment

The final dividend is payable on Monday, 19 November 2012, to shareholders of the Company registered at the close of business on Friday, 16 November 2012.

Shareholders may not dematerialise or rematerialise their holdings of ordinary shares between Monday, 12 November 2012, and Friday, 16 November 2012, both days inclusive.

SECRETARY

The name and address of the Company Secretary appears on page 22.

APPROVAL

The annual financial statements set out on pages 137 to 200 have been approved by the Board.

Signed on behalf of the Board of Directors.





Johann Rupert
Chairman

Jannie Durand
Chief Executive Officer

Stellenbosch
20 September 2012

ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2012

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. 71 of 2008), as amended, and the Listings Requirements of the JSE Limited.

These financial statements incorporate accounting policies that have been consistently applied to both periods presented, with the exception of the implementation of the revised *IAS 24: Related Party Disclosures*. The adoption of the revised accounting standard only affected disclosure and had no impact on the results of either the current or prior periods.

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 in note 29. 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 govern the financial and operating policies, are included in the consolidated financial statements. 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 Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit and loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

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
Entities that are jointly controlled through contractual arrangements between the Group and other parties are classified as joint ventures and accounted for according to the equity method as described below.

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 equity reserves. The Group's share of other movements in the reserves of associated companies is accounted for through other comprehensive income. If the ownership interest in an associated company is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit and loss where appropriate.

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 effects of equity transactions by associated companies that Remgro is not party to, are accounted for in the income statement and excluded from headline earnings.

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.

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 reporting 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 the income statement 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:

Growing crops and orchards – Growing crops and orchards comprise two elements:

- Bearer biological assets – sugar cane roots, citrus trees and banana plants
- Consumable biological assets – standing sugar cane, citrus fruit and bananas

Bearer biological assets are valued at fair value based on the current replacement cost of planting and establishment, subsequently reduced in value over the period of their productive lives.

Consumable biological assets are measured at their fair value, determined on current estimated market prices less estimated harvesting, transport, packing and point-of-sale costs.

- Standing cane at estimated sucrose content, age and market price.
- Growing fruit at estimated yields, quality standards, age and market prices.

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 the income statement during the period in which they arise.

Growing crops and orchards – bearer biological assets are reported in the statement of financial position as non-current assets, while breeding stock and growing crops and orchards – consumable biological assets are reported as current assets.

(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 statement of financial position 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 in money market funds, other 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 through other comprehensive income 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.

Financial instruments at fair value through profit and loss – These instruments, consisting of investments in money market funds, 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.

Investments in money market funds relate to investments in shares of liquidity funds of which the underlying investments have maturities of up to one year. The shares in these funds are callable on a daily basis.

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 other comprehensive income, 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.

Fair value estimation – Financial instruments that are measured at fair value in the statement of financial position, are disclosed by level of the following fair value hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – Inputs (other than quoted prices included within level 1) that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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 reporting 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 through other comprehensive income, 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.

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. Work in progress and finished goods include direct costs and an appropriate allocation of manufacturing overheads.

(IX) TAXATION

Current taxation is provided by using rates that have been enacted or substantially enacted in terms of applicable tax laws.

Deferred taxation is provided for at rates that have been enacted or substantially enacted using the statement of financial position liability method. Full provision is made for all temporary differences between the taxation base of an asset or liability and its carrying amount on the statement of financial position. 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 (STC) was provided on dividend payments, net of dividends received and was recognised as a taxation charge. STC was abolished effective 1 April 2012 and has been replaced by a new withholding tax which is levied on the shareholder and not the company, with the exception of non-cash dividends. Existing STC credits will expire on 1 April 2015 if not utilised.

(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 other comprehensive income 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 other comprehensive income, 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 hyper-inflationary 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 reporting 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 other comprehensive income.

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 to other comprehensive income. 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 reporting 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 the income statement.

Other assets

The Group assesses at each reporting 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 properties, 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 other comprehensive income 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 other comprehensive income.

- **Presentation**
  Due to the significance of the item it is presented in a separate line below trading profit on the income statement.

(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 cumulative 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 period to which they relate.

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-benefit 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 reporting date.

(XIV) CASH AND CASH EQUIVALENTS

For the purpose of the statement of cash flow, 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 statement of financial position, 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 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.

(XVII) DIVIDEND DISTRIBUTION

Distributions of assets to the Company's shareholders 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 reporting date, or the Group does not have an unconditional right to defer settlement for at least twelve months after the reporting date.

(XIX) SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Company, who makes strategic decisions. Each significant investment is classified as an operating segment.

(XX) 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 statement of financial position and income statement. Although estimates are based on management's best knowledge and judgements of current facts as at reporting 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 and not as financial instruments at fair value. The fair value of associated companies is set out in note 6 to the annual financial statements.

Critical judgement is also exercised with regard 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 fairly present 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 other comprehensive income 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 reporting date, expects to recover the carrying value of the various investments. The carrying value of investments in associated companies is 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.

Another significant estimate relates to the Board's view that on the strength of legal opinions obtained, the disputes with the South African Revenue Service regarding three assessments issued by them, will be successfully defended.

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.

Critical accounting estimates and assumptions were also made during the purchase price allocation process in accounting for acquisitions as business combinations in accordance with *IFRS 3: Business Combinations*. These estimates and assumptions relate to the determination of useful lives of assets, discount rates, growth rates and valuation of unlisted investments.

(XXI) NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

Management considered all new accounting standards, interpretations and amendments to IFRS that were issued prior to 30 June 2012, 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 9: Financial Instruments**
  (effective date – financial periods commencing on/after 1 January 2015)
  The International Accounting Standards Board (IASB) issued *IFRS 9: Financial Instruments* as the first step in its project to replace *IAS 39: Financial Instruments – Recognition and Measurement*. IFRS 9 introduces new requirements for classifying and measuring financial assets, as well as the requirements for classification and measurement of financial liabilities.

  The IASB intends to expand IFRS 9 to add new requirements for the derecognition of financial instruments, impairment and hedge accounting. IFRS 9 will be a complete replacement for IAS 39, but its application will only be mandatory from 1 January 2015. (Previously the effective date of IFRS 9 was, 1 January 2013, but it was extended to 1 January 2015. The standard will be implemented prospectively).

- **IFRS 10: Consolidated Financial Statements**
  (effective date – financial periods commencing on/after 1 January 2013)
  This IFRS establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities and will replace *IAS 27: Consolidated Financial Statements*.

- **IFRS 11: Joint Arrangements**
  (effective date – financial periods commencing on/after 1 January 2013)
  This IFRS establishes principles for financial reporting by parties to a joint arrangement and will supersede *IAS 31: Interests in Joint Ventures*.

- **IFRS 12: Disclosure of Interests in Other Entities**
  (effective date – financial periods commencing on/after 1 January 2013)
  This IFRS sets out disclosure requirements that applies to entities that have an interest in a subsidiary, a joint arrangement, an associate or an unconsolidated structured entity.

- **IFRS 13: Fair Value Measurement**
  (effective date – financial periods commencing on/after 1 January 2013)
  This IFRS defines fair value, sets out in a single IFRS a framework for measuring fair value and requires disclosures about fair value measurements.

- **IAS 19: Employee Benefits**
  (effective date – financial periods commencing on/after 1 January 2013)
  The revised IAS 19 has significant changes on measurement and disclosure of employee benefits. The significant changes are the elimination of the corridor approach, recognising all actuarial gains and losses in other comprehensive income as they occur, as well as requiring the immediate recognition of past service costs. IAS 19 also replaces interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discounted rate to net defined liability or asset.

- **IAS 27: Separate Financial Statements**
  (effective date – financial periods commencing on/after 1 January 2013)
  This IFRS contains accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. It will supersede IAS 27 (2008).

- **IAS 28: Investments in Associates and Joint Ventures**
  (effective date – financial periods commencing on/after 1 January 2013)
  This IFRS prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. It will supersede IAS 28 (2003).

- **IAS 32: Financial Instruments: Presentation and IFRS 7: Financial instruments: Disclosure (Offsetting Financial Assets and Financial Liabilities)**
  (effective date – financial periods commencing on/after 1 January 2014)
  These standards (IAS 32) sets the criterion that an entity must satisfy in order to set off recognised amounts, as well as the disclosure required in those instances.

- **IFRIC 20: Stripping Costs in the Production Phase of a Surface Mine**
  (effective date – financial periods commencing on/after 1 January 2013)
  IFRIC 20 prescribes the accounting treatment of stripping cost in the production phase of a surface mine.

- **Amendments to IFRS 1: First-Time Adoption of International Financial Reporting Standards**
  The amendments allow certain exemptions for entities that adopt IFRS for the first time.

- **Amendments to IFRS 10, IFRS 11 and IFRS 12: Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance**
  (effective date – financial periods commencing on/after 1 January 2013)
  The amendments clarifies transitional guidance in IFRS 10. It clarifies "date of initial application" to mean "beginning of the annual reporting period in which IFRS 10 is applied for the first time". The amendment also clarifies how an investor shall adjust comparative period(s) retrospectively. Additional transition relief is provided by limiting the requirement to present adjusted comparative information to the period immediately preceding the date of initial application. Presentation of adjusted comparatives for earlier periods is permitted but not required.

  Similar relief from presentation or adjustment to comparative information applies to *IFRS 11: Joint Arrangements* and *IFRS 12: Disclosure of Interest in Other Entities*. IFRS 12 is further amended to provide additional transition relief by eliminating the requirement to present comparatives for the disclosure relating to unconsolidated structured entities for any period before the first annual period for which IFRS 12 is applied.

- **Amendments to IAS 12: Deferred Tax: Recovery of Underlying Assets**
  (effective date – financial periods commencing on/after 1 January 2012)
  IAS 12 was amended to clarify the recognition of deferred tax by requiring that the tax base of the item must be consistent with the expected manner of its recovery or settlement.

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 flows.

STATEMENTS OF FINANCIAL POSITION

AT 30 JUNE 2012

R million	Notes	CONSOLIDATED 30 June 2012	CONSOLIDATED 30 June 2011	THE COMPANY 30 June 2012	THE COMPANY 30 June 2011
ASSETS					
Non-current assets					
Property, plant and equipment	2	**3 485**	3 098	**–**	–
Biological agricultural assets	3	**99**	131	**–**	–
Investment properties	4	**37**	41	**–**	–
Intangible assets	5	**356**	327	**–**	–
Investments – Associated companies	6	**38 321**	34 920	**–**	–
– Joint ventures	7	**130**	252	**–**	–
– Other	8	**1 587**	6 059	**–**	–
– Subsidiary companies	9			**3 736**	3 736
Retirement benefits	10	**164**	149	**–**	–
Loans		**115**	139	**–**	–
Deferred taxation	11	**6**	7	**–**	–
		44 300	45 123	**3 736**	3 736
Current assets		**13 727**	10 864	**3 924**	3 637
Inventories	12	**2 002**	1 476	**–**	–
Biological agricultural assets	3	**476**	445	**–**	–
Debtors and short-term loans	13	**2 071**	1 968	**3 924**	3 637
Derivative instruments	14	**104**	120	**–**	–
Taxation		**32**	51	**–**	–
Investment in money market funds	15	**2 344**	1 725	**–**	–
Cash and cash equivalents	16	**6 484**	4 315	**–**	–
		13 513	10 100	**3 924**	3 637
Assets held for sale	17	**214**	764	**–**	–
Total assets		**58 027**	55 987	**7 660**	7 373
EQUITY AND LIABILITIES					
Share capital	18	**8**	8	**8**	8
Share premium	18	**3 597**	3 597	**3 597**	3 597
Reserves	19	**50 018**	48 170	**1 522**	3 720
Treasury shares		**(169)**	(216)	**–**	–
Shareholders' equity		**53 454**	51 559	**5 127**	7 325
Non-controlling interest		**799**	771		
Total equity		**54 253**	52 330	**5 127**	7 325
Non-current liabilities		**981**	1 481	**–**	–
Retirement benefits	10	**203**	238	**–**	–
Long-term loans	20	**105**	154	**–**	–
Deferred taxation	11	**673**	1 089	**–**	–
Current liabilities		**2 793**	2 176	**2 533**	48
Trade and other payables	21	**2 493**	2 160	**46**	48
Short-term loans	22	**279**	3	**2 487**	–
Provisions	23	**8**	3	**–**	–
Derivative instruments	14	**4**	6	**–**	–
Taxation		**9**	4	**–**	–
Total equity and liabilities		**58 027**	55 987	**7 660**	7 373

INCOME STATEMENTS

FOR THE TWELVE MONTHS ENDED 30 JUNE 2012

R million	Notes	CONSOLIDATED Twelve months ended 30 June 2012	CONSOLIDATED Fifteen months ended 30 June 2011	THE COMPANY Twelve months ended 30 June 2012	THE COMPANY Fifteen months ended 30 June 2011
Sales		**13 532**	14 955	**–**	–
Inventory expenses		**(8 517)**	(9 015)	**–**	–
Staff costs	24	**(2 405)**	(2 729)	**–**	–
Depreciation	27	**(354)**	(387)	**–**	–
Other net operating expenses	27	**(1 484)**	(2 160)	**(33)**	(46)
Trading profit/(loss)		**772**	664	**(33)**	(46)
Dividend income	28	**175**	155	**3 500**	115
Interest received	27	**243**	205	**–**	–
Finance costs		**(21)**	(35)	**–**	–
Negative goodwill		**–**	112	**–**	–
Net impairment of investments, loans, assets and goodwill	27	**(295)**	(68)	**–**	–
Profit/(loss) on sale and unbundling of investments	27	**4 421**	2 283	**–**	2
Consolidated profit before tax		**5 295**	3 316	**3 467**	71
Taxation	11	**(462)**	(480)	**–**	–
Consolidated profit after tax		**4 833**	2 836	**3 467**	71
Share of after-tax profit of associated companies and joint ventures	29	**4 532**	8 112		
Net profit for the period		**9 365**	10 948	**3 467**	71
Attributable to:					
Equity holders		**9 284**	10 841	**3 467**	71
Non-controlling interest		**81**	107		
		9 365	10 948	**3 467**	71

EARNINGS PER SHARE	1	Cents	Cents
Basic		**1 805.9**	2 112.4
Diluted		**1 783.7**	2 072.3

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE TWELVE MONTHS ENDED 30 JUNE 2012

	ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY					CONSOLIDATED	
R million	Equity reserves	Other reserves	Fair value reserves	Retained earnings	Share-holders' equity	Non-controlling interest	Total equity
30 June 2012							
Net profit for the period				**9 284**	**9 284**	**81**	**9 365**
Other comprehensive income, net of tax	**909**	**373**	**(3 657)**	**548**	**(1 827)**	**–**	**(1 827)**
Exchange rate adjustments	**(38)**	**382**	**(6)**	**454**	**792**		**792**
Fair value adjustments for the period		**(3)**	**(863)**		**(866)**		**(866)**
Deferred taxation on fair value adjustments		**1**	**198**		**199**		**199**
Reclassification of reserves to the income statement	**(101)**	**(7)**	**(2 986)**	**94**	**(3 000)**		**(3 000)**
Change in reserves of associated companies and joint ventures	**1 048**				**1 048**		**1 048**
Total comprehensive income for the period	**909**	**373**	**(3 657)**	**9 832**	**7 457**	**81**	**7 538**
30 June 2011							
Net profit for the period				10 841	10 841	107	10 948
Other comprehensive income, net of tax	(427)	(101)	(675)	(158)	(1 361)	–	(1 361)
Exchange rate adjustments	8	(94)		(158)	(244)		(244)
Fair value adjustments for the period		(10)	(797)		(807)		(807)
Deferred taxation on fair value adjustments		3	142		145		145
Reclassification of reserves to the income statement	6		(20)		(14)		(14)
Change in reserves of associated companies and joint ventures	(441)				(441)		(441)
Total comprehensive income for the period	(427)	(101)	(675)	10 683	9 480	107	9 587

	THE COMPANY	
R million	**30 June 2012**	30 June 2011
Net profit for the period	**3 467**	71
Other comprehensive income	**–**	–
Total comprehensive income for the period	**3 467**	71

STATEMENTS OF CHANGES IN EQUITY

FOR THE TWELVE MONTHS ENDED 30 JUNE 2012

R million	Issued capital	Equity reserves	Other reserves	Fair value reserves	Retained earnings	Treasury shares	Share-holders' equity	Non-controlling interest	Total equity
	ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY							CONSOLIDATED	
30 June 2012									
Balances at 1 July	**3 605**	**6 738**	**305**	**3 914**	**37 213**	**(216)**	**51 559**	**771**	**52 330**
Total comprehensive income for the period		**909**	**373**	**(3 657)**	**9 832**		**7 457**	**81**	**7 538**
Dividends paid					**(1 743)**		**(1 743)**	**(66)**	**(1 809)**
Capital invested by minorities								**6**	**6**
Transfer between reserves and other movements		**(131)**	**(41)**		**171**		**(1)**	**2**	**1**
Transfer of retained income of associated companies and joint ventures		**1 851**			**(1 851)**		**–**		**–**
Long-term share incentive scheme reserve			**32**			**47**	**79**	**5**	**84**
Unbundling of investment (refer note 8)					**(3 897)**		**(3 897)**		**(3 897)**
Balances at 30 June	**3 605**	**9 367**	**669**	**257**	**39 725**	**(169)**	**53 454**	**799**	**54 253**
30 June 2011									
Balances at 1 April	3 722	9 477	409	4 589	25 362	(255)	43 304	779	44 083
Total comprehensive income for the period		(427)	(101)	(675)	10 683		9 480	107	9 587
Dividends paid					(1 160)		(1 160)	(60)	(1 220)
Capital invested by minorities								14	14
Transfer between reserves and other movements		(2 313)	(23)		2 329		(7)	(74)	(81)
Transfer of retained income of associated companies and joint ventures		1			(1)		–		–
Long-term share incentive scheme reserve			20			39	59	5	64
Unbundling of investment (refer note 18)	(117)						(117)		(117)
Balances at 30 June	3 605	6 738	305	3 914	37 213	(216)	51 559	771	52 330

