

Remgro
Limited

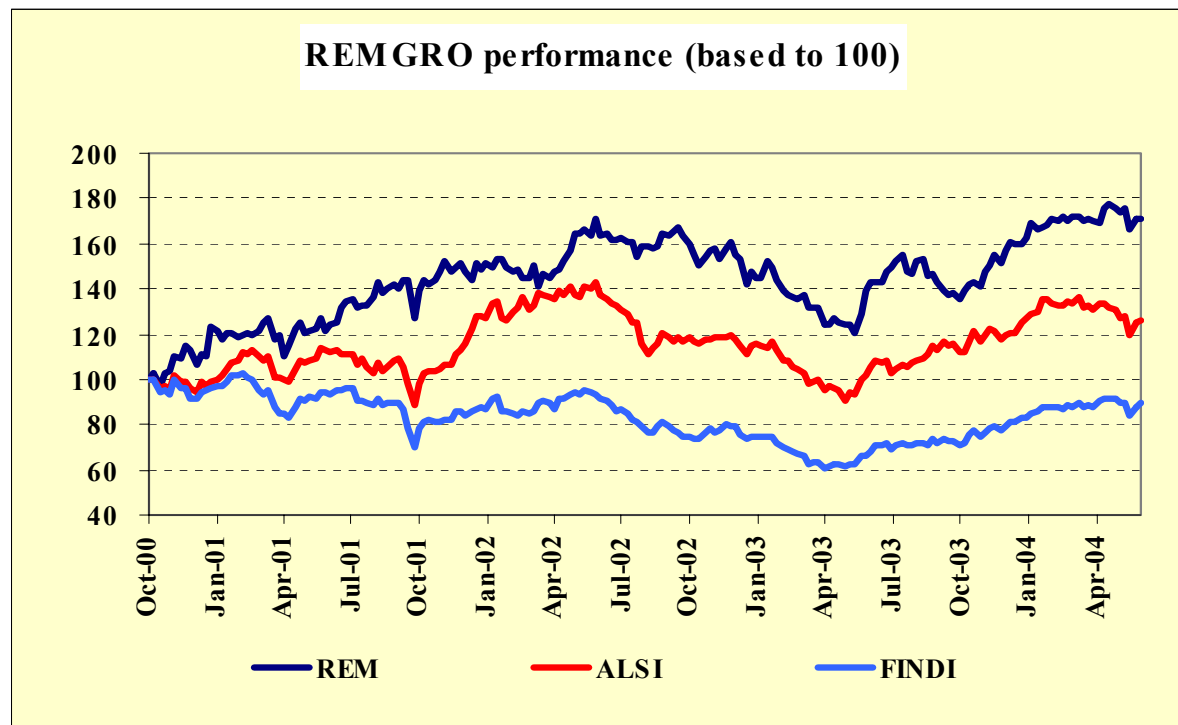
Results presentation

For the year ended 31 March 2004

Financial highlights

| | FY04 | FY03 | %chng |
|------------------------------------|--------------|--------------|--------------|
| Headline earnings (Rm) | 4,719 | 4,856 | -2.8% |
| Headline EPS (cents) | 937.6 | 940.1 | -0.3% |
| DPS - ordinary (cents) | 285 | 248 | 14.9% |
| - special (cents) | 200 | - | - |
| Intrinsic NAV (cents) | 10123 | 7723 | 31.1% |
| Closing share price (cents) | 7200 | 5145 | 39.9% |

Superior returns to shareholders*



* since VenFin spin-off

- Remgro share price increased by 69% since the VenFin spin-off
- Compares very favourably to the Alsi (+31%) and Findi (-12%) performance over the same period
- Remgro's intrinsic value increased by 77% since September 2000

