

Remgro *Limited*

Remgro Limited

Circular to shareholders

**Exchange of shares in Billiton plc and Gold Fields Limited
for shares in FirstRand Limited**

**Exchange of shares in FirstRand Limited for shares
in RMB Holdings Limited**

25 January 2001



RAND MERCHANT BANK
CORPORATE FINANCE
A Division of FirstRand Bank Limited

Hofmeyr

Hofmeyr Herbstein & Gihwala Incorporated
Registration number 1997/001523/21

PRICEWATERHOUSECOOPERS 

PricewaterhouseCoopers Inc.
Chartered Accountants (SA)
Registered Accountants and Auditors
(Registration no 1998/012055/21)

Corporate information

Directors

Johann Rupert (*Chairman*)*

M H Visser (*Deputy Chairman and Chief Executive*)

P E Beyers*

W E Bührmann

G D de Jager*

J W Dreyer*

P J Erasmus*

* *non-executive*

D M Falck

E de la H Hertzog*

E Molobi*

J A Preller

P G Steyn*

T van Wyk

Remgro Limited

(formerly Rembrandt S.A. Limited)

Coetzier Street

Stellenbosch

(PO Box 456, Stellenbosch, 7599)

Secretary: J C Engelbrecht

Attorneys

Hofmeyr Herbstein & Gihwala Inc.

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Sandown

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Sandton

(PO Box 786273, Sandton, 2146)

Reporting accountants

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Sanbel

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RMB Holdings Limited

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1 Merchant Place

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Sandton

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Transfer secretaries

Computershare Services Limited

2nd Floor, Edura House

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Johannesburg

(PO Box 61051, Marshalltown, 2107)

Merchant bank

Rand Merchant Bank

A division of FirstRand Bank Limited

1 Merchant Place

Corner Fredman Drive and Rivonia Road

Sandton

(PO Box 786273, Sandton, 2146)

This circular is also available in Afrikaans at all of the addresses above.

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Definitions used in this circular

In this circular, unless the context indicates otherwise:

- reference to the singular includes the plural and *vice versa*;
- words denoting one gender include the others;
- words and expressions denoting natural persons include legal persons and associations of persons;
- the words in the first column have the meanings stated opposite them in the second column.

“acquisitions”	the acquisition by Remgro of the FirstRand exchange shares and the RMBH consideration shares;
“Anglo American”	Anglo American plc (registered number 3564138), a company incorporated in England and Wales and listed on the London Stock Exchange, with a secondary listing on the JSE;
“Billiton”	Billiton plc (registered number 3196209), a company incorporated in England and Wales and listed on the London Stock Exchange, with a secondary listing on the JSE;
“circular”	this bound document and its annexures;
“De Beers”	De Beers Consolidated Mines Limited (registration number 1888/000007/06), a company incorporated in the Republic of South Africa and listed on the JSE;
“FirstRand exchange shares”	424 863 144 shares of one cent each in the capital of FirstRand, acquired by Remgro from Anglo American, to be transferred to RMBH in exchange for the RMBH consideration shares;
“FirstRand shares”	shares of one cent each in the capital of FirstRand;
“FirstRand”	FirstRand Limited (registration number 1966/010753/06), a company incorporated in the Republic of South Africa and listed on the JSE;
“Gold Fields”	Gold Fields Limited (registration number 1968/004880/06), a company incorporated in the Republic of South Africa and listed on the JSE;
“JSE”	the JSE Securities Exchange South Africa;
“Remgro” or “the company”	Remgro Limited (formerly Rembrandt S.A. Limited) (registration number 1968/006415/06), a company incorporated in the Republic of South Africa and listed on the JSE;
“RMBH”	RMB Holdings Limited (registration number 1987/005115/06), a company incorporated in the Republic of South Africa and listed on the JSE;
“RMBH consideration shares”	274 109 670 new RMBH shares to be issued by RMBH to Remgro in consideration for the FirstRand exchange shares;
“RMBH’s other assets”	the investments and liabilities held by RMBH, excluding FirstRand but including Global Resorts SA (Proprietary) Limited, OUTsure Insurance Company Limited, RMB Structured Insurance Limited and Glenrand M.I.B Limited;
“RMBH senior executives”	Messrs G T Ferreira, L L Dippenaar and P K Harris;
“RMBH shares”	shares of one cent each in the capital of RMBH;
“the resources exchange”	the transaction entered into between Remgro, Anglo American and De Beers in terms of which Remgro exchanged its interests in Billiton and Gold Fields for part of the FirstRand shares held by Anglo American and De Beers; and
“the transaction”	collectively, the acquisitions and the resources exchange.