R million	THE COMPANY 30 June 2012	30 June 2011
Balances at the beginning of the period	**7 325**	8 539
Issued capital	**3 605**	3 722
Retained earnings	**3 720**	4 817
Total comprehensive income for the period	**3 467**	71
Dividends paid	**(1 751)**	(1 168)
Unbundling of investment	**(3 914)**	(117)
Balances at the end of the period	**5 127**	7 325

STATEMENTS OF CASH FLOWS

FOR THE TWELVE MONTHS ENDED 30 JUNE 2012

R million	Notes	CONSOLIDATED Twelve months ended 30 June 2012	CONSOLIDATED Fifteen months ended 30 June 2011	THE COMPANY Twelve months ended 30 June 2012	THE COMPANY Fifteen months ended 30 June 2011
Cash flows – operating activities					
Trading profit/(loss)		**772**	664	**(33)**	(46)
Adjustments	30.1	**299**	515	**–**	–
Trading profit/(loss) before working capital changes		**1 071**	1 179	**(33)**	(46)
Working capital changes	30.2	**(344)**	(968)	**(2)**	16
Cash generated/(utilised) from/(by) operations		**727**	211	**(35)**	(30)
Cash flow generated from returns on investments		**3 393**	2 768	**3 500**	–
Interest received		**243**	205	**–**	–
Dividends received	30.3	**3 150**	2 563	**3 500**	–
Finance costs		**(21)**	(35)	**–**	–
Taxation paid	30.4	**(431)**	(407)	**–**	–
Cash available/(utilised) from/(by) operating activities		**3 668**	2 537	**3 465**	(30)
Dividends paid	30.5	**(1 819)**	(1 220)	**(1 761)**	(1 168)
Cash inflow/(outflow) from operating activities		**1 849**	1 317	**1 704**	(1 198)
Cash flows – investing activities					
Net investments to maintain operations		**(37)**	(370)	**–**	–
Replacement of property, plant and equipment		**(316)**	(395)	**–**	–
Proceeds on disposal of property, plant and equipment and other assets		**279**	25	**–**	–
Investments to expand operations		**(3 241)**	(2 062)	**(3 904)**	–
Additions to – property, plant and equipment and other assets		**(488)**	(230)	**–**	–
– investments and loans		**(2 753)**	(1 832)	**(3 904)**	–
Businesses acquired	31	**–**	–	**–**	–
Proceeds/(costs) from disposal of investments and loans		**3 402**	1 664	**–**	–
Businesses disposed	32	**–**	10	**–**	–
Cash inflow/(outflow) from investing activities		**124**	(758)	**(3 904)**	–
Cash flows – financing activities					
(Increase)/decrease in loans		**130**	58	**2 200**	1 198
Disposal of treasury shares		**–**	15	**–**	–
Issue of new shares by subsidiary companies		**9**	14	**–**	–
Cash inflow/(outflow) from financing activities		**139**	87	**2 200**	1 198
Net increase in cash and cash equivalents		**2 112**	646	**–**	–
Decrease/(increase) in money market funds		**(619)**	87	**–**	–
Exchange rate profit/(loss) on foreign cash		**586**	(159)	**–**	–
Cash and cash equivalents at the beginning of the period		**4 315**	3 741	**–**	–
Cash and cash equivalents at the end of the period		**6 394**	4 315	**–**	–
Cash and cash equivalents – per statement of financial position		**6 484**	4 315		
Bank overdraft		**(90)**	–		

1. EARNINGS

	Twelve months ended 30 June 2012		Fifteen months ended 30 June 2011	
	Gross R million	**Net R million**	Gross R million	Net R million
HEADLINE EARNINGS RECONCILIATION				
Net profit for the period attributable to equity holders		**9 284**		10 841
Plus/(minus):				
– Negative goodwill	**–**	**–**	(112)	(112)
– Net impairment of associates and joint ventures	**26**	**26**	(14)	(14)
– Impairment of other investments	**239**	**239**	–	–
– Impairment of property, plant and equipment	**3**	**3**	40	40
– Recycling of foreign currency translation reserves	**94**	**94**	–	–
– Profit on sale of associates and joint ventures	**(1 056)**	**(896)**	(2 312)	(2 154)
– (Profit)/loss on sale of other investments	**(3 455)**	**(3 455)**	54	49
– Profit on sale of subsidiary company	**–**	**–**	(25)	(23)
– Net (surplus)/loss on disposal of property, plant and equipment	**(79)**	**(77)**	1	–
– Non-headline earnings items included in equity accounted earnings of associated companies and joint ventures	**(241)**	**(105)**	(3 122)	(3 072)
– Net surplus on disposal of property, plant and equipment	**(19)**	**(13)**	(76)	(78)
– Profit on the sale of investments	**(381)**	**(286)**	(2 759)	(2 749)
– Net impairment of investments, assets and goodwill	**197**	**195**	102	136
– Other non-recurring and capital items	**(38)**	**(1)**	(389)	(381)
Headline earnings		**5 113**		5 555

	Twelve months ended 30 June 2012 Cents	Fifteen months ended 30 June 2011 Cents
EARNINGS PER SHARE		
Headline earnings per share		
– Basic	**994.6**	1 082.4
– Diluted	**974.3**	1 050.4
Earnings per share		
– Basic	**1 805.9**	2 112.4
– Diluted	**1 783.7**	2 072.3

Earnings per share
In determining earnings per share and headline earnings per share the weighted number of shares in issue, being 514 090 014 (2011: 513 209 003), was taken into account after deduction of treasury shares as well as shares held in 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.

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 1 718 059 (2011: 1 537 747) 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, R88 million (2011: R148 million) and R83 million (2011: R174 million) were offset against headline earnings and earnings respectively to account for the potential diluted effect.

2. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings R million	*Machinery and equipment* R million	*Vehicles* R million	*Office equipment* R million	*Total* R million
Carrying value at 1 April 2010	991	1 677	349	33	3 050
Cost	1 483	3 381	532	47	5 443
Accumulated depreciation	(492)	(1 704)	(183)	(14)	(2 393)
Additions	238	282	84	8	612
Disposals	(1)	(15)	(9)	–	(25)
Depreciation	(54)	(277)	(52)	(4)	(387)
Businesses disposed	(23)	(19)	(4)	–	(46)
Impairments	–	1	(41)	–	(40)
Transfers and other	(97)	36	(5)	–	(66)
Carrying value at 30 June 2011	1 054	1 685	322	37	3 098
Cost	1 596	3 599	525	54	5 774
Accumulated depreciation	(542)	(1 914)	(203)	(17)	(2 676)
Additions	**364**	**317**	**82**	**8**	**771**
Disposals	**(10)**	**(11)**	**(8)**	**(2)**	**(31)**
Depreciation	**(49)**	**(253)**	**(48)**	**(4)**	**(354)**
Businesses acquired	**–**	**–**	**–**	**1**	**1**
Impairments	**–**	**(1)**	**–**	**–**	**(1)**
Transfers and other	**(42)**	**37**	**6**	**–**	**1**
Carrying value at 30 June 2012	**1 317**	**1 774**	**354**	**40**	**3 485**
Cost	**1 903**	**3 901**	**590**	**61**	**6 455**
Accumulated depreciation	**(586)**	**(2 127)**	**(236)**	**(21)**	**(2 970)**

Depreciation rates are as follows:	**30 June 2012 %**	30 June 2011 %
Buildings	**0 – 50**	0 – 50
Machinery and equipment	**3⅓ – 100**	3⅓ – 100
Vehicles	**4 – 33⅓**	4 – 33⅓
Office equipment	**5 – 33⅓**	5 – 33⅓

Liabilities resulting from mortgage loans, finance leases and instalment sale agreements are secured by assets with a book value of R6 million (2011: R2 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.

Assets with a book value of R198 million (2011: R178 million) are still under construction.

3. BIOLOGICAL AGRICULTURAL ASSETS

Included in non-current assets:

Reconciliation of carrying value at the beginning and end of the period	Sugar cane roots R million	Sugar cane plants R million	Other R million	30 June 2012 R million	Sugar cane roots R million	Sugar cane plants R million	Other R million	30 June 2011 R million
Balances at the beginning of the period	**37**	**88**	**6**	**131**	30	75	52	157
Fair value adjustment	**1**	**89**	**3**	**93**	7	88	31	126
Additions	**–**	**–**	**–**	**–**	–	–	12	12
Transfer to assets "held for sale"	**4**	**(40)**	**–**	**(36)**	–	–	–	–
Businesses disposed	**–**	**–**	**–**	**–**	–	–	(61)	(61)
Decrease due to harvest	**–**	**(88)**	**(1)**	**(89)**	–	(75)	(28)	(103)
Balances at the end of the period	**42**	**49**	**8**	**99**	37	88	6	131

The quantity at 30 June is as follows:		
Sugar cane roots (ha)	**4 243**	7 149
Sugar cane plants (ha)	**4 243**	7 149
Other (ha)	**158**	158

Included in current assets:

Reconciliation of carrying value at the beginning and end of the period	Breeding stock R million	Broiler stock R million	30 June 2012 R million	Breeding stock R million	Broiler stock R million	30 June 2011 R million
Balances at the beginning of the period	**224**	**221**	**445**	241	182	423
Additions	**778**	**3 562**	**4 340**	880	4 064	4 944
Decrease due to harvest	**(751)**	**(3 587)**	**(4 338)**	(902)	(4 051)	(4 953)
Fair value adjustment	**4**	**25**	**29**	5	26	31
Balances at the end of the period	**255**	**221**	**476**	224	221	445

4. INVESTMENT PROPERTIES

	30 June 2012			30 June 2011		
	Cost R million	Accumulated depreciation R million	Net value R million	Cost R million	Accumulated depreciation R million	Net value R million
Land	**3**	**–**	**3**	3	–	3
Buildings	**34**	**–**	**34**	38	–	38
	37	**–**	**37**	41	–	41

Reconciliation of carrying value at the beginning and end of the period	Land R million	Buildings R million	30 June 2012 R million	Land R million	Buildings R million	30 June 2011 R million
Balances at the beginning of the period	**3**	**38**	**41**	3	31	34
Additions	**–**	**1**	**1**	–	9	9
Disposals	**–**	**(5)**	**(5)**	–	–	–
Transfer to assets "held for sale"	**–**	**–**	**–**	–	(2)	(2)
Balances at the end of the period	**3**	**34**	**37**	3	38	41

The investment properties were valued during the 2011 financial period by an independent, qualified valuer using market information. The fair value of the investment properties, VAT exclusive, is R338 million (2011: R372 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.

5. INTANGIBLE ASSETS

	30 June 2012			30 June 2011		
	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	**333**	**(12)**	**321**	332	(12)	320
Trade marks and other	**94**	**(59)**	**35**	63	(56)	7
	427	**(71)**	**356**	395	(68)	327

Amortisation rates are as follows:	**30 June 2012 %**	30 June 2011 %
Trade marks and other	**5 – 100**	5 – 100

Reconciliation of carrying value at the beginning and end of the period	*Goodwill* R million	*Trade marks and other* R million	30 June 2012 R million	*Goodwill* R million	*Trade marks and other* R million	30 June 2011 R million
Balances at the beginning of the period	**320**	**7**	**327**	338	23	361
Business acquired	**1**	**–**	**1**	–	–	–
Additions	**–**	**32**	**32**	–	1	1
Disposal	**–**	**(1)**	**(1)**	–	–	–
Amortisation	**–**	**(3)**	**(3)**	–	(2)	(2)
Transfers and other	**–**	**–**	**–**	(18)	(15)	(33)
Balances at the end of the period	**321**	**35**	**356**	320	7	327

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	30 June 2012 Total
Goodwill allocated (R million)	**292**	**13**	**16**	**321**
Basis of valuation of cash-generating units	**Value in use**	**Value in use**	**Value in use**	
In determining the value in use of the cash-generating units to which this goodwill was allocated, the following assumptions were used:				
Discount rate	12.3%	13.7%	12.7%	
Growth rate	5.5%	5.7%	8.1%	
Period	5 years	5 years	5 years	

R287 million of the goodwill relating to Rainbow Chicken and its subsidiaries relates to the acquisition of Vector Logistics (Pty) Limited in 2005.

Sensitivity analysis of assumptions used in the goodwill impairment tests:

Assumption	Movement	Impairment
Discount rate	+5%	Nil
Growth rate	–5%	Nil

6. INVESTMENTS – ASSOCIATED COMPANIES

(Annexures B & C)

	30 June 2012			30 June 2011		
	Listed	**Unlisted**	**Total**	Listed	Unlisted	Total
	R million	**R million**	**R million**	R million	R million	R million
Shares – at cost	**19 185**	**6 614**	**25 799**	18 917	6 331	25 248
Equity adjustment	**6 528**	**5 378**	**11 906**	4 463	4 657	9 120
Carrying value	**25 713**	**11 992**	**37 705**	23 380	10 988	34 368
Long-term loans		**616**	**616**	–	552	552
	25 713	**12 608**	**38 321**	23 380	11 540	34 920

	30 June 2012	30 June 2011
	R million	R million
Market values of listed investments	**40 601**	32 086

Reconciliation of carrying value at the beginning and end of the period	**30 June 2012 R million**	30 June 2011 R million
Carrying value at the beginning of the period	**34 920**	28 052
Exchange rate differences on translation of carrying value at the beginning of the period to year-end rate	**128**	(68)
Share of net attributable profit of associated companies	**4 504**	8 086
Dividends received from associated companies[1]	**(2 932)**	(8 302)
Exchange rate differences on translation from average rate to year-end rates	**(4)**	5
Equity-accounted movements on reserves	**1 049**	(437)
Dilutionary effects	**152**	194
Investments made[1] [2]	**2 387**	12 601
Loans advanced	**115**	174
Investments disposed/capital reductions[1] [3]	**(1 937)**	(4 524)
Loans repaid	**(38)**	(61)
Transfer to assets "held for sale"	**–**	(651)
Other transfers	**–**	(130)
Net impairments	**(23)**	(19)
Carrying value at the end of the period	**38 321**	34 920

[1] The previous period includes amounts of R6 174 million (MMI and RMI Holdings unbundling dividends), R11 210 million (RMBH and RMI Holdings investments made) and R3 300 million (FirstRand disposal) in respect of the FirstRand/RMBH restructuring transactions.

[2] The year under review includes an amount of R2 089 million in respect of the Grindrod acquisition.

[3] The year under review includes an amount of R1 929 million in respect of the RMBH and RMI disposal to Royal Bafokeng Holdings (Pty) Limited.

7. INVESTMENTS – JOINT VENTURES

(Annexure B)

	30 June 2012 R million	30 June 2011 R million
Unlisted shares – at cost	**61**	128
Equity adjustment	**57**	54
Carrying value	**118**	182
Long-term loans	**12**	70
	130	252
Reconciliation of carrying value at the beginning and end of the period		
Carrying value at the beginning of the period	**252**	55
Share of net attributable income of joint ventures	**28**	26
Dividends received from joint ventures	**(10)**	(3)
Equity accounted movements on reserves	**(1)**	(4)
Dilutionary effects	**5**	2
Investment made	**35**	–
Loans advanced	**5**	5
Loans repaid	**(2)**	(5)
Transfer to assets "held for sale"	**(168)**	–
Other transfers	**–**	176
Net impairments	**(14)**	–
Carrying value at the end of the period	**130**	252

The Group's share in the results, assets and liabilities of joint ventures is as follows:

Profit	**30**	24
Sales	**739**	621
Assets	**271**	344
Liabilities	**(157)**	184

The Group's share in capital commitments of joint ventures amounted to RNil (2011: RNil).