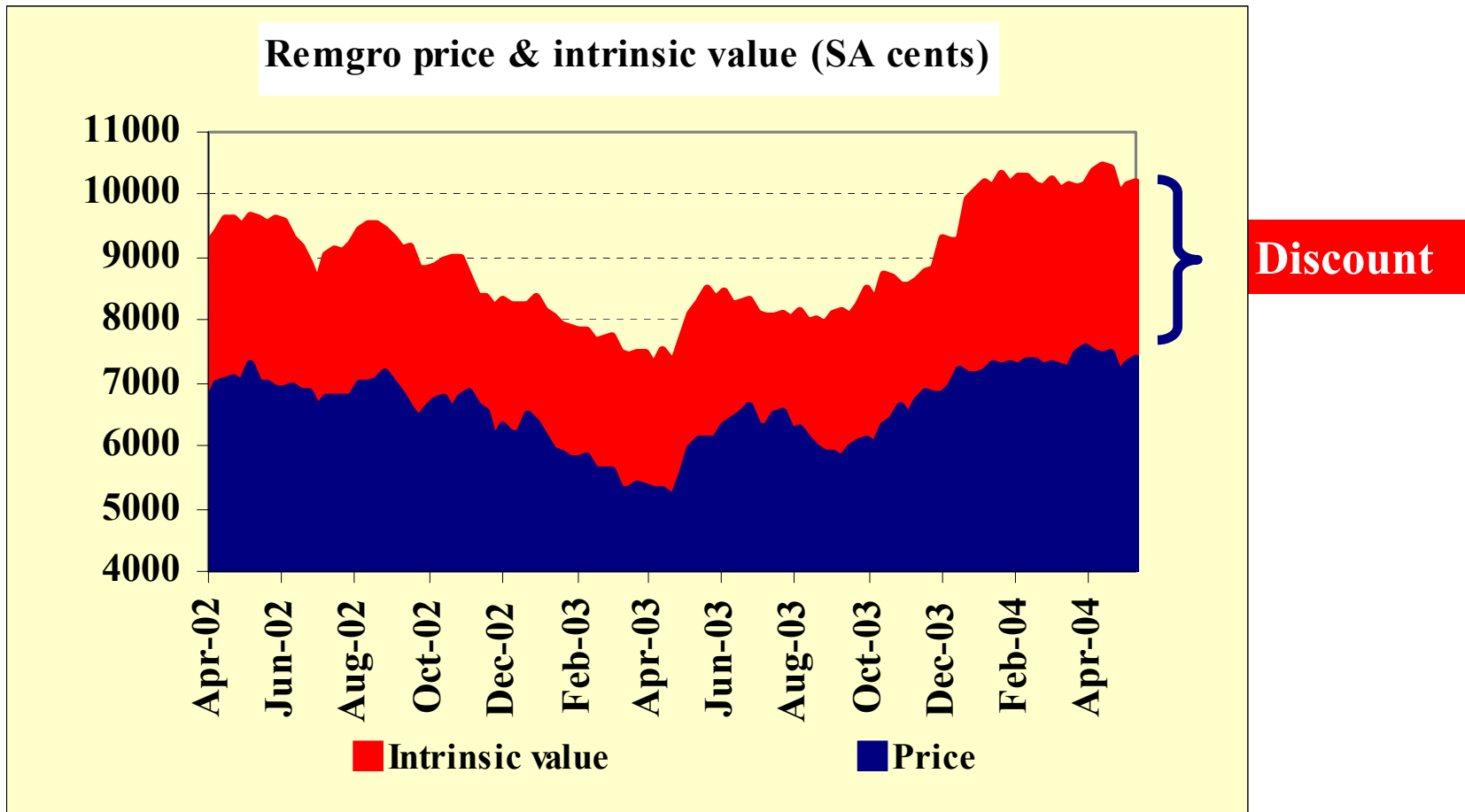
Growth achieved since listing

| Remgro performance | | | Remgro price | Remgro Intrinsic value |
|--------------------|-------------|--------------|--------------|------------------------|
| | Alsi | Findi | | |
| FY01* | -0.5% | -15.1% | 10.2% | 12.5% |
| FY02 | 35.9% | 2.3% | 34.0% | 39.1% |
| FY03 | -29.8% | -29.8% | -18.3% | -13.7% |
| FY04 | 37.7% | 43.6% | 39.9% | 31.1% |
| FY01-FY04* | 30.8% | -12.5% | 68.8% | 77.1% |
| Annualised | 8.0% | -3.7% | 16.1% | 17.7% |

**since listing date: 26/09/00*

- Remgro achieved annualised growth of 16.1% in share price and 17.7% in intrinsic value
- Defensive characteristics are evident