Information circular to Remgro shareholders

PART 1 - THE TRANSACTION

1. Introduction

It was announced in the press on 7 December 2000 that Remgro, Anglo American and De Beers had agreed that Anglo American and De Beers would exchange part of their holding of FirstRand shares for all the shares held by Remgro in Billiton and Gold Fields.

It was also announced that Remgro had agreed with RMBH to exchange a portion of the FirstRand shares received from Anglo American and De Beers for new shares in RMBH, resulting in Remgro holding shares in both FirstRand and RMBH.

This circular is issued to Remgro shareholders for information purposes only, to advise them of the details of the transaction.

2. Details of the resources exchange

Remgro, Anglo American and De Beers have agreed that:

- Anglo American will dispose of 834 008 267 FirstRand shares and De Beers will dispose of 98 491 733 FirstRand shares to Remgro;
- in exchange for the FirstRand shares, Remgro will dispose of 165 248 324 Billiton shares and 51 134 914 Gold Fields shares to Anglo American and 24 726 874 Billiton shares to De Beers.

Pursuant to the resources exchange, Remgro would hold 932 500 000 FirstRand shares, equivalent to approximately 17% of FirstRand's issued share capital.

3. Rationale for the transaction

In order to:

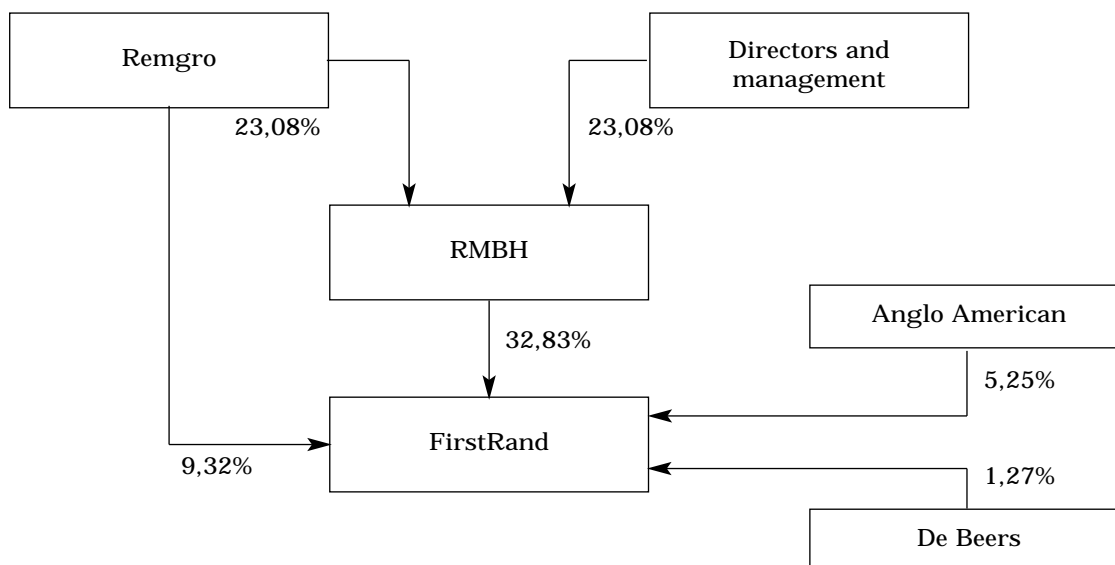
- achieve greater focus in Remgro's investment portfolio; and
- exchange investments in mining commodities, where investment returns can be materially influenced by commodity cycles, for an interest in a leading financial services group,

the board of directors considers it desirable to exchange Remgro's existing investments in Billiton and Gold Fields for interests in FirstRand and RMBH.

Remgro is an investment holding company with strategic interests in a number of businesses. The acquisition of an interest in FirstRand reflects Remgro's continuous search for investment opportunities with perceived long-term value. Remgro invests where it is able to add value to and influence the strategic direction of the underlying businesses.

In order to be able to provide strategic input to FirstRand and to align itself more closely with RMBH, FirstRand's major shareholder, Remgro has agreed with RMBH to exchange the FirstRand exchange shares for the RMBH consideration shares.