8. INVESTMENTS – OTHER

(Annexure B)

	30 June 2012			30 June 2011		
	Listed	***Unlisted***	***Total***	*Listed*	*Unlisted*	*Total*
	R million	**R million**	**R million**	R million	R million	R million
Investments – other						
Shares	**768**	**819**	**1 587**	5 482	577	6 059
Market values of listed investments	**768**		**768**	5 482		5 482
Directors' valuation of unlisted investments		**819**	**819**		577	577
Market values and directors' valuation	**768**	**819**	**1 587**	5 482	577	6 059

Reconciliation of carrying value of investments – other at the beginning and end of the period	**30 June 2012 R million**	30 June 2011 R million
Balances at the beginning of the period	**6 059**	6 644
Fair value adjustments for the period	**(850)**	(803)
Investments made*	**226**	2 180
Exchange rate adjustments	**82**	(23)
Impairments	**(2)**	–
Disposals*	**(41)**	(1 939)
Unbundling of Implats investment	**(3 887)**	–
Balances at the end of the period	**1 587**	6 059

** The previous period includes amounts of R1 842 million (MMI investment made) and R1 842 million (MMI disposal) in respect of the FirstRand/RMBH restructuring transactions.*

9. INVESTMENTS – SUBSIDIARY COMPANIES

(Annexure A)

THE COMPANY		
Unlisted subsidiary companies		
Shares – at cost	**3 736**	3 736

10. RETIREMENT BENEFITS

Statement of financial position obligations		
Retirement benefits	**(3)**	(55)
Post-retirement medical benefits	**(200)**	(183)
	(203)	(238)
Statement of financial position assets	**164**	149
Retirement benefits	**11**	8
Defined-contribution fund employer's surplus	**153**	141
Net defined-benefit post-retirement obligation	**(39)**	(89)
Represented by:		
Retirement benefits (refer note 10.1)	**8**	(47)
Post-retirement medical benefits (refer note 10.2)	**(200)**	(183)
Defined-contribution fund employer's surplus	**153**	141
	(39)	(89)
Income statement		
Retirement benefits*	**1**	41
Post-retirement medical benefits	**23**	27
Expense	**24**	68

** Refer note 24 on page 177.*

10. RETIREMENT BENEFITS (continued)

10.1 Retirement benefits

Some of the Company's subsidiaries have various defined-benefit and defined-contribution funds which are privately administered independent of the finances of the Group. The Group operates defined-benefit funds in South Africa, governed by the Pension Funds Act, 1956 (as amended), the United Kingdom and Switzerland. All salaried employees are obliged to accept membership of one of these funds.

For South African statutory purposes defined-benefit pension funds are actuarially valued every three years by independent actuaries using the projected unit credit method. The latest actuarial valuations of the South African funds were conducted as at 31 March 2011.

	Statement of financial position					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 statement of financial position* R million	*Included in staff costs* R million
Balances at 1 April 2010	744	(696)	62	(117)	(7)	
Current service cost	–	(2)	–	–	(2)	2
Interest cost	–	(54)	–	–	(54)	54
Expected return on assets	73	–	–	–	73	(73)
Surplus limitation utilisation	–	–	(55)	35	(20)	20
Actuarial gain amortisation	–	–	(80)	–	(80)	80
Curtailment	–	42	–	–	42	(42)
Contributions	1	–	–	–	1	–
Exchange rate differences	(4)	4	–	–	–	–
Benefit payments	(47)	47	–	–	–	–
Actuarial movements: fund obligation	–	(7)	7	–	–	–
Actuarial movements: plan assets	(39)	–	39	–	–	–
Balances at 30 June 2011	728	(666)	(27)	(82)	(47)	41
Current service cost	**–**	**(2)**	**–**	**–**	**(2)**	**2**
Interest cost	**–**	**(18)**	**–**	**–**	**(18)**	**18**
Expected return on assets	**28**	**–**	**–**	**–**	**28**	**(28)**
Surplus limitation utilisation	**–**	**–**	**11**	**(17)**	**(6)**	**6**
Liability settled	**(403)**	**458**	**–**	**–**	**55**	**–**
Liability assumed	**16**	**(20)**	**–**	**1**	**(3)**	**3**
Contributions	**1**	**–**	**–**	**–**	**1**	**–**
Exchange rate differences	**1**	**(1)**	**–**	**–**	**–**	**–**
Benefit payments	**(15)**	**15**	**–**	**–**	**–**	**–**
Actuarial movements: fund obligation	**–**	**(19)**	**6**	**13**	**–**	**–**
Actuarial movements: plan assets	**28**	**–**	**(28)**	**–**	**–**	**–**
Balances at 30 June 2012	**384**	**(253)**	**(38)**	**(85)**	**8**	**1**

* *The Financial Services Board approved the surplus allocation scheme on 6 September 2005. The present value of economic benefits recognised in the financial statements is limited to the value of the surplus allocated to the Employer Surplus Account. The Trustees have decided not to allocate any of the current surpluses in the Fund.*

10. RETIREMENT BENEFITS (continued)

10.1 Retirement benefits (continued)

	30 June 2012 R million	30 June 2011 R million
Amount of plan assets represented by investment in the entity's own financial instruments	**–**	–
Actual return on plan assets	**56**	34
Adjustment for experience on funded obligations	**(3)**	(16)
Expected contributions to retirement funds for the year ending 30 June 2013: R2 million		

	Number	Number
Number of members	**106**	392

Composition of plan assets	**%**	%
Cash	**31.48**	18.34
Equity	**25.81**	10.15
Bonds	**10.91**	3.68
Property	**1.60**	0.65
International	**28.24**	67.18
Other	**1.96**	–
	100.00	100.00

Principal actuarial assumptions on reporting date		
Discount rate	**1.70 – 7.75**	5.50 – 8.75
Expected rates of return on plan assets*	**1.40 – 8.00**	4.58 – 8.75
Future salary increases	**7.50**	8.25
Future pension increases	**5.00**	3.50 – 5.75
Inflation rate	**1.30 – 5.00**	5.75

** 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 4 periods	**30 June 2012 R million**	30 June 2011 R million	31 March 2010 R million	31 March 2009 R million	31 March 2008 R million
Fair value of plan assets	**384**	728	744	718	875
Present value of funded obligations	**(253)**	(666)	(696)	(697)	(845)
Surplus	**131**	62	48	21	30

10. RETIREMENT BENEFITS (continued)

10.2 Post-retirement medical benefits

	Statement of financial position				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 statement of financial position* R million	*Included in staff costs* R million
Balances at 1 April 2010	40	(192)	(12)	(164)	
Current service cost	–	(6)	–	(6)	6
Interest cost	–	(22)	–	(22)	22
Expected return on assets	5	–	–	5	(5)
Amortisation of actuarial (gains)/losses	–	(5)	1	(4)	4
Contributions	–	3	–	3	–
Benefit payments	(3)	8	–	5	–
Actuarial movements	(1)	(16)	17	–	–
Balances at 30 June 2011	41	(230)	6	(183)	27
Current service cost	**–**	**(6)**	**–**	**(6)**	**6**
Interest cost	**–**	**(19)**	**–**	**(19)**	**19**
Expected return on assets	**4**	**–**	**–**	**4**	**(4)**
Amortisation of actuarial (gains)/losses	**–**	**(2)**	**–**	**(2)**	**2**
Contributions	**–**	**2**	**–**	**2**	**–**
Benefit payments	**–**	**4**	**–**	**4**	**–**
Actuarial movements	**–**	**3**	**(3)**	**–**	**–**
Balances at 30 June 2012	**45**	**(248)**	**3**	**(200)**	**23**

	30 June 2012 R million	30 June 2011 R million
Amount of plan assets represented by investment in the entity's own financial instruments	**1**	1
Actual return on plan assets	**4**	4

Expected contributions to retirement funds for the year ending 30 June 2013: R7 million.

	Number	Number
Number of members	**708**	844

Fund history for the current and previous 4 periods	**30 June 2012 R million**	30 June 2011 R million	31 March 2010 R million	31 March 2009 R million	31 March 2008 R million
Fair value of plan assets	**45**	41	40	34	37
Present value of funded obligations	**(248)**	(230)	(192)	(194)	(153)
Surplus/(deficit)	**(203)**	(189)	(152)	(160)	(116)

Composition of plan assets	**30 June 2012 %**	30 June 2011 %
Cash	**10.50**	6.00
Equity	**80.50**	83.00
Bonds	**9.00**	11.00
	100.00	100.00

10. RETIREMENT BENEFITS (continued)

10.2 Post-retirement medical benefits (continued)

	30 June 2012 %	30 June 2011 %
Principal actuarial assumptions on reporting date		
Discount rate	**7.75 – 8.75**	8.75 – 9.00
Expected rates of return on plan assets*	**8.75**	9.75
Annual increase in healthcare costs	**5.00 – 7.75**	5.75 – 7.75

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

	30 June 2012	
	Increase R million	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	**5**	**(4)**
Current service costs and interest on obligation	**35**	**(31)**

11. TAXATION

11.1 Deferred taxation

	30 June 2012 R million	30 June 2011 R million
Deferred taxation liability	**673**	1 089
Property, plant and equipment	**495**	454
Inventories	**157**	121
Provisions	**(58)**	(40)
Biological agricultural assets	**25**	43
Investments	**20**	467
Tax losses	**–**	(2)
Future capital gain taxable	**37**	46
Other	**(3)**	–
Deferred tax asset	**(6)**	(7)
Property, plant and equipment	**1**	1
Provisions	**(5)**	(4)
Other	**(2)**	(4)
Net deferred taxation	**667**	1 082
The movement between balances of deferred taxation at the beginning and end of the period can be analysed as follows:		
Beginning of the period	**1 082**	1 156
Businesses disposed	**–**	(20)
As per income statement	**7**	96
Accounted for in other comprehensive income	**(421)**	(145)
Transfers and other	**(1)**	(5)
	667	1 082

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.

11. TAXATION (continued)

11.2 Tax losses

	30 June 2012 R million	30 June 2011 R million
Estimated tax losses available for set-off against future taxable income	**270**	294
Utilised to create deferred tax asset	**(7)**	(42)
	263	252

The calculated capital losses on 30 June, which could be set off against future capital gains of the Company, amount to R3 906 million (2011: R3 906 million).

11.3 Secondary taxation on companies (STC)

The STC credits on 30 June, which could be set off against future dividend payments, amount to

– The Company	**1 549**	3 560
– Subsidiary companies	**3 583**	4 542
Unutilised STC credits	**5 132**	8 102

With the introduction of dividend tax on 1 April 2012, the STC credits are no longer the asset of the Company, but that of the shareholders, and no deferred tax asset is created.

11.4 Taxation in income statement

	Twelve months ended 30 June 2012 R million	Fifteen months ended 30 June 2011 R million
CONSOLIDATED		
Current	**455**	384
– current period – South African normal taxation	**298**	220
– Taxation on capital gain	**127**	156
– Foreign taxation	**8**	6
	433	382
– previous year – South African normal taxation	**(3)**	(20)
Secondary taxation on companies – current	**25**	22
Deferred – current period	**82**	81
– previous year	**(8)**	14
– tax on capital gain	**(67)**	1
	462	480

11.5 Reconciliation of effective tax rate of the Company and its subsidiaries with standard rate

	%	%
Effective tax rate	**8.7**	14.5
Reduction/(increase) in standard rate as a result of:		
Exempt dividend income	**1.1**	1.5
Non-taxable capital profit	**4.4**	29.9
Other non-taxable expenditure	**(4.8)**	(17.6)
Foreign taxation	**(0.2)**	(0.1)
Tax on foreign income	**0.1**	(0.1)
Previous year taxation	**0.7**	0.3
Future capital gain payable	**0.3**	(0.1)
Tax losses utilised	**18.2**	0.4
Secondary taxation on companies	**(0.5)**	(0.7)
Standard rate	**28.0**	28.0

12. INVENTORIES

	30 June 2012 R million	30 June 2011 R million
Raw materials	**356**	338
Finished products	**1 480**	984
Work in progress	**5**	14
Consumable stores	**161**	140
	2 002	1 476

13. DEBTORS AND SHORT-TERM LOANS

	THE COMPANY		CONSOLIDATED	
	30 June 2012 R million	30 June 2011 R million	30 June 2012 R million	30 June 2011 R million
Trade debtors (gross)	**–**	–	**1 850**	1 714
Less: Provision for impairments	**–**	–	**(61)**	(49)
Trade debtors (net)	**–**	–	**1 789**	1 665
Dividends receivable	**–**	–	**17**	50
Advance payments and other	**–**	–	**265**	253
Loans – Subsidiary companies	**3 924**	3 637	**–**	–
	3 924	3 637	**2 071**	1 968

Debtors with a carrying value of R49 million (2011: R41 million) provided collateral to the Group. The collateral consists of mortgage and notarial bonds, cessions, bank guarantees and credit insurance. 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:

	30 June 2012 R million	30 June 2011 R million
Balances at the beginning of the period	**49**	44
Provision for impairments on debtors	**25**	26
Debtors written off as uncollectable during the period	**(1)**	(6)
Unused amounts written back	**(13)**	(14)
Other	**1**	(1)
Balances at the end of the period	**61**	49

During the period, bad debts amounting to R1 million (2011: R6 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 33.

14. DERIVATIVE INSTRUMENTS

The following derivative instruments existed at 30 June:

	30 June 2012			30 June 2011		
	Currency value million	***Forward value R million***	***Fair value R million***	*Currency value million*	*Forward value R million*	*Fair value R million*
Assets						
Foreign exchange contracts						
Buy: Euro	**1.2**	**13.3**	**0.6**	–	–	–
Sell: USA dollar	**13.5**	**116.5**	**3.0**	13.8	98.1	3.6
			3.6			3.6
Other derivative instruments						
Commodity option contracts			**20.8**			**–**
Conversion right on preference shares			**79.7**			116.7
			100.5			116.7
			104.1			120.3
Liabilities						
Foreign exchange contracts						
Buy: GBP	**1.1**	**13.3**	**0.8**	0.3	3.5	0.1
Sell: USA dollar	**18.5**	**150.8**	**3.2**	13.6	92.5	1.0
			4.0			1.1
Other derivative instruments						
Commodity option contracts			**–**			3.3
Interest rate swaps			**0.4**			1.4
			0.4			4.7
			4.4			5.8

15. INVESTMENT IN MONEY MARKET FUNDS

	30 June 2012 R million	30 June 2011 R million
Money market fund investments are held in the following currencies:		
USA dollar (2012: $187 million; 2011: $161 million)	**1 522**	1 087
British pound (2012: £13 million; 2011: £13 million)	**171**	144
Euro (2012: €63 million; 2011: €50 million)	**651**	494
	2 344	1 725

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 (all with an Aaa Moody's Rating). The portfolios of the funds on 30 June 2012 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".

16. CASH AND CASH EQUIVALENTS

	30 June 2012 R million	30 June 2011 R million
Cash at the centre	**5 983**	4 127
Operating subsidiaries	**501**	188
	6 484	4 315
The cash is held in the following currencies:		
South African rand	**4 548**	2 067
British pound	**112**	95
USA dollar	**1 501**	1 101
Euro	**15**	868
Swiss franc	**308**	184
	6 484	4 315

At year-end cash and cash equivalents earned interest at effective interest rates that varied between 5.25% and 6.25% (2011: 5.25% and 5.73%) per annum at local financial institutions and between 0.01% and 5.50% (2011: 0.02% and 5.01%) per annum abroad.

Cash and cash equivalents are represented by the following:		
United Kingdom treasury bills	**38**	32
German treasury instruments	**–**	122
Current accounts and call accounts	**6 446**	4 161
	6 484	4 315

At year-end the Group's cash was invested at financial institutions with the following Moody's credit rating (unless otherwise indicated):		
Aa1	**–**	468
Aa2	**–**	628
Aa3	**509**	56
A1	**–**	1
A2	**399**	776
A3	**4 556**	1 376
AA+ (Fitch credit rating)	**520**	510
A+ (Fitch credit rating)	**500**	500
	6 484	4 315

17. ASSETS HELD FOR SALE

	30 June 2012 R million	30 June 2011 R million
Tsb Sugar entered into various landform agreements with, amongst others, the South African Government. These transactions are in the process of being completed. Accordingly, the related assets are classified as non-current assets "held for sale" and measured according to IFRS 5.		
Carrying value of the assets classified as "held for sale"	**46**	175
Property, plant and equipment	**6**	128
Biological agricultural assets	**40**	47
During the previous period it was decided to dispose of the investment in Tracker Investments Holdings (Pty) Limited, subject to certain regulatory requirements. Accordingly the investment was classified as a non-current asset "held for sale". The investment was sold during the year under review.		
Carrying value of the investment classified as "held for sale"	**–**	587
During the previous period Remgro decided to dispose of certain investment properties in Stellenbosch. Accordingly, the related assets were classified as non-current assets "held for sale". The investment properties were sold during the year under review.		
Carrying value of the investment properties classified as "held for sale"	**–**	2
Remgro is in the process of disposing its investment in MARC Group Limited and accordingly the investment was classified as a non-current asset "held for sale" with effect from 30 June 2012.		
Carrying value of the investment classified as "held for sale"	**168**	–
	214	764

18. 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

481 106 370 (2011: 481 106 370) ordinary shares of 1 cent each	**4.8**	4.8
35 506 352 (2011: 35 506 352) B ordinary shares of 10 cents each	**3.6**	3.6
	8.4	8.4

Share premium

Movement of the share premium account for the period:

Balances at the beginning of the period	**3 597**	3 714
Unbundling of Trans Hex investment	**–**	(117)
Balances at the end of the period	**3 597**	3 597

Each ordinary share has one vote.
Each B ordinary share has ten votes.