Unrealised value



- Remgro trades at discount to its intrinsic value

Remgro value: 31 March 2004

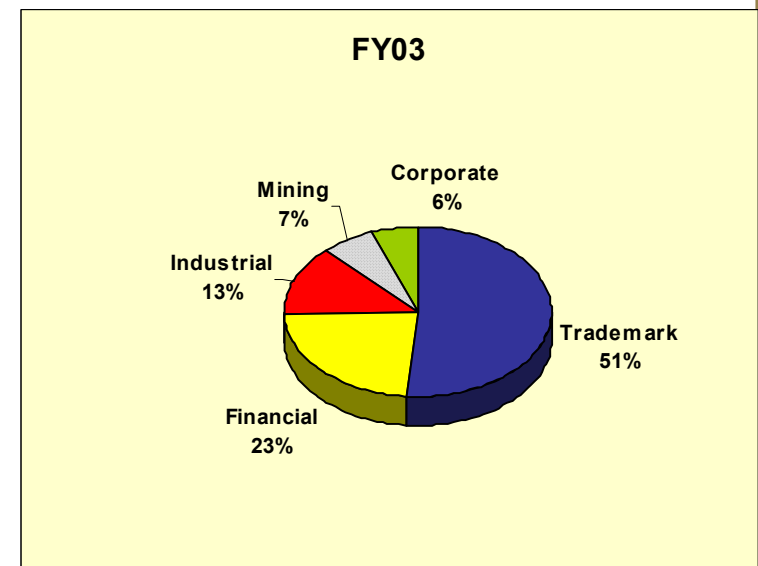
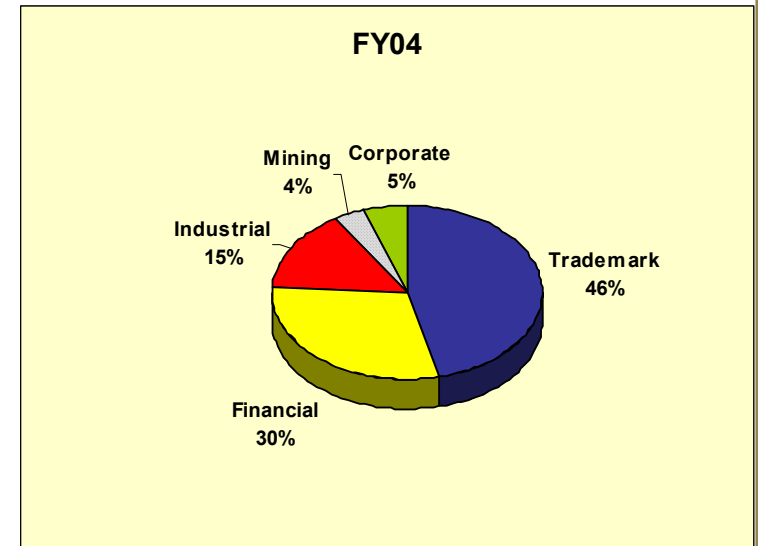
| Remgro intrinsic value | | |
|--|---------------|---------------|
| R million | 2004 | 2003 |
| Trademark interests | 24,426 | 20,206 |
| <i>including BAT ordinary shares</i> | <i>19,118</i> | <i>14,884</i> |
| Financial interests | 12,185 | 7,765 |
| Industrial interests | 7,060 | 5,962 |
| Mining interests | 2,548 | 1,929 |
| Other interests | 2,382 | 1,599 |
| Cash at the centre | 2,150 | 1,652 |
| Total | 50,751 | 39,113 |
| Shares in issue (m) | 501.3 | 506.4 |
| Intrinsic value per share (cents) | 10123 | 7723 |

Drivers of Remgro

- The following factors are instrumental in the determination of Remgro's earnings:
 - *BAT earnings*
 - tobacco volume trends, pricing and cost savings
 - *Currencies*
 - ZAR:GBP the most important
 - ZAR:US\$ important for commodity businesses
 - *Interest rates*
 - Impact on financial services operations
 - *Domestic consumption & expenditure*
 - Driver of most Remgro's industrial interests

Segmental performance

- Strong performances from:
 - *Financial +24%*
 - *Industrial +11%*
- Off-set by
 - *Trademark interests -13%*
 - *Mining interests -47%*
 - *Trademark contribution fell from 51% to 46%*
- Stronger rand had a major impact
- Impala not equity accounted



Underlying performance

| Underlying earnings trend (ex BAT, Gencor & Impala) | | | |
|--|--------------|--------------|--------------|
| | FY04 | FY03 | %chng |
| Trademark interests | 81 | 75 | 8.0% |
| Financial interests | 1,394 | 1121 | 24.4% |
| Industrial interests | 715 | 647 | 10.5% |
| Mining interests | 82 | 99 | -17.2% |
| Corporate | 258 | 268 | -3.7% |
| Total | 2,530 | 2,210 | 14.5% |
| EPS (cents) | 502.7 | 427.9 | 17.5% |

- Remgro delivered solid EPS growth of 17.5%, excluding:
 - *BAT (currency impact)*
 - *Gencor (previously equity accounted)*

Trademark interests

| Trademark interests | Earnings (Rm) | | | Value (Rm) | | |
|---------------------|---------------|--------------|-------------|---------------|---------------|------------|
| | FY04 | FY03 | %chng | FY04 | FY03 | %chng |
| R&R/BAT | 2,100 | 2,423 | -13% | 23,517 | 19,502 | 21% |
| Distell | 81 | 75 | 8% | 909 | 704 | 29% |
| Total | 2,181 | 2,498 | -13% | 24,426 | 20,206 | 21% |
| Avg ZAR:£ rate | 12.10 | 15.07 | -20% | | | |