After implementation of the transaction, the RMBH group structure will be as follows:



4. Details of the acquisitions

As set out in paragraph 3 above, Remgro invests in businesses to which it can contribute strategic input. Accordingly, Remgro has agreed with RMBH that, of the 932 500 000 FirstRand shares received by Remgro from Anglo American, Remgro will exchange 424 863 144 FirstRand shares for 274 109 670 new RMBH shares. After the acquisitions, Remgro will hold 9,32% of FirstRand and 23,08% of RMBH and RMBH's shareholding in FirstRand will increase from 25,03% to 32,83%.

The acquisitions are conditional upon RMBH shareholders in general meeting approving the issue of the RMBH consideration shares to Remgro. It is anticipated that the general meeting of RMBH shareholders will be held on Friday 9 February 2001 and that the RMBH consideration shares will be listed on the JSE on Monday 12 February 2001.

Provided that the issue of the RMBH consideration shares is approved at the general meeting of RMBH shareholders, Remgro will be entitled to appoint two directors to the board of directors of each of FirstRand and RMBH. Shareholders will be notified as soon as such appointments are made. The board of directors of Remgro will not be changed as a result of the transaction.

5. Possible issue of further RMBH shares

In subscribing for the RMBH consideration shares, Remgro is effectively acquiring a proportionate share of RMBH's other assets. Certain of these assets are still at a developmental stage and will require further effort over the next three years to demonstrate their value.

RMBH and Remgro have agreed that if the value of RMBH's other assets (valued by RMBH management at R374 million for the purposes of the transaction), or the proceeds from their disposal, is below the value projected for them by RMBH at the end of three years, RMBH will issue additional RMBH shares to Remgro at their par value of one cent each, so that:

- the maximum number of additional RMBH shares that may be issued in terms of this arrangement is 10,75 million, should the value of RMBH's other assets be nil at 31 December 2003; and
- the number of RMBH shares to be issued will be reduced pro rata based on the determined value of RMBH's other assets, such that no additional shares will be issued should the value of RMBH's other assets be at or above the projected value.

6. Financial effects of the transaction

The financial effects of the transaction on Remgro shareholders are set out in the table below:

	Before the transaction ¹ (cents)	After the transaction ² (cents)	Percentage change
Headline earnings per share	480,50	497,41	3,5
Net asset value per share	2 405	2 874 ³	19,5

Notes:

1. Based on pro forma financial information of Remgro for the year ended 31 March 2000.
2. Assuming that the transaction had been implemented:
 - for headline earnings per share, on 1 April 1999; and
 - for net asset value per share, on 31 March 2000.
3. It is assumed for the purposes of this calculation that the RMBH consideration shares are issued at their closing price on Monday 4 December 2000, being R10,45. Based on the assumptions above, the increase in Remgro's net asset value per share represents a capital gain to be realised on the disposal of its interests in Billiton and Gold Fields. The net asset value per share, after the transaction, includes goodwill relating to the acquisition of interests in FirstRand and RMBH, which will be amortised over 20 years.

A pro forma net asset statement for Remgro, setting out the effect of the transaction on the net asset value of Remgro, is attached to this circular as Annexure 1 and the report on the pro forma net asset statement by PricewaterhouseCoopers is attached as Annexure 2.

7. Financial information

Summarised balance sheets and income statements of:

- Billiton and Gold Fields for the three financial years ended on 30 June 2000 are attached as Annexures 3 and 4, respectively; and
- FirstRand and RMBH for the two financial years ended on 30 June 2000 are attached as Annexures 5 and 6, respectively.

In the case of FirstRand and RMBH, only two years' financial information is given, as the creation of FirstRand during the 1998 financial year resulted in the audited financial information for that year not being comparable to the 1999 and 2000 financial years.

8. Remgro's prospects

Remgro will continue to benefit from the ongoing restructuring taking place in many of its underlying investments and is well-placed to take advantage of any significant upturn in the economy. The focus of Remgro will be to explore opportunities that may exist to unlock further value from its investments. These strategies will be pursued with other shareholders and/or partners as and when appropriate.

9. Directors' opinion of the transaction

The board of directors of Remgro has considered the terms of the transaction and is of the opinion that Remgro shareholders will benefit from the value inherent in FirstRand and RMBH.