Number of shares held in treasury by a wholly owned subsidiary (ordinary shares of 1 cent each): 2 279 155 (2011: 2 918 266).

At a general meeting of shareholders held on 7 October 2008, 21 000 000 ordinary shares were placed under the control of the Remgro Board as a specific authority for purposes of issuing and allotting such 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 period's offers are disclosed in note 26 and the Report of the Board of Directors.

19. RESERVES

19.1 Composition of reserves

	30 June 2012 R million	30 June 2011 R million
The Company:		
Retained earnings	**1 522**	3 720
Subsidiary companies and joint ventures	**39 129**	37 712
Fair value reserve	**257**	3 914
Other reserves*	**669**	305
Retained earnings	**38 203**	33 493
Associated companies:		
Equity reserves	**9 367**	6 738
	50 018	48 170
Statutory non-distributable reserves included in other reserves	**6**	6

** Other reserves consist mainly of share scheme reserves and foreign currency translation reserves.*

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

	Equity reserves R million	*Other reserves* R million	*Fair value reserves* R million	*Retained earnings* R million	30 June 2012 Total R million	30 June 2011 Total R million
Balances at the beginning of the period	**8**	**(232)**	**–**	**(1 282)**	**(1 506)**	(1 262)
Exchange rate adjustments during the period	**(38)**	**382**	**(6)**	**454**	**792**	(244)
Reclassification to the income statement	**–**	**(7)**	**2**	**94**	**89**	–
Balances at the end of the period	**(30)**	**143**	**(4)**	**(734)**	**(625)**	(1 506)

20. LONG-TERM LOANS

	30 June 2012 R million	30 June 2011 R million
Interest-bearing loans		
Unsecured long-term loans with an effective interest rate of Jibar +1.5% (2011: between 6% and 9.37%) per annum repayable over a period of between 2 to 5 years	**93**	150
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 R6 million (2011: R2 million).	**6**	1
Various unsecured loans with varying terms and interest rates	**40**	5
	139	156
Instalments payable within one year transferred to short-term interest-bearing loans	**(34)**	(2)
	105	154
Payable – two to five years	**105**	154
Payable thereafter	**–**	–
	105	154

21. TRADE AND OTHER PAYABLES

	THE COMPANY		CONSOLIDATED	
	30 June 2012 R million	30 June 2011 R million	30 June 2012 R million	30 June 2011 R million
Trade payables	**46**	48	**2 181**	1 936
Accrued expenses	**–**	–	**312**	224
	46	48	**2 493**	2 160

22. SHORT-TERM LOANS

Interest-bearing loans				
Unsecured short-term loan with an effective interest rate of Jibar +1.2% per annum repayable over a period of one year	**–**	–	**153**	–
Portion of long-term interest-bearing loans payable within one year	**–**	–	**34**	2
Bank overdrafts	**–**	–	**90**	–
	–	–	**277**	2
Interest-free loans with no fixed repayment conditions	**–**	–	**2**	1
Loans – Subsidiary companies	**2 487**	–		
	2 487	–	**279**	3

23. PROVISIONS

	30 June 2012 R million	30 June 2011 R million
Balances at the beginning of the period*	**3**	–
Additional provisions	**5**	3
Unused amounts	**–**	–
	8	3
Provisions utilised during the period	**–**	–
Balances at the end of the period	**8**	3

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

24. STAFF COSTS

	Twelve months ended 30 June 2012 R million	Fifteen months ended 30 June 2011 R million
Salaries and wages	**1 975**	2 374
Share-based payments	**89**	63
Pension costs – defined contribution	**140**	160
Pension costs – return on defined-contribution asset	**(16)**	(11)
Pension costs – defined benefit	**1**	41
Post-retirement medical benefits	**23**	27
Other	**193**	75
	2 405	2 729

25. DIRECTORS' EMOLUMENTS

The detail of the remuneration and benefits received by each director and prescribed officer of the Company are presented on pages 126 to 130. This information was audited.

	Twelve months ended 30 June 2012			Fifteen months ended 30 June 2011		
	***Executive* R'000**	***Non-executive* R'000**	**Total R'000**	*Executive* R'000	*Non-executive* R'000	Total R'000
Executive directors						
Fees	**1 161**		**1 161**	1 553		1 553
Salaries	**22 187**		**22 187**	29 016		29 016
Retirement fund contributions	**4 844**		**4 844**	6 124		6 124
Other benefits	**1 631**		**1 631**	1 788		1 788
Subtotal	**29 823**		**29 823**	38 481		38 481
Non-executive directors						
Independent		**2 027**	**2 027**		2 369	2 369
Non-independent		**3 349**	**3 349**		3 781	3 781
Total	**29 823**	**5 376**	**35 199**	38 481	6 150	44 631
Increase in value – Remgro Share Scheme and Remgro SAR Scheme*	**42 697**	**–**	**42 697**	20 452	–	20 452

** It refers to the increase in value of the Scheme shares and SAR Scheme shares of participants from the offer date to the date of payment and delivery. Refer to page 127 and 128 for detail regarding the individual participants.*

	Twelve months ended 30 June 2012			Fifteen months ended 30 June 2011		
	***Fees* R'000**	***Salaries and other* R'000**	**Total R'000**	*Fees* R'000	*Salaries and other* R'000	Total R'000
Paid by:						
The Company	**2 226**		**2 226**	2 602		2 602
Subsidiary company	**1 559**	**31 414**	**32 973**	2 019	40 010	42 029
	3 785	**31 414**	**35 199**	4 621	40 010	44 631

26. 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 and the Rainbow Share Appreciation Right 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.

26.1 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.

	Twelve months ended 30 June 2012 R million	Fifteen months ended 30 June 2011 R million
Share-based payment cost included in the income statement (in accordance with IFRS 2)	**–**	1

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:

	Twelve months ended 30 June 2012		Fifteen months ended 30 June 2011	
	Number of shares	***Rand***	*Number of shares*	*Rand*
Carried forward from previous financial periods	**240 911**	**149.64**	415 525	123.68
Shares paid for and delivered	**–**	**–**	(174 614)	87.86
Total at the end of the period	**240 911**	**149.64**	240 911	149.64
Exercisable at the end of the period	**240 911**	**149.64**	218 168	145.78

26. SHARE-BASED PAYMENTS (continued)

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

Exercise price range of all offers:

	30 June 2012			30 June 2011		
	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)
R120 – R140	**172 681**	**0.82**	**135.00**	172 681	1.99	135.00
R180 – R200	**68 230**	**0.82**	**186.70**	68 230	2.97	186.70

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

	31 March 2009
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 period 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.*

26.2 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

	Twelve months ended 30 June 2012 R million	Fifteen months ended 30 June 2011 R million
Share-based payment cost included in the income statement (in accordance with IFRS 2)	**67**	40
Fair value of offers made during the period	**2**	60

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

	Twelve months ended 30 June 2012		Fifteen months ended 30 June 2011	
	Number of SARs	**Rand**	Number of SARs	Rand
Carried forward from previous financial periods	**6 515 980**	**69.91**	5 566 506	65.35
Offered during current financial period	**46 645**	**109.17**	1 788 472	108.58
Forfeited during the period	**(1 586)**	**83.27**	(28 749)	70.73
Exercised during the period	**(1 204 754)**	**56.04**	(810 249)	64.84
Outstanding at the end of the period	**5 356 285**	**75.15**	6 515 980	78.98
Exercisable at the end of the period	**2 341 222**	**66.15**	1 840 956	53.93

26. SHARE-BASED PAYMENTS (continued)

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

Exercise prices of all options:

	30 June 2012		30 June 2011	
	Number of SARs outstanding at year-end	***Weighted average remaining contract lifetime in years***	*Number of SARs outstanding at year-end*	*Weighted average remaining contract lifetime in years*
R30.00 – R39.99	**357 060**	**0.97**	871 415	1.98
R40.00 – R49.99	**97 393**	**0.98**	228 708	1.82
R50.00 – R59.99	**21 572**	**3.71**	1 368	2.05
R60.00 – R69.99	**2 458 351**	**2.52**	25 881	4.71
R70.00 – R79.99	**521 542**	**4.10**	2 992 129	3.69
R80.00 – R89.99	**83 563**	**3.14**	530 592	5.09
R90.00 – R99.99	**1 776 693**	**4.15**	94 728	4.03
R100.00 – R109.99	**38 444**	**6.38**	1 770 161	6.42
R110.00 – R120.00	**7 667**	**6.60**	998	6.93

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

	30 June 2012	30 June 2011
Weighted average Remgro share price for the period (R)	**114.99**	104.84
Exercise price (R)	**31.43 – 115.81**	39.19 – 112.80
Average expected exercise period (years)	**3 – 5**	3 – 5
Price volatility (%)	**21.48 – 22.02**	22.12 – 23.23
Risk-free rate (%)	**7.03 – 7.52**	7.21 – 8.13
Expected dividend yield (%)	**2.08 – 2.17**	2.14 – 2.34

In terms of the SAR Scheme's rules, Remgro's Remuneration and Nomination Committee may, in the instance that an event occurs that affects SARs granted to participants, take such action as it considers appropriate to protect the interests of participants to the SAR Scheme. Following Remgro's distribution of its investment in Impala Platinum Holdings Limited to ordinary shareholders, the committee decreased the grant prices of SARs outstanding by between R7.47 and R13.19 in order to keep participants to the Scheme in a substantially similar position as they were prior to the unbundling.

This modification to the SAR Scheme resulted in an additional expense in each of the following financial years:

	2012	2013	2014	2015
Additional share-based payment charge	**24**	5	2	1

26.3 Rainbow Share Schemes

Rainbow has an equity settled share scheme, as well as a share appreciation right 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 (for the share scheme) and three, four and five years (for the share appreciation right scheme) 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 R22 million (2011: R22 million) relating to these schemes were recognised in the income statement.

27. PROFIT

	Twelve months ended 30 June 2012 R million	Fifteen months ended 30 June 2011 R million
Profit is stated after taking the following into account:		
CONSOLIDATED		
Income		
Fair value adjustment – biological assets	**122**	136
Fair value adjustment – derivative instruments	**80**	43
Rental income – investment properties	**13**	15
Interest received	**243**	205
Loans to associated companies	**68**	71
Financial institutions and other	**175**	134
Profit on sale and unbundling of investments	**4 421**	2 283
RMBH restructuring (mainly the disposal of FirstRand shares)	**–**	1 753
Investment in Fundamo	**–**	142
Investment in Implats	**3 453**	–
Investments in RMBH and RMI	**168**	–
Investment in Tracker	**633**	–
Dilution of interest in associated companies and joint ventures	**261**	194
Recycled exchange rate losses (previously deferred in other comprehensive income)	**(94)**	–
Other	**–**	194
Exchange rate gains	**–**	24
Negative goodwill on acquisition of additional Business Partners shares	**–**	112
Profit on the sale of property, plant and equipment	**79**	–
Expenses		
Amortisation of intangible assets	**3**	2
Fair value adjustment – derivative instruments	**15**	85
Expenses – investment properties	**3**	5
Rental	**193**	201
Land and buildings	**93**	91
Machinery and equipment	**76**	80
Vehicles	**10**	10
Office equipment	**14**	20
Research and development costs written off	**2**	1
Auditors' remuneration – audit fees	**19**	22
– other services	**4**	3
Net impairment of investments, assets and goodwill	**268**	26
Investment in Vision China Media	**237**	–
Investment in Premier Team Holdings	**24**	16
Other	**7**	10
Net impairment of loans	**27**	42
Professional fees	**80**	78
Depreciation	**354**	387
Buildings	**49**	54
Machinery and equipment	**253**	277
Vehicles	**48**	52
Office equipment	**4**	4
Exchange rate losses	**19**	–
Loss on sale of property, plant and equipment	**–**	1
THE COMPANY		
Profit on unbundling of investment in Trans Hex	**–**	2

28. DIVIDEND INCOME

	THE COMPANY		CONSOLIDATED	
	Twelve months ended 30 June 2012 R million	Fifteen months ended 30 June 2011 R million	**Twelve months ended 30 June 2012 R million**	Fifteen months ended 30 June 2011 R million
Included in profit:				
Listed	**–**	–	**172**	146
Unlisted – Subsidiary companies	**3 500**	115		
– Other	**–**	–	**3**	9
	3 500	115	**175**	155
Dividends from associated companies and joint ventures set off against investments (the 2011 amount includes the MMI and RMI Holdings unbundling dividends amounting to R6 174 million)			**2 942**	8 305

29. EQUITY ADJUSTMENT

	Twelve months ended 30 June 2012 R million	Fifteen months ended 30 June 2011 R million
Share of after-tax profit of associated companies and joint ventures		
Profit before taking into account impairments, non-recurring and capital items	**6 094**	7 624
Net impairment of investments, assets and goodwill	**(197)**	(102)
Profit on the sale of investments	**381**	2 759
Other non-recurring and capital items	**38**	389
Profit before tax and non-controlling interest	**6 316**	10 670
Taxation	**(1 405)**	(2 010)
Non-controlling interest	**(379)**	(548)
Share of net attributable profit of associated companies and joint ventures – per income statement	**4 532**	8 112
Dividends received from associated companies and joint ventures	**(2 942)**	(8 305)
Share of net profit retained by associated companies and joint ventures	**1 590**	(193)
Dilution of interest in associated companies and joint ventures	**261**	194
Equity adjustment transferred to non-distributable reserves (Refer to statements of changes in equity)	**1 851**	1
Portion of the share of net attributable profit of associated companies and joint ventures, that has been accounted for from unaudited interim reports and management accounts The results of these associated companies and joint ventures will be audited in later financial periods that coincide with their financial year-ends.	**401**	468

Refer to Annexure C for contingent liabilities of significant associated companies and joint ventures.

30. CASH FLOW INFORMATION

30.1 Adjustments

	THE COMPANY		CONSOLIDATED	
	Twelve months ended 30 June 2012 R million	Fifteen months ended 30 June 2011 R million	**Twelve months ended 30 June 2012 R million**	Fifteen months ended 30 June 2011 R million
Amortisation of intangible assets and depreciation	**–**	–	**357**	389
Movement in provisions	**–**	–	**(45)**	34
Net movement in derivative instruments	**–**	–	**(22)**	17
Share scheme cost	**–**	–	**89**	63
(Profit)/loss on the sale of property, plant and equipment	**–**	–	**(79)**	1
Other	**–**	–	**(1)**	11
	–	–	**299**	515

30.2 Decrease/(increase) in working capital

Decrease/(increase) in inventories and biological agricultural assets	**–**	–	**(559)**	(512)
Decrease/(increase) in trade and other receivables	**–**	–	**(84)**	(361)
Increase/(decrease) in trade and other payables	**(2)**	16	**299**	(95)
	(2)	16	**(344)**	(968)

30.3 Reconciliation of dividends received

Receivable at the beginning of the period	**–**	–	**50**	327
Per income statement	**3 500**	115	**175**	155
Dividends from associated companies and joint ventures set off against investments	**–**	–	**2 942**	8 305
Dividend *in specie*	**–**	(115)	**–**	(6 174)
Receivable at the end of the period	**–**	–	**(17)**	(50)
Cash received	**3 500**	–	**3 150**	2 563

30.4 Reconciliation of taxation paid with the amount disclosed in the income statement

Paid in advance at the beginning of the period	**–**	–	**51**	42
Unpaid at the beginning of the period	**–**	–	**(4)**	(17)
Per income statement	**–**	–	**(455)**	(384)
– normal income	**–**	–	**(303)**	(206)
– capital gain	**–**	–	**(127)**	(156)
– STC	**–**	–	**(25)**	(22)
Businesses disposed	**–**	–	**–**	(1)
Unpaid at the end of the period	**–**	–	**9**	4
Paid in advance at the end of the period	**–**	–	**(32)**	(51)
Cash paid	**–**	–	**(431)**	(407)

30.5 Reconciliation of dividends paid

Per statements of changes in equity	**(5 665)**	(1 168)	**(5 640)**	(1 160)
Dividend *in specie*	**3 904**	–	**3 887**	–
Paid by subsidiary companies to minority	**–**	–	**(66)**	(60)
Cash paid	**(1 761)**	(1 168)	**(1 819)**	(1 220)

31. BUSINESSES ACQUIRED

With effect from 1 December 2011 Wispeco, a wholly owned subsidiary of Remgro, acquired 80% of Xline Aluminium Solutions (Pty) Limited. The contribution to turnover and operating profit since acquisition was not material.

The assets and liabilities arising from the acquisition above were as follows:

	30 June 2012 Total R million	30 June 2011 Total R million
Assets		
Property, plant and equipment (refer note 2)	**1**	–
Debtors and short-term loans	**22**	–
Liabilities		
Short-term loans	**(6)**	–
Trade and other payables	**(20)**	–
Non-controlling interest	**2**	–
Fair value of net liabilities acquired	**(1)**	–
Goodwill (refer note 5)	**1**	–
Total purchase consideration	**–**	–
Cash and cash equivalents in subsidiary acquired	**–**	–
Cash outflow on acquisition	**–**	–

32. BUSINESSES DISPOSED

During the previous period Tsb Sugar divested from its citrus operations and sold its interests in Golden Frontiers Citrus (Pty) Limited and Komati Fruits (Pty) Limited with effect from 31 March 2011. An after-tax capital gain of R22 million was realised on this transaction. The future impact of the transaction on Tsb Sugar's results is not expected to be material.

The assets and liabilities arising from the disposal above were as follows:

	30 June 2012 Total R million	30 June 2011 Total R million
Assets		
Property, plant and equipment (refer note 2)	**–**	46
Biological agricultural assets (refer note 3)	**–**	61
Inventories	**–**	10
Debtors and short-term loans	**–**	2
Taxation	**–**	1
Cash and cash equivalents	**–**	7
Liabilities		
Long-term loans	**–**	(17)
Deferred taxation (refer note 11)	**–**	(20)
Trade and other payables	**–**	(5)
Short-term loans	**–**	(83)
Non-controlling interest	**–**	(10)
Net liabilities disposed	**–**	(8)
Profit on disposal	**–**	25
Consideration settled in cash	**–**	17
Cash and cash equivalents in subsidiary disposed	**–**	(7)
Cash inflow on disposal	**–**	10

33. FINANCIAL INSTRUMENTS

33.1 Classes of financial instruments and fair value

Financial instruments on the statement of financial position include investments, investment in money market funds, loans receivable, debtors, cash, creditors, short-term loans, 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 statement of financial position 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
30 June 2012						
Investments – other			**86**	**1 501**	**1 587**	**1 587**
Loans		**115**			**115**	**115**
Loans to associated companies and joint ventures		**628**			**628**	**628**
Debtors and short-term loans	**17**	**2 054**			**2 071**	**2 071**
Derivative instruments			**104**		**104**	**104**
Investment in money market funds			**2 344**		**2 344**	**2 344**
Cash and cash equivalents		**6 484**			**6 484**	**6 484**
	17	**9 281**	**2 534**	**1 501**	**13 333**	**13 333**
30 June 2011						
Investments – other			47	6 012	6 059	6 059
Loans		139			139	139
Loans to associated companies and joint ventures		622			622	622
Debtors and short-term loans	50	1 918			1 968	1 968
Derivative instruments			120		120	120
Investment in money market funds			1 725		1 725	1 725
Cash and cash equivalents		4 315			4 315	4 315
	50	6 994	1 892	6 012	14 948	14 948

Financial liabilities	*Liabilities at amortised cost* R million	*Liabilities at fair value through profit and loss* R million	*Carrying value* R million	*Fair value* R million
30 June 2012				
Long-term loans	**105**		**105**	**105**
Trade and other payables	**2 493**		**2 493**	**2 493**
Short-term loans	**279**		**279**	**279**
Derivative instruments		**4**	**4**	**4**
	2 877	**4**	**2 881**	**2 881**
30 June 2011				
Long-term loans	154		154	154
Trade and other payables	2 160		2 160	2 160
Short-term loans	3		3	3
Derivative instruments		6	6	6
	2 317	6	2 323	2 323

33. FINANCIAL INSTRUMENTS (continued)

33.1 Classes of financial instruments and fair value (continued)

Fair value

On 30 June 2012 and 30 June 2011 the fair value of financial instruments approximates their carrying value.

Fair value estimation

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.

The following table illustrates the fair values of financial assets that are measured at fair value, by hierarchy level:

	Level 1 R million	*Level 2* R million	*Level 3* R million	Total R million
30 June 2012				
Available-for-sale	**722**	**–**	**779**	**1 501**
Assets at fair value through profit and loss	**46**	**–**	**40**	**86**
Derivative instruments	**–**	**24**	**80**	**104**
Investment in money market funds	**2 344**	**–**	**–**	**2 344**
Cash and cash equivalents	**6 484**	**–**	**–**	**6 484**
	9 596	**24**	**899**	**10 519**

Reconciliation of carrying value of level 3 assets at the beginning and end of the period	*Available-for-sale* R million	*Assets at fair value through profit and loss* R million	*Derivative instruments* R million	Total R million
30 June 2012				
Balances at the beginning of the period	**562**	**15**	**116**	**693**
Additions	**201**	**25**	**–**	**226**
Disposals	**(43)**	**–**	**(34)**	**(77)**
Exchange rate adjustments	**68**	**–**	**–**	**68**
Reversal of impairments/(impairments)	**13**	**–**	**–**	**13**
Fair value adjustments through profit and loss	**–**	**–**	**(2)**	**(2)**
Fair value adjustments through comprehensive income	**(22)**	**–**	**–**	**(22)**
Balances at the end of the period	**779**	**40**	**80**	**899**

The following table illustrates the fair value of financial liability by hierarchy level:

	Level 1 R million	*Level 2* R million	*Level 3* R million	Total R million
30 June 2012				
Derivative instruments	**–**	**4**	**–**	**4**

33. FINANCIAL INSTRUMENTS (continued)

33.2 Financial instruments and risk management

Various financial risks have an impact on the Group's results: market risk (including price risk, 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 price risk is due to investments in listed and unlisted shares which are classified as "Investments available-for-sale", conversion rights on preference shares, investments in money market funds and investments in commodity future contracts.

"Investments available-for-sale" consists mainly of the investments in British American Tobacco Plc, Kagiso Infrastructure Empowerment Fund and the Milestone China Funds (2011: mainly Impala Platinum Holdings Limited). The Management Board monitors all the investments continuously and makes recommendations to the investment committee and the Board of Directors in this regard.

Conversion rights on preference shares are preference shares in associated companies, the valuation of which is influenced by the underlying valuation of the associated company. The underlying valuations are monitored by the Board of Directors, through representation on the associated companies' boards.

Investments in money market funds consist mainly of interest-bearing liquid investments with a low risk. Refer to note 15 for further details.

Some operating subsidiaries have commodity options and future contracts that are influenced by the prices of the underlying commodities. The Board of Directors monitors this through representation on the subsidiaries' boards.

Foreign exchange risk

Certain subsidiary companies operate internationally and are therefore exposed to foreign currency risk due to commercial transactions denominated in foreign currencies. These risks are limited by using foreign exchange contracts when deemed necessary. Refer to note 14 for further details.

The Group is also exposed to foreign exchange translation risk through its investment in money market funds (note 15) and foreign cash (note 16).

The Board of Directors monitors the exposure on money market funds and foreign cash on a regular basis and the risk is limited through the diversification in foreign currencies.

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 20.

33. FINANCIAL INSTRUMENTS (continued)

33.2 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 other comprehensive income to market risk if markets change with the following percentages:

	Twelve months ended 30 June 2012			Fifteen months ended 30 June 2011		
	Change	**Income statement R million**	**Equity R million**	Change	Income statement R million	Equity R million
Interest rates	**2.0%**	**100**	**–**	2.0%	69	–
Foreign exchange	**5.0%**	**1**	**128**	5.0%	1	132
Equity prices	**10.0%**	**14**	**129**	10.0%	12	518
		115	**257**		82	650

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, loans to associated companies and joint ventures, debtors, short-term loans, derivative instruments, investments in money market funds and cash and cash equivalents as indicated above, as well as financial guarantee contracts.

Loans to associated companies and joint ventures

Management continuously assesses the credit risk of loans to associated companies and joint ventures through its representation on the respective boards. Loans to associated companies and joint ventures are within their mandated terms. During the year under review the loan to Longkloof Limited was impaired by R12 million.

Financial guarantee contracts

Credit risk exposure relating to items not recognised on the statement of financial position relates to financial guarantee contracts. Refer to note 37 for further details.

Loans receivable and debtors

At year-end "Loans receivable" consisted of various insignificant loans. 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:

	Age analysis of trade debtors in arrears				***Total trade debtors in arrears***
Debtors	***30 days*** **R million**	***60 days*** **R million**	***90 days*** **R million**	***120 days +*** **R million**	**R million**
30 June 2012	**233**	**16**	**10**	**38**	**297**
30 June 2011	168	17	4	33	222

A provision for doubtful debts of R61 million (2011: R49 million) was made. Refer note 13.

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

	30 June 2012 R million	30 June 2011 R million
Existing customers (history of six months +) – no past defaults	**1 160**	1 026
Existing customers (history of six months +) – with past defaults	**319**	352
New customers (history of less than six months)	**13**	115
	1 492	1 493

33. FINANCIAL INSTRUMENTS (continued)

33.2 Financial instruments and risk management (continued)

Derivative instrument transactions and cash investments

Derivative instruments consist mainly of conversion rights attached to preference shares issued by associated companies. Credit risk is assessed as low as these companies are authorised to issue shares to fulfil their relevant obligations. Other derivative instruments are limited to transactions with financial institutions with an acceptable credit rating. The treasury committee approves these institutions and determines the limit of credit exposure of each separate entity.

Investments in money market funds and 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 investment in money market funds note (note 15) and 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:

			Non-discounted cash flow		
Financial liabilities	***Carrying value*** **R million**	***Contractual cash flow*** **R million**	***0 to 12 months*** **R million**	***1 to 5 years*** **R million**	***5 years and longer*** **R million**
30 June 2012					
Long-term loans	**105**	**110**	**4**	**106**	**–**
Trade and other payables	**2 493**	**2 493**	**2 493**	**–**	**–**
Short-term loans	**279**	**285**	**285**	**–**	**–**
Derivative instruments	**4**	**13**	**13**	**–**	**–**
Financial guarantee contracts (note 37)	**–**	**644**	**644**	**–**	**–**
	2 881	**3 545**	**3 439**	**106**	**–**
30 June 2011					
Long-term loans	154	176	16	160	–
Trade and other payables	2 160	2 160	2 160	–	–
Short-term loans	3	3	3	–	–
Derivative instruments	6	26	17	9	–
Financial guarantee contracts (note 37)	–	644	644	–	–
	2 323	3 009	2 840	169	–

34. 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 period under review cash dividends amounting to R1 622 million (2011: R1 622 million) were declared. The Group also unbundled its investment in Implats to the value of R3 897 million (2011: unbundled its investment in Trans Hex to the value of R117 million) to shareholders.

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

35. COMMITMENTS

	30 June 2012 R million	30 June 2011 R million
Capital commitments	**5 678**	1 693
Uncompleted contracts for capital expenditure	**212**	223
Capital expenditure authorised but not yet contracted	**130**	151
Investments	**5 336**	1 319
Operating lease commitments		
Land and buildings	**326**	267
Due within one year	**100**	69
Due – two to five years	**220**	190
Due thereafter	**6**	8
Machinery and equipment	**59**	52
Due within one year	**24**	22
Due – two to five years	**35**	30
	6 063	2 012

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

36. BORROWING POWERS

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

37. GUARANTEES AND CONTINGENT LIABILITIES

37.1 Guarantees

	30 June 2012 R million	30 June 2011 R million
Guarantee to associated company*	**–**	103
Guarantees by subsidiary companies**	**319**	369
	319	472

37.2 Contingent liabilities

Legal disputes***	**2 079**	1 975
Contract grower guarantees****	**22**	25
	2 101	2 000

* *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 30 June 2012, commercial paper amounting to RNil million (2011: R400 million) 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.*

** *Various guarantees given to financial institutions on behalf of associated companies.*

*** *Legal disputes relating to Remgro Limited (Remgro) and VenFin Limited (VenFin) regarding possible STC liabilities involving shares held in treasury by a subsidiary/subsidiaries of the aforementioned companies, that was subsequently sold to the respective holding companies, Remgro and VenFin. The assessments, including interest, amounts to R954 million and R383 million, respectively. A third dispute, amounting to R736 million (including interest), involves the disposal of investments. Based on legal opinion received, the assessments are being disputed.*

**** *Certain subsidiary companies have contingencies relating to certain contract grower arrangements. It is not anticipated that any material liabilities will arise from these contingencies.*

38. RELATED PARTY INFORMATION

Subsidiaries
Details of income from and investments in subsidiary companies are disclosed in note 28 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 29 respectively, as well as in Annexures B and C.

Key management personnel
Only Remgro's directors and members of the Management Board are key management personnel. Information on directors' emoluments and their shareholding in the Company appears in notes 25 and 26 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 198 and 199 of the Integrated Annual Report.

Related party transactions	30 June 2012 R million	30 June 2011 R million
CONSOLIDATED		
Transactions of Remgro Limited and its subsidiary companies with:		
Controlling shareholder		
Dividends	**379**	80
Cash dividends	**120**	80
Special dividend	**259**	–
Associated companies and joint ventures		
Interest received	**68**	78
Dividends received	**2 942**	8 305
Administration fees	**14**	23
Sales	**4**	–
Purchases	**29**	111
Interest paid	**–**	3
Key management personnel		
Salaries and other benefits	**27**	35
Retirement benefits	**5**	7
Share-based payments	**42**	23
Balances due from/(to) related parties:		
Associated companies	**(5)**	(15)
Associated companies	**1 027**	483
Other	**90**	51
Loans to directors	**–**	–
Balance – 1 April	**–**	3
Repayments made	**–**	(3)
THE COMPANY		
Transactions of Remgro Limited with:		
Controlling shareholder		
Dividends	**379**	80
Cash dividends	**120**	80
Special dividend	**259**	–
Subsidiary companies		
Dividends received	**3 500**	115
Balances due by related parties		
Subsidiary companies	**1 414**	3 602

No security is given for any outstanding balances. No provisions for bad debts against outstanding balances with related parties have been made, except for a R12 million impairment against the Longkloof Limited loan. No bad debt of related parties has been written off during the period. 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.

ANNEXURE A

PRINCIPAL SUBSIDIARY COMPANIES AT 30 JUNE 2012

NAME OF COMPANY					HELD BY COMPANY			
		Issued capital	Effective interest		Shares		Loan	
Incorporated in South Africa unless otherwise stated		R (unless otherwise stated)	**30 June 2012 %**	30 June 2011 %	**30 June 2012 R**	30 June 2011 R	**30 June 2012 R million**	30 June 2011 R million
Eikenlust (Pty) Limited		100	**100.0**	100.0				
Entek Investments Limited		810 630	**66.9**	66.4				
Financial Securities (Pty) Limited		250 000	**100.0**	100.0	**250 000**	250 000		
Historical Homes of South Africa Limited		555 000	**55.0**	55.0				
Industrial Electronic Investments (Pty) Limited		1 000	**100.0**	100.0				
Industrial Partnership Investments (Pty) Limited		125 000	**100.0**	100.0	**125 000**	125 000		
Invenfin (Pty) Limited		100	**100.0**	100.0				
IPI (Overseas) Limited – Jersey		1 132 917	**100.0**	100.0				
IPROP Holdings Limited – British Virgin Islands	(USD)	4 882 892	**100.0**	100.0				
Metkor Group (Pty) Limited		82 978 237	**100.0**	100.0				
Partnership in Mining (Pty) Limited		100	**100.0**	100.0	**100**	100		
Rainbow Chicken Limited	*	1 198 253 185	**73.4**	73.6				
Remgro CHF Limited – Jersey	(CHF)	2	**100.0**	100.0				
Remgro Continental Limited – Jersey	(EUR)	1	**100.0**	100.0				
Remgro Finance Corporation (Pty) Limited		958 430	**100.0**	100.0				
Remgro International Holdings (Pty) Limited		2	**100.0**	100.0	**2**	2		
Remgro International Limited – Jersey		51 359	**100.0**	100.0				
Remgro Investment Corporation (Pty) Limited		100	**100.0**	100.0	**100**	100		
Remgro Loan Corporation (Pty) Limited		700	**100.0**	100.0			**(2 487)**	1 902
Remgro Management Services Limited		100	**100.0**	100.0			**3 924**	1 735
Remgro South Africa (Pty) Limited		48 614	**100.0**	100.0	**96 506**	96 506		
Remgro Sterling Limited – Jersey	(GBP)	2	**100.0**	100.0				
Remgro USA Limited – Jersey	(USD)	2	**100.0**	100.0				
Remont (Pty) Limited		100	**100.0**	100.0	**100**	100		
Robertsons Holdings (Pty) Limited		1 000	**100.0**	100.0				
RPII Holdings (Pty) Limited		8 600 000	**100.0**	100.0				
SEACOM SA SPV (Pty) Limited		100	**100.0**	100.0				
Stellenbosch Academy of Sport Properties (Pty) Limited		2	**100.0**	100.0				
Tegniese Mynbeleggings (Pty) Limited		2	**100.0**	100.0				
Tracking and Signal Distribution Technologies (Pty) Limited		21 412	**100.0**	100.0				
Tsb Sugar Holdings (Pty) Limited		100	**100.0**	100.0				
TTR Holdings (Pty) Limited		7	**100.0**	100.0	**7**	7		
VenFin Holdings Limited – Jersey	(EUR)	79 533 052	**100.0**	100.0				
VenFin (Pty) Limited		2 849 304 076	**100.0**	100.0	**3 735 678 454**	3 735 678 454		
VenFin Media Investments (Pty) Limited		2	**100.0**	100.0				
VenFin Sport Investments (Pty) Limited		100	**100.0**	100.0				
Wispeco Holdings Limited		5 000 000	**100.0**	100.0				
					3 736 150 269	3 736 150 269	**1 437**	3 637

(GBP) British pound
(CHF) Swiss franc
(EUR) euro
(USD) USA dollar
** Listed company*