PART 2 – OTHER INFORMATION

1. Directors' interests in shares and transactions

At Friday 19 January 2001, being the last practicable date prior to finalisation of this circular, the directors of Remgro beneficially held 3 086 779 Remgro ordinary shares in aggregate. Of these, 358 633 shares were held directly and 2 728 146 were held indirectly. No director holds shares non-beneficially and no single director held more than 1% of the issued ordinary share capital of Remgro.

Johann Rupert is an income beneficiary of the Anton Rupert Trust, a discretionary trust which owns the shares in Rembrandt Trust (Proprietary) Limited. Rembrandt Trust is the owner of the unlisted B shares in Remgro.

No director of Remgro is or has been interested in any transaction which:

- is or was of an unusual nature or contained unusual conditions; or
- was material to the business of Remgro; and
- was effected during the financial year which commenced on 1 April 2000, or was effected in any earlier financial year and remains in any respect outstanding or unperformed.

2. Litigation by or against FirstRand or RMBH

Neither FirstRand nor RMBH is involved in any legal or arbitration proceedings, other than litigation in the ordinary course of FirstRand's banking business, and the directors of those companies are not aware of any such proceedings which are pending or threatened and which may have, or have had in the last 12 months, a material effect on the position of either of the companies.

3. Working capital

The directors of Remgro are of the opinion that, after implementation of the transaction, the company's working capital is sufficient for the needs of the company and its subsidiaries for the foreseeable future.

4. Material changes

Other than the restructuring of the Rembrandt Group of companies, which was approved by shareholders of Rembrandt Group Limited, Rembrandt Controlling Investments Limited, Technical Investment Corporation Limited and Technical and Industrial Investments Limited on 21 September 2000 resulting in the formation of Remgro and VenFin Limited, there has been no material change in the financial or trading position of the company or its subsidiaries since the end of the financial year ended 31 March 2000. Shareholders are referred to the circular containing details of the restructuring, which was posted to shareholders on 30 August 2000, and to Remgro's interim report which was published on 23 November 2000.

5. Expert's consent

PricewaterhouseCoopers Inc has given and has not withdrawn its consent to the publication of its report in the form of Annexure 2 to this circular.

6. Directors' responsibility statement

The directors of Remgro:

- have considered all statements of fact and opinion in this circular;
- accept, individually and collectively, full responsibility for the accuracy of such statements;
- certify that, to the best of their knowledge and belief, there are no omissions of material facts or considerations which would make any statements of fact or opinion included in this circular false or misleading and have made all reasonable enquiries in this regard.

Stellenbosch
25 January 2001

Pro forma net asset statement of Remgro

The underlying interests of Rembrandt Group Limited ("Rembrandt") were re-organised into two separate companies, Remgro and VenFin Limited ("VenFin"), with effect from 1 April 2000. The consolidated pro forma figures in the net asset statement of Remgro "Before the transaction" are based on the audited financial statements of Rembrandt for the year ended 31 March 2000 and represent the figures of Rembrandt after making adjustments for the division of assets between Remgro and VenFin in terms of the Rembrandt restructuring.

The pro forma net asset statement is prepared for illustrative purposes only.

The pro forma consolidated net asset statement "After the transaction" is based on the assumption that the transaction had taken place on 31 March 2000.

At 31 March 2000	Pro forma Before the transaction (R'm)	Adjustments (R'm)	Pro forma After the transaction (R'm)
Assets			
Non-current assets			
Fixed property, plant and equipment	2 349		2 349
Goodwill	-	3 505	3 505
Investments	10 810	(1 056)	9 754
Loans	11		11
	13 170	2 449	15 619
Current assets	2 283		2 283
Inventories	468		468
Trade and other receivables	763		763
Taxation	18		18
Cash resources	1 034		1 034
Total assets	15 453	2 449	17 902
Equity and liabilities			
Capital and reserves			
Interest of own members	12 556	2 449	15 005
Interest of outside shareholders	809		809
Total shareholders' equity	13 365	2 449	15 814
Non-current liabilities	296		296
Interest bearing debt	254		254
Deferred taxation	42		42
Current liabilities	1 792		1 792
Interest bearing	149		149
Trade and other payables	1 467		1 467
Provisions	136		136
Taxation	40		40
Total equity and liabilities	15 453	2 449	17 902

Reporting accountants' report on the net asset statement of Remgro

The Directors
Remgro Limited
Coetzier Street
Stellenbosch
7599

22 January 2001

Dear Sirs

REPORT OF THE INDEPENDENT REPORTING ACCOUNTANTS ON THE PRO FORMA NET ASSET STATEMENT OF REMGRO LIMITED ("Remgro")

1. Introduction

We report on the unaudited pro forma net asset statement set out in Annexure 1 to the circular to shareholders to be dated on or about 25 January 2001. The pro forma net asset statement has been prepared for illustrative purposes only, to provide information on how the transaction would have impacted on the consolidated financial position of Remgro, had the transaction been effected on 31 March 2000.

At your request and for the purpose of the transaction we present our report on the pro forma financial position of Remgro in compliance with the Listings Requirements of the JSE Securities Exchange South Africa.

2. Responsibilities

The directors are solely responsible for the preparation of the pro forma net asset statement to which this reporting accountants' report relates, and for the financial statements and financial information from which it has been prepared.

It is our responsibility to form an opinion on the pro forma net asset statement and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the pro forma net asset statement, beyond that owed to those to whom those reports were addressed at their dates of issue.

3. Basis of opinion

Our work, which, for purposes of this report, did not involve any independent examination of any of the underlying financial information, consisted primarily of agreeing the adjusted financial information with the audited consolidated annual financial statements of Remgro, considering the evidence supporting the adjustments and discussing the pro forma net asset statement with the directors of Remgro.

Because the above procedures do not constitute either an audit or a review made in accordance with South African Auditing Standards, we do not express any assurance on the pro forma net asset statement.

Had we performed additional procedures or had we performed an audit or review of the financial statements in accordance with statements of South African Auditing Standards, other matters might have come to our attention that would have been reported to you.

4. Opinion

In our opinion:

- the pro forma net asset statement has been properly compiled on the basis stated;
- such basis is consistent with the accounting policies of Remgro; and
- the adjustments are appropriate for the purposes of the pro forma net asset statement as disclosed and in terms of the agreement regarding the transaction.

Yours faithfully

PricewaterhouseCoopers Inc
Registered Accountants and Auditors
Chartered Accountants (SA)"

Summarised financial information on Billiton

The summarised consolidated balance sheets, income statements and cash flow statements below are extracted from Billiton's audited annual financial statements for the years ended 30 June 1998, 1999 and 2000.

Balance sheets

	2000 US\$'m	1999 US\$'m	1998 US\$'m
Fixed assets			
Intangible assets - goodwill	82	77	-
- negative goodwill	(157)	(188)	-
	(75)	(111)	
Tangible assets	6 245	5 725	4 681
Investments - subsidiaries	-	-	-
- joint ventures	140	130	162
- share of gross assets	756	750	670
- share of gross liabilities	(616)	(620)	(508)
- loans to joint ventures and other investments	334	313	330
	6 644	6 057	5 173
Current assets			
Stocks	623	610	544
Debtors	855	926	828
Investments	109	101	140
Cash including money market deposits	806	480	1 978
	2 393	2 117	3 490
Creditors - amounts falling due within one year	(1 516)	(1 376)	(1 370)
Net current assets	877	741	2 120
Total assets less current liabilities			
Creditors - amounts falling due after more than one year	(1 643)	(1 230)	(1 151)
Provisions for liabilities and charges	(507)	(561)	(486)
Net assets	5 371	5 007	5 656
Equity minority interests	(397)	(369)	(1 074)
Attributable net assets	4 974	4 638	4 582
Capital and reserves			
Called up share capital	1 069	1 069	1 069
Share premium account	27	27	1 277
Profit and loss account	3 996	3 658	2 236
Interest in shares of Billiton plc	(118)	(116)	-
Equity shareholders' funds	4 974	4 638	4 582

Consolidated profit and loss accounts

	2000	1999	1998
	US\$'m	US\$'m	US\$'m
Turnover including share of joint ventures' turnover:			
Group production	4 766	4 320	4 935
Trading	784	854	1 125
	5 550	5 174	6 060
<i>Less: Share of joint ventures' turnover included above</i>	(559)	(552)	(614)
Group turnover	4 991	4 622	5 446
Turnover from Group production (excluding joint ventures)	4 241	3 834	-
Related operating costs	(3 571)	(3 347)	(4 808)
Operating profit from Group production	670	487	-
Operating profit from trading	18	5	-
Group operating profit	688	492	638
Share of operating profit of joint ventures	162	158	173
Total operating profit including share of profit of joint ventures	850	650	811
Income from other fixed asset investments	8	12	8
Net interest and similar items payable - Group	(11)	(62)	37
- joint ventures	(10)	(22)	(18)
Profit on ordinary activities before taxation	837	578	838
Tax on profit on ordinary activities	(217)	(132)	(254)
Profit on ordinary activities after taxation	620	446	584
Equity minority interests	(43)	(63)	(103)
Attributable profit	577	383	481
Dividends to shareholders	(232)	(218)	(225)
Retained profit for the financial year	345	165	256
Earnings per ordinary share (basic and diluted) (cents)	27,8	18,2	22,9
Dividend per ordinary share (cents)	11,25	10,5	10,5