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

ANNEXURE B

PRINCIPAL INVESTMENTS AT 30 JUNE 2012

NAME OF COMPANY		LISTED				UNLISTED			
		30 June 2012		30 June 2011		30 June 2012		30 June 2011	
Incorporated in South Africa unless otherwise stated		Shares held	Effective interest %	Shares held	Effective interest %	Shares held	Effective interest %	Shares held	Effective interest %
Financial services									
RMB Holdings Limited		394 431 450	27.9	444 520 104	31.5				
– held by RMB Holdings Limited:									
– FirstRand Limited (35%)			9.8		11.0				
FirstRand Limited		219 805 470	4.0	219 805 470	4.0				
RMI Holdings Limited		449 638 871	30.3	518 505 232	34.9				
Industrial interests									
Air Products South Africa (Pty) Limited						4 500 000	50.0	4 500 000	50.0
Capevin Holdings Limited						50 977 168	11.3	50 762 168	11.3
– indirectly held by Capevin Holdings Limited through Remgro-Capevin Investments Limited:									
– Distell Group Limited (15%)			1.7		1.7				
Capevin Investments Limited		4 034 692	9.6	4 034 692	9.6				
– indirectly held by Capevin Investments Limited through Remgro-Capevin Investments Limited:									
– Distell Group Limited (29%)			2.8		2.8				
Grindrod Limited		138 588 358	23.5	–	–				
Kagiso Trust Investments (Pty) Limited						–	–	10 344	42.3
Kagiso Tiso Holdings (Pty) Limited (RF)						250 541	27.5	–	–
Mediclinic International Limited		283 080 915	45.0	283 080 915	45.2				
PGSI Limited – BVI	*					14 969 421	28.5	14 969 421	28.5
PGSI Limited preference shares						129 607 022	91.7	129 607 022	91.7
Unilever South Africa Holdings (Pty) Limited						5 348 135	25.8	5 348 135	25.8
Total South Africa (Pty) Limited						12 872 450	24.9	12 872 450	24.9
Remgro-Capevin Investments Limited						50	50.0	50	50.0
– held by Remgro-Capevin Investments Limited:									
– Distell Group Limited (58%)			29.0		29.0				
Media interests									
Sabido Investments (Pty) Limited						17 730 595	31.6	17 730 595	31.6
MARC Group Limited						186 705 083	56.5	81 392 413	34.5
MARC Group Limited preference shares						–	–	144 788 321	100.0
Mining interests									
Impala Platinum Holdings Limited		–	–	26 687 288	4.4				
Technology interests									
CIV Fibre Network Solutions (Pty) Limited						216	30.0	216	30.0
CIE Telecommunications (Pty) Limited						90 000	30.0	90 000	30.0
CIV Power (Pty) Limited						90 000	30.0	90 000	30.0
Central Lake Trading No. 77 (Pty) Limited						67 419	44.8	67 419	44.8
Dark Fibre Africa (Pty) Limited						65 334	19.2	22 936	8.4
SEACOM Capital Limited – Mauritius						1 000	25.0	1 000	25.0
Tracker Investment Holdings (Pty) Limited						–	–	28 374	34.4
Other investments									
Business Partners Limited	*					51 808 449	29.9	51 591 891	29.8

All the investments above are classified as associated companies or joint ventures, with the exception of Impala Platinum Holdings Limited (Implats). Implats was classified as an investment "available for sale" prior to its distribution to shareholders.

* *Effective interest, on a fully diluted basis:*
- *– Business Partners Limited 29.0% (2011: 28.8%)*
- *– PGSI Limited 25.3% (2011: 25.3%)*

BVI – British Virgin Islands

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

	RMI (Financial services) 2012	RMBH (Financial services) 2012	FirstRand (Financial services) 2012	Mediclinic (Industrial interests) 2012	Unilever South Africa (Industrial interests) 2012
Effective interest	30.3%	27.9%	4.0%	45.0%	25.8%
	R million	R million	R million	R million	R million
Carrying value of investments	5 530	9 438	3 258	4 622	3 051
Share of retained equity income					
– Current period	772	373	232	406	61
Normal income	767	1 261	509	491	367
Dividends	(310)	(887)	(352)	(221)	(386)
Non-recurring and capital items and impairments	(48)	59	22	–	80
Other changes in reserves	363	(60)	53	136	–
– Cumulative	(117)	2 319	1 999	1 955	342

Summarised financial information:

	Per Annual Report 30/06/2012	Per Annual Report 30/06/2012	Per Annual Report 30/06/2012	Per Annual Report 31/03/2012	Per Interim Report 30/06/2012
STATEMENT OF FINANCIAL POSITION					
Assets					
Net advances, loans and bank-related securities	273	–	73 698	–	–
Intangible assets	50	–	1 743	6 350	10 644
Property, plant and equipment and other	445	1	4 378	34 808	3 685
Investments and loans	18 465	27 183	7 982	875	17
Net current assets/(liabilities)	2 341	(53)	(3 726)	2 340	(1 807)
	21 574	27 131	84 075	44 373	12 539
Equity and liabilities					
Shareholders' funds	13 810	25 822	69 807	11 404	12 152
Long-term debt	7 764	1 309	14 268	32 969	387
	21 574	27 131	84 075	44 373	12 539
Contingent liabilities	–	–	31 011	–	96

	12 months ended 30/06/2012	12 months ended 30/06/2012	12 months ended 30/06/2012	12 months ended 31/03/2012	12 months ended 30/06/2012
INCOME STATEMENT					
Headline earnings	2 410	4 296	12 642	1 222	1 425
Net profit for the period	2 248	4 490	13 196	1 221	1 738
Dividends paid	947	2 897	8 742	436	1 500

There are no loans to these associated companies.

The investments above represent 68% of the total carrying value of associated companies.

	RMI (Financial services) 2011	RMBH (Financial services) 2011	FirstRand (Financial services) 2011	Mediclinic (Industrial interests) 2011	Unilever South Africa (Industrial interests) 2011
Effective interest	34.9%	31.5%	4.0%	45.2%	25.8%
	R million	R million	R million	R million	R million
Carrying value of investments	5 623	9 968	3 027	4 216	2 990
Share of retained equity income					
– Current period	(889)	(1 352)	320	514	(119)
Normal income	193	1 489	1 173	494	370
Dividends	(118)	(5 203)	(1 656)	(335)	(489)
Non-recurring and capital items and impairments	6	2 153	812	10	–
Other changes in reserves	(970)	209	(9)	345	–
– Cumulative	(889)	1 722	1 787	1 562	280

Summarised financial information:

	Per Annual Report 30/06/2011	Per Annual Report 30/06/2011	Per Annual Report 30/06/2011	Per Annual Report 31/03/2011	Per Interim Report 30/06/2011
STATEMENT OF FINANCIAL POSITION					
Assets					
Net advances, loans and bank-related securities	239	–	61 611	–	–
Intangible assets	32	–	1 691	5 565	10 530
Property, plant and equipment and other	211	2	7 302	30 409	3 346
Investments and loans	15 561	25 080	6 716	955	18
Net current assets/(liabilities)	2 616	(14)	(6 411)	1 553	(1 152)
	18 659	25 068	70 909	38 482	12 742
Equity and liabilities					
Shareholders' funds	11 303	23 701	64 219	10 560	11 939
Long-term debt	7 356	1 367	6 690	27 922	803
	18 659	25 068	70 909	38 482	12 742
Contingent liabilities	400	–	31 560	–	88

	4 months ended 30/06/2011	12 months ended 30/06/2011	12 months ended 30/06/2011	12 months ended 31/03/2011	15 months ended 30/06/2011
INCOME STATEMENT					
Headline earnings	525	3 746	9 856	1 110	1 451
Net profit for the period	570	11 468	20 065	1 177	1 438
Dividends paid	339	18 341	19 338	398	1 900

There are no loans to these associated companies.

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

ANNEXURE D

INFORMATION ON SEGMENTS FOR THE TWELVE MONTHS ENDED 30 JUNE 2012

R million		Twelve months ended 30 June 2012 Revenue	Headline earnings	30 June 2012 Assets	Liabilities
Financial services					
RMBH	(1)	–	1 261	9 438	–
RMI Holdings	(1)	–	768	5 530	–
FirstRand	(1)	–	509	3 258	–
Industrial interests					
Mediclinic	(2)	–	491	4 622	–
Unilever SA Holdings	(1)	–	367	3 051	–
Distell Group*	(1)	–	324	2 258	–
Rainbow Chicken	(1)	7 855	197	5 197	2 289
Tsb Sugar	(1)	4 622	352	3 284	1 371
Air Products South Africa	(2)	–	181	642	–
Grindrod	(3)	–	88	2 315	–
KTH	(1)	–	93	1 765	–
Total South Africa	(1)	–	124	941	–
PGSI	(1)	–	1	581	–
Wispeco	(1)	1 055	44	499	93
Other industrial interests		–	(26)	481	56
Media interests					
Sabido	(2)	–	129	845	–
MARC	(1)	–	11	168	–
Other media interests		–	(47)	56	–
Mining interests					
Implats		–	148	–	–
Technology interests					
CIV group**	(2)	–	85	1 428	–
SEACOM	(1)	–	(27)	586	–
Other technology interests		–	19	228	–
Other investments		–	22	1 200	–
Central treasury – cash at the centre	(1)	–	140	8 327	–
Other net corporate assets	(1)	–	(141)	1 691	329
		13 532	5 113	58 391	4 138
Elimination of loans to/from subsidiary companies				(364)	(364)
Consolidated				58 027	3 774

* *Includes the investments in Capevin Investments Limited and Capevin Holdings Limited.*
** *Includes the investments in CIV Fibre Network Solutions (Pty) Limited, CIE Telecommunications (Pty) Limited, CIV Power (Pty) Limited, Central Lake Trading No. 77 (Pty) Limited and Dark Fibre Africa (Pty) Limited.*
*** *Geographical segmental information: Revenue is only derived in South Africa while non-current assets, amounting to R2 391 million, are located in foreign countries.*

Financial period accounted for the twelve months ended 30 June 2012:
(1) *Twelve months to 30 June 2012*
(2) *Twelve months to 31 March 2012*
(3) *Eight months to 30 June 2012*

INFORMATION ON SEGMENTS FOR THE FIFTEEN MONTHS ENDED 30 JUNE 2011

R million		Fifteen months ended 30 June 2011 Revenue	Fifteen months ended 30 June 2011 Headline earnings	Twelve months ended 30 June 2011* Headline earnings	30 June 2011 Assets	30 June 2011 Liabilities
Financial services						
RMBH	(1)	–	1 489	1 014	9 968	–
RMI Holdings	(2)	–	183	183	5 623	–
FirstRand	(1)	–	1 173	718	3 027	–
Industrial interests						
Mediclinic	(3)	–	474	474	4 216	–
Unilever SA Holdings	(4)	–	374	312	2 990	–
Distell Group**	(1)	–	433	328	2 100	–
Rainbow Chicken	(4)	8 621	285	220	4 772	1 912
Tsb Sugar	(4)	5 215	187	134	2 481	935
Air Products South Africa	(3)	–	139	139	521	–
Nampak	(5)	–	33	33	–	–
KTI	(1)	–	256	59	1 441	–
Total South Africa	(1)	–	289	191	972	–
PGSI	(1)	–	11	18	578	–
Wispeco	(4)	1 119	45	35	481	98
Other industrial interests		–	(14)	(13)	486	29
Media interests						
Sabido	(3)	–	116	116	898	–
MARC	(1)	–	(14)	(17)	169	–
Other media interests		–	(82)	(68)	16	–
Mining interests						
Implats		–	112	112	4 862	–
Technology interests						
CIV group***	(3)	–	91	89	1 027	–
Tracker	(6)	–	57	23	587	–
SEACOM	(1)	–	(51)	(30)	577	–
Other technology interests		–	14	15	255	–
Other investments		–	28	25	944	–
Central treasury – cash at the centre	(4)	–	89	76	5 852	–
Other net corporate assets	(4)	–	(162)	(137)	1 179	718
		14 955	5 555	4 049	56 022	3 692
Elimination of loans to/from subsidiary companies					(35)	(35)
Consolidated					55 987	3 657

* *During the 2011 financial period the financial year-end of the Company was changed from 31 March to 30 June. As additional information to shareholders Remgro prepared an analysis of headline earnings for the twelve months to 30 June 2011. This enables shareholders to make a meaningful comparison with the twelve months to 30 June 2012.*

** *Includes the investments in Capevin Investments Limited and Capevin Holdings Limited.*

*** *Includes the investments in CIV Fibre Network Solutions (Pty) Limited, CIE Telecommunications Limited, CIV Power Limited, Central Lake Trading No. 77 (Pty) Limited and Dark Fibre Africa (Pty) Limited.*

**** *Geographical segmental information: Revenue is only derived in South Africa while non-current assets, amounting to R1 960 million, are located in foreign countries.*

Financial period accounted for the fifteen months ended 30 June 2011:

(1) *Eighteen months to 30 June 2011*
(2) *Four months to 30 June 2011*
(3) *Twelve months to 31 March 2011*
(4) *Fifteen months to 30 June 2011*
(5) *Four months to 31 July 2010*
(6) *Twelve months to 31 December 2010*

SHAREHOLDERS' INFORMATION

STATISTICS AT 30 JUNE 2012

	30 June 2012 %	30 June 2012 Number of shares	30 June 2011 %	30 June 2011 Number of shares
MAJOR BENEFICIAL SHAREHOLDERS				
Ordinary shares				
Public Investment Commissioner	**17.86**	**85 929 283**	18.12	87 170 880
Other	**82.14**	**395 177 087**	81.88	393 935 490
	100.00	**481 106 370**	100.00	481 106 370
B ordinary shares				
Rembrandt Trust (Pty) Limited	**100.00**	**35 506 352**	100.00	35 506 352
Total		**516 612 722**		516 612 722

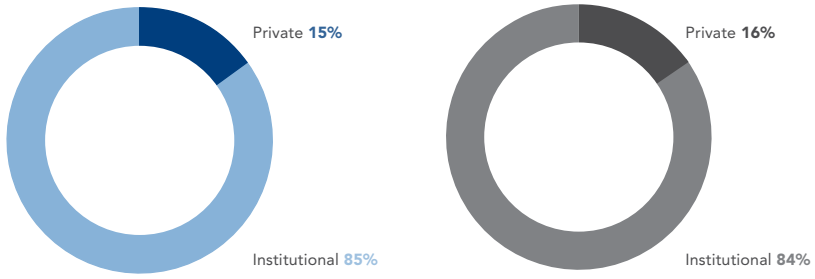
No other shareholder held a beneficial interest of more than 5% in the ordinary shares in your Company on 30 June 2012.

	30 June 2012	30 June 2011	31 March 2010	31 March 2009
DISTRIBUTION OF SHAREHOLDERS				
Ordinary shares				
Public shareholders	**46 220**	43 859	42 794	41 686
Percentage of shareholders	**99.94**	99.94	99.92	99.93
Number of shares	**466 239 333**	464 666 249	464 176 248	430 447 901
Percentage of shares issued	**96.91**	96.58	96.48	97.94
Non-public shareholders				
Directors and their associates/Share Trust/Treasury shares	**29**	29	36	28
Percentage of shareholders	**0.06**	0.06	0.08	0.07
Number of shares	**14 867 037**	16 440 121	16 930 122	9 031 850
Percentage of shares issued	**3.09**	3.42	3.52	2.06
Number of shareholders	**46 249**	43 888	42 830	41 714

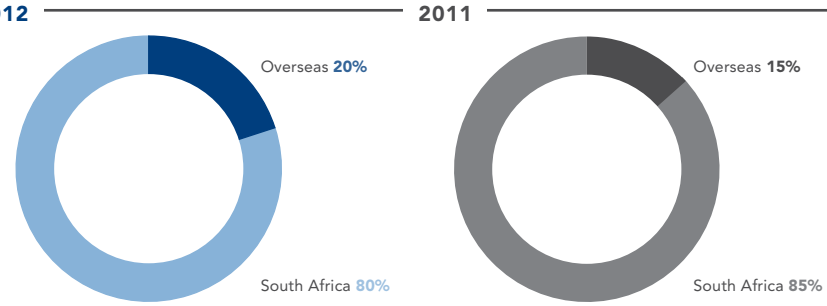
	30 June 2012	30 June 2011	31 March 2010	31 March 2009
NUMBER OF SHARES IN ISSUE				
– Ordinary shares of 1 cent each	**481 106 370**	481 106 370	481 106 370	439 479 751
Issued at the beginning of the period	**481 106 370**	481 106 370	439 479 751	449 003 606
Issued during the period	**–**	–	41 626 619	–
Cancelled during the period	**–**	–	–	(9 523 855)
– 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	**516 612 722**	516 612 722	516 612 722	474 986 103
Number of shares held in treasury				
Ordinary shares repurchased and held in treasury	**(2 279 155)**	(2 918 266)	(3 424 044)	(3 500 000)
	514 333 567	513 694 456	513 188 678	471 486 103
Weighted number of shares	**514 090 014**	513 209 003	486 152 822	471 798 001

ADDITIONAL INFORMATION

Institutional and private shareholding in Remgro Limited ordinary shares



Overseas and local shareholding in Remgro Limited ordinary shares



INTERESTS OF THE DIRECTORS IN THE ISSUED CAPITAL OF THE COMPANY

Ordinary shares

Directors	Direct beneficial	Indirect beneficial	Associates	Total
30 June 2012				
P E Beyers		**174 130**		**174 130**
W E Bührmann	**256 200**			**256 200**
J W Dreyer		**191 130**	**2 776**	**193 906**
J J Durand		**671 577**	**940**	**672 517**
G T Ferreira	**158 625**		**560 000**	**718 625**
P K Harris		**169 118**		**169 118**
E de la H Hertzog	**264 764**	**1 928 942**	**129 984**	**2 323 690**
J Malherbe	**26 826**		**1 053 301**	**1 080 127**
J A Preller	**122 919**			**122 919**
F Robertson		**5 000**		**5 000**
J P Rupert			**6 867 150**	**6 867 150**
H Wessels			**4 500**	**4 500**
	829 334	**3 139 897**	**8 618 651**	**12 587 882**

On 26 April 2012, when Mr M H Visser passed away, he held 234 164 ordinary shares in Remgro Limited and his indirect beneficial holding was 994 124 ordinary shares in Remgro Limited.

Directors	Direct beneficial	Indirect beneficial	Associates	Total
30 June 2011				
P E Beyers		174 130		174 130
W E Bührmann	256 200			256 200
J W Dreyer		191 130	2 776	193 906
J J Durand		381 462	940	382 402
G T Ferreira	158 625		560 000	718 625
P K Harris		169 118		169 118
E de la H Hertzog	264 764	1 928 942	129 984	2 323 690
J Malherbe	26 826		1 049 101	1 075 927
J A Preller	122 919			122 919
F Robertson		5 000		5 000
J P Rupert			6 867 150	6 867 150
M H Visser	234 164	994 124		1 228 288
H Wessels			4 500	4 500
	1 063 498	3 843 906	8 614 451	13 521 855

On 31 January 2011, when Mr T van Wyk retired as an executive director, he held 131 640 ordinary shares in Remgro Limited and his associates held 100 ordinary shares in Remgro Limited.

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.

NOTICE TO SHAREHOLDERS

The 2012 Annual General Meeting of Remgro Limited ("the Company") will be held on Tuesday, 27 November 2012, at 15:30 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, including the directors' report, auditor's report and the report by the Audit and Risk Committee, of the Company and the Group for the financial year ended 30 June 2012 be accepted and approved.

2. REAPPOINTMENT OF AUDITOR

Ordinary Resolution Number 2

Resolved that the reappointment of PricewaterhouseCoopers Inc., who is independent from the Company, as the Company's auditor, as nominated by the Company's Audit and Risk Committee, be approved and to note that the individual registered auditor who will perform the function of auditor during the financial year ending 30 June 2013, is Mr N H Döman.

3. ELECTION OF DIRECTOR

Ordinary Resolution Number 3

Resolved that Mr J W Dreyer 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

4. ELECTION OF DIRECTOR

Ordinary Resolution Number 4

Resolved that Mr N P Mageza 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 J Moleketi 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 F Robertson 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 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.

8. ELECTION OF DIRECTOR

Ordinary Resolution Number 8

Resolved that Mr H Wessels 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.

Biographical details of all directors of the Company are set out on pages 20 and 21 of the Annual Report.

9. APPOINTMENT OF MEMBER OF THE AUDIT AND RISK COMMITTEE

Ordinary Resolution Number 9

Resolved that Mr N P Mageza, being eligible and offering himself for re-election, be and is hereby appointed as a member of the Audit and Risk Committee for the financial year ending 30 June 2013.

10. APPOINTMENT OF MEMBER OF THE AUDIT AND RISK COMMITTEE

Ordinary Resolution Number 10

Resolved that Mr P J Moleketi, being eligible and offering himself for re-election, be and is hereby appointed as a member of the Audit and Risk Committee for the financial year ending 30 June 2013.

11. APPOINTMENT OF MEMBER OF THE AUDIT AND RISK COMMITTEE

Ordinary Resolution Number 11

Resolved that Mr F Robertson, being eligible and offering himself for re-election, be and is hereby appointed as a member of the Audit and Risk Committee for the financial year ending 30 June 2013.

12. APPOINTMENT OF MEMBER OF THE AUDIT AND RISK COMMITTEE

Ordinary Resolution Number 12

Resolved that Mr H Wessels, being eligible and offering himself for re-election, be and is hereby appointed as a member of the Audit and Risk Committee for the financial year ending 30 June 2013.

13. APPROVAL OF DIRECTORS' REMUNERATION

Special Resolution Number 1

Resolved that directors' fees for services rendered as directors for the financial year ending 30 June 2013 be determined on the following basis:

Type of fee	Proposed fee for the year ending 30 June 2013 R
Board member	213 000
Chairman of the Audit and Risk Committee	143 000
Member of the Audit and Risk Committee	72 000
Member of the Remuneration and Nomination Committee	35 500
Member of the Social and Ethics Committee	35 500

Additional information in respect of Special Resolution Number 1

The reason for and the effect of Special Resolution Number 1 is to approve the remuneration payable by the Company to its directors for their services as directors of the Company for the financial year ending 30 June 2013.

14. AUTHORITY TO REPURCHASE SHARES

Special Resolution Number 2

Resolved that the Board of Directors of the Company be and is hereby authorised, by way of a renewable general authority in terms of the provisions of the Listings Requirements of the exchange operated by the JSE Limited ("JSE") ("Listings Requirements") and as permitted in terms of the Articles of Association of the Company, 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, upon such terms and conditions as the Board of Directors of the Company may from time to time determine, provided that:

- this general authority shall be valid until the Company's next Annual General Meeting or for 15 months from the date of passing of this resolution, whichever period is shorter;
- the ordinary shares be purchased through the order book of the trading system of the JSE 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 be effected to the extent that in aggregate more than 10% of the number of issued ordinary shares of the Company at the relevant times are held by or for the benefit of the subsidiaries of the Company taken together;
- 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;
- 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;
- prior to the repurchase, a resolution has been passed by the Board of Directors of the Company confirming that the Board has authorised the repurchase, that the Company satisfies the solvency and liquidity test contemplated in the Companies Act (No. 71 of 2008), as amended ("Companies Act"), and that since the test was done there have been no material changes to the financial position of the Group; and
- such repurchases will be subject to the applicable provisions of the Companies Act, the Company's Articles of Association, the Listings Requirements and the Exchange Control Regulations 1961.

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.

Additional information in respect of Special Resolution Number 2

The reason for and the effect of Special Resolution Number 2 is to grant the Company's Board of 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 2 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 19 to 21);
- Major shareholders (page 198);
- No material changes;
- Directors' interests in securities (page 200);
- Share capital of the Company (pages 174 and 200).

The directors, whose names are set out on pages 20 and 21 of the Annual Report, collectively and individually accept full responsibility for the accuracy of the information contained in this Special Resolution Number 2 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.

15. AUTHORITY TO ENTER INTO DERIVATIVE TRANSACTIONS

Special Resolution Number 3

Resolved that, subject to the passing of Special Resolution Number 2, 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 Listings Requirements (in particular the limitations contained in paragraph 5.82 – 5.84 of the Listings Requirements).

Additional information in respect of Special Resolution Number 3

The reason for and the effect of Special Resolution Number 3 is to grant the Company's Board of 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.

16. GENERAL AUTHORITY TO PROVIDE FINANCIAL ASSISTANCE TO RELATED AND INTER-RELATED COMPANIES AND CORPORATIONS

Special Resolution Number 4

Resolved that the Board of Directors of the Company be and is hereby authorised in terms of section 45(3)(a)(ii) of the Companies Act, as a general approval (which approval will be in place for a period of two years from the date of adoption of this Special Resolution Number 4), to authorise the Company to provide any direct or indirect financial assistance ("financial assistance" will herein have the meaning attributed to such term in section 45(1) of the Companies Act) that the Board may deem fit to any related or inter-related company or corporation of the Company ("related" and "inter-related" will herein have the meanings attributed to those terms in section 2 of the Companies Act), on the terms and conditions and for the amounts that the Board of Directors may determine.

The main purpose for this authority is to grant the Board of Directors the authority to authorise the Company to provide inter-group loans and other financial assistance for purposes of funding the activities of the Group. The Board undertakes that –

- it will not adopt a resolution to authorise such financial assistance, unless the Board is satisfied that –
  - immediately after providing the financial assistance, the Company would satisfy the solvency and liquidity test as contemplated in the Companies Act; and
  - the terms under which the financial assistance is proposed to be given are fair and reasonable to the Company; and
- written notice of any such resolution by the Board shall be given to all shareholders of the Company and any trade union representing its employees –
  - within 10 business days after the Board adopted the resolution, if the total value of the financial assistance contemplated in that resolution, together with any previous such resolution during the financial year, exceeds 0.1% of the Company's net worth at the time of the resolution; or
  - within 30 business days after the end of the financial year, in any other case.

Additional information in respect of Special Resolution Number 4

The reason for and the effect of Special Resolution Number 4 is to provide a general authority to the Board of Directors of the Company for the Company to grant direct or indirect financial assistance to any company or corporation forming part of the Group, including in the form of loans or the guaranteeing of their debts.

17. CONVERSION OF PAR VALUE SHARES TO NO PAR VALUE SHARES

Special Resolution Number 5A: For consideration and approval by the holders of listed ordinary shares

Resolved that in terms of regulation 31(6) of the Companies Regulations, 2011 ("Companies Regulations"), all of the authorised and issued ordinary shares of the Company having a par value of one cent each be and are hereby converted to ordinary shares having no par or nominal value, with the rights and privileges as set out in the new Memorandum of Incorporation of the Company referred to in Special Resolution Number 6, with effect from the date of filing of the relevant notice of amendment with the Companies and Intellectual Property Commission ("Commission").

Special Resolution Number 5B: For consideration and approval by the holders of unlisted B ordinary shares

Resolved that in terms of regulation 31(6) of the Companies Regulations, all of the authorised and issued B ordinary shares of the Company having a par value of ten cents each be and are hereby converted to B ordinary shares having no par or nominal value, with the rights and privileges as set out in the new Memorandum of Incorporation of the Company referred to in Special Resolution Number 6, with effect from the date of filing of the relevant notice of amendment with the Commission.

Special Resolution Number 5C: For consideration and approval by all shareholders

Resolved that in terms of regulation 31(6) of the Companies Regulations, and subject to the adoption of Special Resolutions Numbers 5A and 5B, –

- all of the authorised and issued ordinary shares of the Company having a par value of one cent each be and are hereby converted to ordinary shares having no par or nominal value, with the rights and privileges as set out in the new Memorandum of Incorporation of the Company referred to in Special Resolution Number 6; and
- all of the authorised and issued B ordinary shares of the Company having a par value of ten cents each be and are hereby converted to B ordinary shares having no par or nominal value, with the rights and privileges as set out in the new Memorandum of Incorporation of the Company referred to in Special Resolution Number 6,

with effect from the date of filing of the relevant notice of amendment with the Commission.

Additional information relating to Special Resolutions Numbers 5A, 5B and 5C

Special Resolutions Numbers 5A, 5B and 5C are proposed to convert all the par value shares in the authorised and issued share capital of the Company into no par value shares. The Companies Act, which became effective on 1 May 2011 ("Companies Act Effective Date") changed the share capital regime in South Africa in that, inter alia, new shares created will no longer have a par value, and although companies with par value shares are not required to convert their par value shares into no par value shares, the Company will not be permitted to increase its authorised share capital by the creation of further par value shares.

The Company wishes to align its share capital with the provisions of the Companies Act and to convert all of its authorised and issued ordinary par value shares and B ordinary par value shares into ordinary no par value shares and B ordinary no par value shares, having the same rights and privileges as those currently attaching to the ordinary par value shares and the B ordinary par value shares, respectively.

Shareholders should refer to the report prepared by the Board of Directors of the Company and attached hereto as Annexure 1, which has been prepared in respect of the proposed conversion of the ordinary and B ordinary par value shares into ordinary and B ordinary shares of no par value, in accordance with regulation 31(7) of the Companies Regulations.

18. ADOPTION OF NEW MEMORANDUM OF INCORPORATION

Special Resolution Number 6

Resolved that in terms of section 16(1)(c) of the Companies Act, the existing Memorandum and Articles of Association of the Company be and are hereby substituted in their entirety by the Memorandum of Incorporation signed by the chairman of the annual general meeting on the first page thereof for identification purposes, with effect from the date of filing of the required notice of amendment with the Commission.

Additional information relating to Special Resolution Number 6

Special Resolution Number 6 is proposed to adopt a new Memorandum of Incorporation in substitution for the existing Memorandum and Articles of Association of the Company (which contain provisions which are in conflict with the provisions of the Companies Act, but which conflicting provisions generally override the provisions of the Companies Act, for a period of two years after the Companies Act Effective Date) in order to bring the Company's constitutional documents in harmony with the provisions of the Companies Act. In terms of item 4(2) of Schedule 5 to the Companies Act, a Company that existed prior to the Companies Act Effective Date may at any time within two years immediately following the Companies Act Effective Date, without charge, file an amendment to its Memorandum and Articles of Association to bring it in harmony with the Companies Act.

Copies of the new Memorandum of Incorporation will be available for inspection by any person who has a beneficial interest in any share of the Company at the registered office of the Company at Millennia Park, 16 Stellentia Avenue, Stellenbosch, and at the offices of Computershare Investor Services (Pty) Limited, the transfer secretaries of the Company, at 70 Marshall Street, Johannesburg, during normal office hours from the date of issue of this Notice of Annual General Meeting up to and including the date of the Annual General Meeting or any adjourned meeting.

And to transact any other business that may be transacted at an Annual General Meeting.

Additional information and explanatory notes in respect of Ordinary Resolutions Numbers 1 to 12 and Special Resolutions Numbers 1 to 6 are set out in the explanatory notes to this notice attached hereto.

RECORD DATES

The record date in terms of section 59 of the Companies Act for shareholders to be recorded on the securities register of the Company in order to receive notice of the Annual General Meeting is Friday, 19 October 2012.

The record date in terms of section 59 of the Companies Act for shareholders to be recorded on the securities register of the Company in order to be able to attend, participate and vote at the Annual General Meeting is Friday, 16 November 2012, and the last day to trade in the Company's shares in order to be recorded on the securities register of the Company in order to be able to attend, participate and vote at the Annual General Meeting is Friday, 9 November 2012.

APPROVALS REQUIRED FOR RESOLUTIONS

Ordinary Resolutions Numbers 1 to 12 contained in this notice of Annual General Meeting require the approval by more than 50% of the votes exercised on the resolutions by shareholders present or represented by proxy at the Annual General Meeting, subject to the provisions of the Companies Act, the Articles of Association of the Company and the Listings Requirements.

Special Resolutions Numbers 1 to 4, 5C and 6 contained in this notice of Annual General Meeting require the approval by at least 75% of the votes exercised on the resolutions by shareholders present or represented by proxy at the Annual General Meeting, subject to the provisions of the Companies Act, the Articles of Association of the Company and the Listings Requirements.

Special Resolution Number 5A contained in this notice of Annual General Meeting requires the approval by at least 75% of the votes exercised on the resolution by holders of listed ordinary shares present or represented by proxy at the Annual General Meeting, subject to the provisions of the Companies Act, the Articles of Association of the Company and the Listings Requirements.

Special Resolution Number 5B contained in this notice of Annual General Meeting requires the approval by at least 75% of the votes exercised on the resolution by holders of unlisted B ordinary shares present or represented by proxy at the Annual General Meeting, subject to the provisions of the Companies Act, the Articles of Association of the Company and the Listings Requirements.

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. Shares held as treasury shares may also not vote.

ATTENDANCE AND VOTING BY SHAREHOLDERS OR PROXIES

Shareholders who have not dematerialised their shares or who have dematerialised their shares with "own name" registration are entitled to attend and vote at the Annual General 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 shareholder 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 Friday, 23 November 2012, at 15:30 (South African time).

Proxy forms must only be completed by shareholders who have not dematerialised their shares or who have dematerialised their shares with "own name" registration.

On a show of hands, every shareholder of the Company present in person or represented by proxy shall have one vote only. On a poll, every shareholder 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 shareholder bears to the aggregate amount of the nominal value of all the shares issued by the Company.

Shareholders who have dematerialised their shares, other than those shareholders 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.

PROOF OF IDENTIFICATION REQUIRED

In terms of the Companies Act, any shareholder or proxy who intends to attend or participate at the Annual General Meeting must be able to present reasonably satisfactory identification at the meeting for such shareholder or proxy to attend and participate at the Annual General Meeting. A green bar-coded identification document issued by the South African Department of Home Affairs, a driver's licence or a valid passport will be accepted at the Annual General Meeting as sufficient identification.

By order of the Board of Directors.

M Lubbe
Company Secretary

Stellenbosch
20 September 2012

ANNEXURE 1

Report by the Board of Directors in respect of the proposed resolutions to convert the ordinary par value shares and B ordinary par value shares of the Company into ordinary no par value shares and B ordinary no par value shares

1. INTRODUCTION

1.1 Capitalised terms in this report have the same meanings as the meanings assigned to them in the Notice of Annual General Meeting to which this report is attached as Annexure 1.