Consolidated statements of cash flows

	2000	1999	1998
	US\$'m	US\$'m	US\$'m
Net cash inflow from Group operating activities	1 040	795	1 098
Dividends received from joint ventures	98	105	-
Returns on investments and servicing of finance	(145)	(126)	(118)
Taxation	(140)	(119)	(123)
Capital expenditure and financial investment	(896)	(579)	(494)
Acquisitions and disposals	(34)	(1 155)	(87)
Equity dividends paid	(223)	(223)	(75)
Net cash flow before management of liquid resources and financing	(300)	(1 302)	201
Management of liquid resources	(232)	1 394	(1 378)
Financing	643	(299)	1 459
Increase/(Decrease) in cash in the year	111	(207)	282
Reconciliation of net cash flow to movement in net debt			
Increase/(Decrease) in cash in the year	111	(207)	282
Cash flow from debt and lease financing	(645)	183	(54)
Cash flow from management of liquid resources	232	(1 394)	1 378
Change in net debt arising from cash flows	(302)	(1 418)	1 606
Money market deposits and loans acquired with subsidiaries	-	(42)	(15)
New finance leases	-	-	(13)
Other non-cash movements	7	(15)	-
Exchange adjustments	84	12	187
Movement in net debt	(211)	(1 463)	1 765
Net (debt)/funds at start of year	(972)	491	(1 274)
Net (debt)/funds at end of year	(1 183)	(972)	491

Summarised financial information on Gold Fields

The summarised consolidated balance sheets, income statements and cash flow statements below are extracted from Gold Fields' audited annual financial statements for the years ended 30 June 1998, 1999 and 2000. The income statement and cash flow statement for the year ended 30 June 1998 were prepared on a pro forma basis to reflect the merger of the gold interests of Gencor Limited and Gold Fields of South Africa Limited, which took effect on 1 January 1998.

Group balance sheets

	2000 R'm	1999 R'm	1998 R'm
Shareholders' equity	8 214,4	7 417,6	7 500,6
Outside shareholders' interest	203,2	237,0	268,0
Deferred taxation	3 535,3	3 767,6	3 005,7
Long-term liabilities	135,4	99,1	563,5
Long-term provisions	544,3	556,0	-
	12 632,6	12 077,3	11 337,8
<i>Represented by:</i>			
Fixed assets	12 326,8	12 206,0	10 617,2
Investments	244,1	180,4	674,8
Non-current assets	128,3	91,9	-
Net current liabilities	(66,6)	(401,0)	(89,5)
Current assets	1 079,7	847,6	1 063,2
Inventories	320,4	217,0	228,5
Accounts receivable	244,4	375,1	228,8
Cash resources	514,9	255,5	605,9
Current liabilities	1 146,3	1 248,6	1 017,4
Accounts payable	984,1	962,8	808,0
Taxation	94,5	79,0	38,6
Current portion of long-term loans	67,7	-	35,5
Short-term loans	-	72,3	135,3
Dividends payable	-	134,5	-
	12 632,6	12 077,3	11 337,8

Group income statements

Turnover	7 065,3	5 731,2	4 754,8
Cost of sales	6 236,7	4 720,8	4 979,7
Operating profit	828,6	1 010,4	(224,9)
Other income	117,1	221,2	122,0
Business development	(74,3)	(86,4)	(64,3)
Exceptional items	(270,1)	(2 706,7)	51,1
Profit/(Loss) before taxation	601,3	(1 561,5)	(103,6)
Mining and income tax	(38,5)	(826,2)	11,1
Profit/(Loss) after taxation	639,8	(735,3)	(114,7)
Minority shareholders' interest	(10,9)	(12,0)	2,7
Net earnings/(loss)	650,7	(747,3)	(117,4)
Earnings/(Loss) per share (cents)	144	(230)	(47,7)
Earnings per share before impairment of assets (cents)	156	382	-