1.2 The entire authorised and issued share capital of the Company currently comprises ordinary par value shares and B ordinary par value shares, which have been created and issued in terms of the Companies Act (No. 61 of 1973).

1.3 The Companies Act came into force on 1 May 2011. The Companies Act changed the share capital regime in South Africa in that, inter alia, new shares created will no longer have a par value, and although companies with par value shares are not required to convert their par value shares into no par value shares, the Company will not be permitted to increase its authorised share capital by the creation of further par value shares.

1.4 The Company wishes to align its share capital with the provisions of the Companies Act and to convert all of its authorised and issued ordinary par value shares and B ordinary par value shares into ordinary no par value shares and B ordinary no par value shares respectively ("Proposed Conversion"), having the same rights and privileges as those currently attaching to the ordinary par value shares and the B ordinary par value shares respectively.

1.5 In terms of the Companies Regulations, the Company may convert all of its ordinary par value shares and B ordinary par value shares into ordinary no par value shares and B ordinary no par value shares respectively if adopted by a special resolution adopted by the holders of the shares of each class of shares and a further special resolution adopted by a meeting of the Company's shareholders called for that purpose. In addition and in terms of regulation 31(7) of Part D of the Regulations, the Company must publish a report in respect of the proposed resolution to convert the ordinary par value shares and B ordinary par value shares into ordinary no par value shares and B ordinary no par value shares.

2. EXTRACT OF REGULATION 31(7) OF PART D OF THE COMPANIES REGULATIONS

"The board must cause a report to be prepared in respect of a proposed resolution to convert any nominal or par value shares in terms of sub-regulation (6), which must at a minimum –

(a) state all information relevant to the value of the securities affected by the proposed conversion;

(b) identify holders of the company's securities affected by the proposed conversion;

(c) describe the material effects that the proposed conversion will have on the rights of the holders of the company's securities affected by the proposed conversion; and

(d) evaluate any material adverse effects of the proposed arrangement against the compensation that any of those persons will receive in terms of the arrangement."

3. REPORT ON THE PROPOSED CONVERSION

3.1 Information in relation to the value of the securities affected by the Proposed Conversion

3.1.1 The rights attaching to the ordinary no par value shares and B ordinary no par value shares after the Proposed Conversion will be identical to the rights attaching to the ordinary par value shares and B ordinary par value shares prior to the Proposed Conversion.

3.1.2 The Board of Directors of the Company is of the opinion that the Proposed Conversion will not affect the value of the ordinary shares or the B ordinary shares.

3.2 Shareholders affected by the Proposed Conversion

The Company has two classes of shares in issue, being ordinary shares with a par value of one cent each and B ordinary shares with a par value of ten cents each. Given that all the Company's authorised and issued ordinary shares and B ordinary shares are proposed to be converted in terms of Special Resolutions Numbers 5A, 5B and 5C on the basis referred to in paragraph 3.3 below, all shareholders are affected equally and on the same terms and conditions.

3.3 Material effects that the Proposed Conversion will have on the rights of the shareholders affected by the Proposed Conversion

The rights attaching to the Company's no par value shares will, upon their conversion from par value shares, be identical to the rights currently attaching to the Company's par value shares. The Proposed Conversion will accordingly not have any material effects on the rights of shareholders.

The Board has been advised that, technically, the Proposed Conversion may constitute a disposal for purposes of capital gains tax ("CGT") in the hands of South African tax resident shareholders. However, the Board has further been advised that the nature of the conversion complies with the parameters as per the relevant regulations and official communications by the South African Revenue Service and that the conversion should therefore not be subject to CGT.

3.4 Material adverse effects of the Proposed Conversion against the compensation that any of those persons will receive in terms of the arrangement

The Proposed Conversion will not have any material adverse effects on any of the shareholders and no shareholders will receive any compensation pursuant to the conversion.

EXPLANATORY NOTES TO THE NOTICE

TO SHAREHOLDERS

ORDINARY RESOLUTIONS

Ordinary Resolution Number 1

Approval of annual financial statements

In terms of the provisions of section 30(3)(d) of the Companies Act (No. 71 of 2008), as amended ("Companies Act"), the Company's annual financial statements and Group annual financial statements have to be presented to the shareholders at the Annual General Meeting for consideration.

Ordinary Resolution Number 2

Reappointment of auditor

In terms of the provisions of section 90(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.

Ordinary Resolutions Numbers 3 – 8

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. Directors may offer themselves for re-election. Biographical details of all the directors of the Company are set out on pages 20 and 21 of the Annual Report.

Ordinary Resolutions Numbers 9 – 12

Appointment of Audit and Risk Committee

In terms of the provisions of section 94(2) of the Companies Act, a company shall at every annual general meeting elect an Audit Committee comprising at least three members. Brief CVs of the independent non-executive directors proposed to be appointed to the Audit and Risk Committee appear on pages 20 and 21 of the Annual Report. As is evident from the CVs of these directors, all of them have academic qualifications or experience in one or more of the following areas, i.e. economics, law, corporate governance, finance, accounting, commerce, industry, public affairs or human resources.

SPECIAL RESOLUTIONS

Special Resolution Number 1

Approval of directors' remuneration

In terms of the provisions of section 66(9) of the Companies Act, remuneration may only be paid to the directors for their services as directors in accordance with a special resolution approved by the shareholders within the previous two years.

Special Resolution Number 2

General authority to repurchase shares

The annual renewal of this authority is required in terms of the provisions of the Listings Requirements of the exchange operated by the JSE Limited ("JSE") ("Listings Requirements"). The existing authority to the directors is due to expire at the forthcoming annual general meeting, unless renewed.

Special Resolution Number 3

General authority to enter into derivative transactions

The general authority is given to the directors to enable them, subject to the provisions of the Listings Requirements, to enter into derivative transactions, which may or will lead to the Company being required to purchase its own shares.

Special Resolution Number 4

General authority to provide financial assistance to related and inter-related companies

The general authority is given to the directors to enable them, subject to the provisions of section 45 of the Companies Act, to authorise the Company to provide financial assistance to related and inter-related companies and corporations of the Company.

Special Resolutions Numbers 5A, 5B and 5C

Conversion of par value shares into no par value shares

The conversion of the Company's par value shares into no par value shares is effected to align the Company's share capital with the Companies Act. In terms of regulation 31(6) of the Companies Regulations, 2011, the conversion is to be effected if approved by (i) a special resolution adopted by the holders of shares of each class of shares, and (ii) a further special resolution adopted by a meeting of the Company's shareholders.

Special Resolution Number 6

Adoption of new Memorandum of Incorporation

The existing Memorandum and Articles of Association of the Company are to be replaced with a new Memorandum of Incorporation in order to bring the constitutional documents of the Company in harmony with the Companies Act. Terms of the new Memorandum of Incorporation of the Company to be adopted in terms of this special resolution which should be noted in particular are set out below:

The new Memorandum of Incorporation is consistent with the provisions of the Companies Act and also complies with the applicable provisions of the Listings Requirements and has been formally approved by the JSE.

The approach adopted in preparing the Memorandum of Incorporation, was to, as far as possible, retain the provisions of the existing Articles of Association of the Company that are not inconsistent with the Companies Act, and to incorporate the new requirements of the Companies Act as well as the requirements of the Listings Requirements into the document. The Memorandum of Incorporation was prepared with a view to such document serving as a manual to the officers of the Company and others when dealing with the day-to-day corporate issues affecting the Company, without the need to consult the Companies Act and regulations to the Companies Act on each and every point.

The following matters contained in the proposed Memorandum of Incorporation should be noted in particular:

- In terms of the 1973 Companies Act, a company had to state its main object and main business in its Memorandum of Association. This is no longer required and the Company will have all the legal powers and capacity of an individual, except to the extent that a juristic person is incapable of exercising such power or having such capacity [clause 4].
- Pursuant to Special Resolutions Numbers 5A, 5B and 5C, all the ordinary and B ordinary par value shares in the share capital of the Company will be converted into ordinary and B ordinary no par value shares, and the Memorandum of Incorporation reflects this change [clause 6.1 read with Schedule 1].
- The power to increase or decrease the authorised share capital, to create any class of shares, and to determine the preferences, rights, limitations or other terms of any shares, is subject to the approval of the shareholders by way of a special resolution [clause 6.2].
- The Board may issue shares at any time, and/or grant options to subscribe for shares but only to the extent that such issue or option has been approved by the shareholders in general meeting, either by way of a general or specific authority. If such approval is in the form of a general authority, it will be valid only until the next Annual General Meeting of the Company [clause 6.7].
- The Board may authorise the Company to issue secured or unsecured debt instruments [e.g. debentures], but no special privileges associated with any such debt instruments, such as voting rights or the right to appoint directors may be granted [clause 14].
- The Company may by special resolution consolidate, subdivide, increase, convert, cancel and/or buy back its share capital [clauses 7 and 19].
- The Company may provide financial assistance to any person for the purpose of the subscription of any option, or any securities, issued or to be issued by the Company, or for the purchase of any such securities, subject to a general or specific approval by special resolution [clause 18].
- The quorum for a shareholders' meeting to begin or for a matter to be considered, will be at least three shareholders entitled to attend and vote and present at the meeting, of whom one must be a holder of B ordinary shares, and in addition, a shareholders' meeting may not begin until persons are present at the meeting to exercise, in aggregate, at least 25% of the voting rights, and be a matter to be decided at a shareholders' meeting may not begin to be considered unless sufficient persons are present at the meeting to exercise, in aggregate, at least 25% of all of the voting rights [clause 21.4].
- Subject to the provisions of the Listings Requirements, if determined by the Board in its discretion, the Company may conduct a shareholders' meeting entirely by electronic communication or provide for participation in a meeting by electronic communication [clause 22.1].
- A resolution that could be voted on at a shareholders' meeting may instead be submitted by the Board for consideration to the shareholders, and voted on in writing by such shareholders [clause 26].

- The Board must comprise at least six directors and not more than nineteen directors, or such other maximum number as the Board may from time to time determine [clause 27.2.1].
- The appointment and retirement of directors by rotation are as provided for in the Company's existing Articles of Association [clauses 27.3 and 27.4.3].
- The directors may elect a chairman and up to two deputy chairpersons (to act in the absence of the chairman) of their meetings and determine the period for which each is to hold office, which shall not be longer than five years [clause 28.2].
- The chairman of the Board may call a meeting of the Board at any time, and the Company Secretary, upon the request of any director shall at any time, call a meeting of the Board [clause 28.3].
- The Board may consider any matter and/or adopt any resolution other than at a meeting and any decision that could be voted on at a meeting of the Board may instead be adopted by the written consent of a majority of the directors, provided that each director has received notice of the matter to be decided [clause 28.4.1].
- The Board may determine the manner, form, and number of days' notice to be given of its meetings, provided that an agenda of the matters to be discussed at the meeting shall be given to each director, together with the notice of the meeting [clause 28.4.3].
- A majority of the directors must be present at a meeting before a vote may be called at any meeting of the directors [clause 28.5.2].
- Each director has one vote on a matter before the Board [clause 28.5.3].
- A majority of the votes cast in favour of a Board resolution is sufficient to approve that resolution [clause 28.5.4]. In the case of a tied vote the chairman shall not have a second or casting vote [clause 28.5.5].
- The Company may pay remuneration to the directors for their services as directors in accordance with a special resolution approved by the shareholders within the previous two years [clause 29.1]. This approval is not required for the salaries of executive directors.
- The directors may from time to time appoint (i) managing and other executive directors (provided that such appointment must be confirmed by the shareholders at the next Annual General Meeting of the Company) and (ii) any director to any other executive office with the Company, as the directors shall think fit, for a period as the directors shall think fit, and may from time to time remove or dismiss such persons from office and appoint another or others in his or their place or places [clause 30.1].
- The Company shall (i) advance expenses to a director or directly or indirectly indemnify a director in respect of the defence of legal proceedings, as set out in section 78(4) of the Companies Act, (ii) indemnify a director in respect of liability as set out in section 78(5) of the Companies Act, and/or (iii) purchase insurance to protect the Company or a director as set out in section 78(7) of the Companies Act [clause 31]. The aforementioned provisions also apply in respect of any prescribed officer or member of any Committee of the Board, including the Audit and Risk Committee, as far as such provisions apply thereto, or any former director.
- The business and affairs of the Company will be managed by the Board [clause 32.1].
- The directors may from time to time borrow for the purposes of the Company such sums as they think fit; and secure the payment or repayment of any such sums, or any other sum, as they think fit [clause 33].
- The Board may appoint committees of directors and delegate to any such committee any of the authority of the Board [clause 34].
- The Board must appoint a Company Secretary [clause 36.1].
- The Company in General Meeting or the directors may declare dividends. The directors may from time to time declare and pay to the shareholders such interim dividends as the directors consider to be appropriate. No larger dividend will be declared by the Company in General Meeting than is recommended by the directors, but the Company in General Meeting may declare a smaller dividend [clause 38].
- Distributions or any other sum payable in cash to any holder of the Company's shares shall be paid by way of an electronic funds transfer only, unless agreed to otherwise at the discretion of the Company, into the selected bank account of the shareholder [clause 38.8].
- All unclaimed dividends shall be held by the Company in trust for the benefit of the Company until lawfully claimed, and dividends that remain unclaimed for a period of three years from the date on which they became payable may be declared forfeited by the directors for the benefit of the Company. All unclaimed monies, other than dividends, that are due to a shareholder shall be held by the Company in trust for the benefit of the Company for an indefinite period until lawfully claimed by such shareholder or, if determined by the directors, until the shareholder's claim to such distribution has prescribed in terms of the applicable laws of prescription [clause 38.7].
- The Memorandum of Incorporation may only be altered or amended (including any alteration or amendment that changes the name of the Company) by way of a special resolution of the shareholders, except if such amendment is in compliance with a Court order [clause 43].
- In terms of the Listings Requirements the Company is prohibited from making governance rules [clause 44].

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:

1. **REGISTERED SHAREHOLDERS WHO HAVE NOT YET DEMATERIALISED THEIR REMGRO LIMITED ORDINARY SHARES; AND**
2. **REGISTERED SHAREHOLDERS WHO HAVE ALREADY DEMATERIALISED THEIR REMGRO LIMITED ORDINARY SHARES AND ARE REGISTERED IN THEIR OWN NAMES IN THE COMPANY'S UNCERTIFICATED SECURITIES REGISTER.***

* See explanatory note 3 overleaf.

For completion by the aforesaid registered shareholders who hold ordinary shares of the Company ("shareholder") and who are unable to attend the 2012 Annual General Meeting of the Company to be held on Tuesday, 27 November 2012, at 15:30 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)

1. _____ or, failing him/her,

2. _____ or, failing him/her,

3. 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):

	Insert an "X" or the number of votes exercisable (one vote per ordinary share)		
Ordinary resolutions	In favour of	Against	Abstain
1. Approval of annual financial statements			
2. Reappointment of auditor			
3. Election of director – Mr J W Dreyer			
4. Election of director – Mr N P Mageza			
5. Election of director – Mr P J Moleketi			
6. Election of director – Mr F Robertson			
7. Election of director – Mr J P Rupert			
8. Election of director – Mr H Wessels			
9. Appointment of member of Audit and Risk Committee – Mr N P Mageza			
10. Appointment of member of Audit and Risk Committee – Mr P J Moleketi			
11. Appointment of member of Audit and Risk Committee – Mr F Robertson			
12. Appointment of member of Audit and Risk Committee – Mr H Wessels			
Special resolutions			
1. Approval of directors' remuneration			
2. Authority to repurchase shares			
3. Authority to enter into derivative transactions			
4. General authority to provide financial assistance to related and inter-related companies and corporations			
5A. Conversion of listed ordinary par value shares into no par value shares			
5C. Conversion of all par value shares into no par value shares			
6. Adoption of new Memorandum of Incorporation			

Signed at _____ on _____ 2012

Signature/s _____

Assisted by _____
(where applicable)

Please read the notes and instructions overleaf.

NOTES

1. A shareholder 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 shareholder of the Company.

2. Every shareholder 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 shareholder holds. In the event of a poll, every shareholder 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 shareholder bears to the aggregate amount of the nominal value of all the shares issued by the Company.

3. Shareholders registered in their own name are shareholders 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 uncertificated securities register **in their own names**.

INSTRUCTIONS ON SIGNING AND LODGING THE FORM OF PROXY

1. A shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder'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 shareholder. 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 shareholder's voting instructions to the proxy must be indicated by the insertion of an "X", or the number of votes which that shareholder 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 shareholder's exercisable votes. A shareholder 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 shareholder 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 Friday, 23 November 2012, at 15:30 (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 shareholder 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 shareholder wish to do so.

7. The appointment of a proxy in terms of this form of proxy is revocable in terms of the provisions of section 58(4)(c) read with section 58(5) of the Companies Act, and accordingly a shareholder may revoke the proxy appointment by cancelling it in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and to the Company.

8. 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.

9. 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 shareholder wishes to vote.