Group cash flow statements

	2000	1999	1998
	R'm	R'm	R'm
Cash flows from operating activities	999,1	981,2	243,1
Cash generated by operations	1 295,4	1 107,9	(7,6)
Investment and interest income	72,7	202,4	123,1
Change in working capital	55,0	(18,6)	433,9
Cash generated by operating activities	1 423,1	1 291,7	549,4
Interest paid	(20,5)	(46,1)	(14,5)
Tax paid	(178,3)	(141,4)	(32,5)
Net cash from operations	1 224,3	1 104,2	502,4
Dividends paid	(225,2)	(123,0)	(259,3)
Cash utilised in investing activities	(770,7)	(1 069,4)	(900,6)
Additions to fixed assets	(681,4)	(847,9)	(1 341,1)
Disposal of assets	23,7	71,2	407,5
Net effect of Driefontein merger	-	1 034,3	-
Refund of purchase price of mineral assets	-	-	114,3
Purchase of investments	(63,3)	-	(0,6)
Net effect of disposal of Evander Gold Mines Limited	-	26,8	-
Investment in trust funds	(26,3)	(39,5)	-
Merger costs	-	-	(80,7)
Purchase of assets	-	(1 314,3)	-
Medical aid payments	(23,4)	-	-
Cash flows from financing activities	31,0	(262,2)	390,7
Increase in minority funding	8,1	92,4	40,4
Long-term loans raised/(repaid)	88,8	(291,6)	343,7
Shares issued	6,4	-	-
Short-term loans repaid	(72,3)	(63,0)	6,6
Net cash generated/(utilised)	259,4	(350,4)	(266,8)
Cash and short-term funds at beginning of the year	255,5	605,9	872,7
Cash and short-term funds at end of the year	514,9	255,5	605,9

Summarised financial information on FirstRand

The summarised consolidated balance sheets, income statements and cash flow statements below are extracted from FirstRand's audited annual financial statements for the years ended 30 June 1999 and 2000.

Balance sheets

	2000 (R'm)	1999 (R'm)
ASSETS		
Banking operations	140 175,6	135 804,0
Cash and short-term funds	8 309,4	11 684,2
Short-term negotiable securities	14 469,8	10 642,1
Liquid assets and trading securities	9 772,9	13 468,8
Securities purchased under agreements to resell	2 434,3	5 278,3
Advances	102 667,2	93 718,1
Other investments	2 522,0	1 012,5
Insurance operations	60 990,7	53 553,7
Funds on deposit	7 930,0	8 160,3
Government and public authority stocks	4 800,1	5 645,5
Mortgages, debentures and other loans	5 964,1	4 488,4
Policy loans	464,9	507,4
Equity investments	38 702,9	31 363,7
Property investments	3 128,7	3 388,4
Current assets	5 036,3	4 143,1
Loans	1 108,4	-
Investments in associated companies	672,1	149,0
Derivative assets	10 900,3	4 694,4
Deferred taxation	183,6	0,9
Goodwill	57,8	136,3
Property and equipment	3 666,5	3 582,8
Total assets	222 791,3	202 064,2
LIABILITIES AND SHAREHOLDERS' FUNDS		
Liabilities		
Deposits and current accounts	117 559,3	115 391,5
Current liabilities	9 726,3	8 938,5
Taxation	161,4	376,5
Derivative liabilities	14 189,2	5 444,6
Securities sold under agreements to repurchase	2 387,0	5 219,5
Deferred taxation	1 555,6	1 158,5
Preference shares	150,0	-
Debentures and long-term liabilities	3 696,7	2 313,4
Life insurance funds	58 591,3	51 689,5
Total liabilities	208 016,8	190 532,0
Outside shareholders' interest	641,0	518,3
Shareholders' funds		
Share capital and share premium	9, 594,9	8 486,5
Convertible debentures	350,0	350,0
Reserves	4 188,6	2 177,4
Total shareholders' funds	14 133,5	11,013,9
Total liabilities and shareholders' funds	222 791,3	202 064,2
Contingencies	14 181,2	13 282,6

Income statements

	2000	1999
	(R'm)	(R'm)
Net income after tax		
Banking operations	2 320,9	1 954,7
Insurance operations	933,2	666,1
Holding company expenses	(32,3)	(47,4)
Total net income after tax	3 221,8	2 573,4
Earnings attributable to outside shareholders of:		
Banking operations	(131,2)	(56,6)
Insurance operations	(34,8)	(28,3)
Net income after tax attributable to ordinary shareholders	3 055,8	2 488,5
Earnings per share (cents)	56,1	45,7
Headline earnings per share (cents)	54,1	45,6
Dividend per share (cents)	19,0	15,5

Cash flow statements

Cash flows from operating activities		
Cash generated by operations	11 454,3	13 066,5
Working capital changes	3 570,1	2 987,0
Cash inflow from operations	15 024,4	16 053,5
Taxation paid	(897,8)	(977,9)
Dividends paid	(925,7)	(653,4)
Net cash inflow from operating activities	13 200,9	14 422,2
Cash outflows from investing activities		
Banking investment activities	(9 117,4)	(7 932,3)
Insurance investment activities	(8 625,9)	(7 330,3)
Proceeds on disposal of shares in subsidiary	143,7	-
Investment in associates	(139,0)	(18,5)
Net purchase of equipment	(600,7)	(570,3)
Net cash outflow from investment activities	(18 339,3)	(15 851,4)
Cash flows from financing activities		
Proceeds from issue of ordinary shares	-	(3,6)
Proceeds from issue of preference shares	150,0	-
Proceeds from long-term borrowings	1 383,3	1 661,1
Net cash inflow from financing activities	1 533,3	1 657,5
Net (decrease)/increase in cash and cash equivalents	(3 605,1)	228,3
Cash and cash equivalents at beginning of year	19 844,5	19 616,2
Cash and cash equivalents at end of year	16 239,4	19 844,5

Summarised financial information on RMBH

The summarised consolidated balance sheets, income statements and cash flow statements below are extracted from RMBH's audited annual financial statements for the years ended 30 June 1999 and 2000.

Balance sheets

	2000 (R'm)	1999 (R'm)
Assets		
Cash and cash equivalents	462,0	70,8
Advances	-	828,9
Accounts receivable	412,9	36,6
Investments	614,3	3,5
Investment in associate companies	5 983,3	5 565,0
Deferred taxation	4,5	-
Fixed assets	10,6	8,1
Goodwill	1,1	-
Total assets	7 488,7	6 512,9
Liabilities and shareholders' funds		
Liabilities		
Funding instruments	303,7	1 074,7
Accounts payable and accruals	1 151,9	207,7
Deferred taxation	17,1	-
Liability to policyholders	14,5	-
Total liabilities	1 487,2	1 282,4
Outside shareholders' interest	88,9	-
Shareholders' funds		
Share capital and premium	2 936,8	2 936,8
Reserves	2 875,8	2 193,7
Convertible debentures	100,0	100,0
Total shareholders' funds	5 912,6	5 230,5
Total liabilities and shareholders' funds	7 488,7	6 512,9

Income statements

Operating profit	54,6	(10,1)
Net finance costs	(15,4)	(27,4)
Profit before tax	39,2	(37,5)
Taxation	(4,6)	1,4
Operating profit after tax	34,6	(36,1)
Share of after-tax results in associate companies	863,8	650,8
Earnings attributable to shareholders	898,4	614,7
Earnings attributable to outside shareholders	(10,9)	-
Earnings attributable to ordinary shareholders	887,5	614,7
Headline earnings per share - basic (cents)	88,50	67,25
Earnings per share - basic (cents)	97,14	67,44
Dividend per share (cents)	30,00	25,10
- Interim	9,30	7,30
- Final	20,70	17,80

Cash flow statements

	2000 (R'm)	1999 (R'm)
<i>Cash flow from operating activities</i>		
Cash available from/(utilised by) operations	399,2	(360,6)
<i>Cash flows from servicing of finance</i>		
Dividends paid to shareholders	(247,6)	(207,4)
<i>Cash flows from investment activities</i>		
Increase in investments	(236,0)	(192,1)
<i>Cash flows from financing activities</i>		
Proceeds from issue of shares	-	796,0
Outside shareholders' funding	4,6	-
<i>Net cash inflow from financing activities</i>	4,6	796,0
<i>Net increase/(decrease) in cash and cash equivalents</i>	(79,8)	35,9
Cash and cash equivalents acquired with acquisition of subsidiaries	471,0	-
Cash and cash equivalents at beginning of year	70,8	34,9
<i>Cash and cash equivalents at end of year</i>	462,0	70,8