- **Highlights**

- *Remgro's earnings from BAT increased from £161m to £174m (+8.1%)*
 - £:ZAR conversion rate, however, strengthened from R15.07 to R12.10, a negative movement of 20%
 - Tobacco earnings in ZAR therefore declined by 13%
- *Distell increased contribution by 8% to R81m*
 - Continued successes achieved in export markets although rand strength had a negative impact on translation

Tobacco earnings

| Calculation of Remgro's tobacco earnings | | |
|---|--------------|--------------|
| (£m) | 2004 | 2003 |
| Earnings attributable to BAT for the 12 months to 31 March 2004, excluding amortization and exceptional items | 1,559 | 1,538 |
| Movement in NPV of pref shares & dividends | -42 | -10 |
| | 1,517 | 1,528 |
| R & R's share: | | |
| 28.8% of earnings (1 Apr 03- 30 Sep 03) | 232 | |
| 29.4% of earnings (1 Oct 03- 31 Mar 04) | 208 | |
| 31.5% of earnings (1 Apr 02- 31 Dec 02) | | 380 |
| 27.9% of earnings (1 Jan 03- 31 Mar 03) | | 89 |
| Movement in NPV of pref shares & dividends | 42 | 10 |
| Other income | 8 | 3 |
| Recognition of deferred warrant option | 30 | |
| R&R's income | 520 | 482 |
| Remgro's 33.3% share thereof | 174 | 161 |
| £:ZAR translation rate | 12.1025 | 15.0678 |
| Remgro's tobacco earnings in ZAR (Rm) | 2,100 | 2,423 |

Financial interests

| Financial interests | Earnings (Rm) | | | Value (Rm) | | |
|---------------------|---------------|--------------|------------|---------------|--------------|------------|
| | FY04 | FY03 | %chng | FY04 | FY03 | %chng |
| ABSA | 419 | 324 | 29% | 2,863 | 1,805 | 59% |
| FirstRand | 523 | 424 | 23% | 5,113 | 3,385 | 51% |
| RMBH | 453 | 371 | 22% | 4,087 | 2,549 | 60% |
| Other | -1 | 2 | | 122 | 26 | 369% |
| Total | 1,394 | 1,121 | 24% | 12,185 | 7,765 | 57% |

- **Highlights**

- *Our Financial interests benefited from lower interest rate environment, which boosted consumer confidence*
 - ABSA's contribution increased to R419m, supported by advances growth of 11.6% and a reduction in the cost to income ratio from 60% to 57.1%
 - FirstRand increased its contribution to Remgro by 23%, benefiting from business volumes and lower bad debts
 - No earnings were recorded from the investment in Sage

Industrial interests

| Industrial interests | Earnings (Rm) | | | Value (Rm) | | |
|----------------------|---------------|------------|------------|--------------|--------------|------------|
| | FY04 | FY03 | %chng | FY04 | FY03 | %chng |
| Nampak/Malbak | 131 | 131 | 0% | 1,150 | 998 | 15% |
| Rainbow | 140 | 104 | 35% | 942 | 465 | 103% |
| TSB | 96 | 94 | 2% | 1,073 | 1,009 | 6% |
| UBR/Robertsons | 183 | 100 | 83% | 1,754 | 1,442 | 22% |
| Dorbyl | 28 | 41 | -32% | 260 | 228 | 14% |
| Total | 25 | 95 | -74% | 933 | 1,198 | -22% |
| Wispeco | 45 | 28 | 61% | 268 | 186 | 44% |
| Air Products | 55 | 44 | 25% | 605 | 423 | 43% |
| Henkel | 9 | 2 | 350% | 75 | 13 | 477% |
| Other | 3 | 8 | -63% | | | |
| Total | 715 | 647 | 11% | 7,060 | 5,962 | 18% |

- **Highlights**

- *Improved local economic conditions, were clearly visible in our industrial interests*
 - Rainbow continued on its recovery path
 - UBR benefited from lower restructuring charges
 - Currency played a substantial role in Nampak's performance

Focus on selected interests

| UBR's contribution to Remgro headline earnings (Rm) | 2004 | 2003 |
|--|-------------|-------------|
| Headline earnings after shareholders' interest paid and before exceptional items | 159 | 106 |
| Non-recurring exceptional items not added to headline earnings | -27 | -52 |
| Interest on shareholders loan (after taxation) | 51 | 31 |
| UBR's contribution to headline earnings | 183 | 85 |
| Robertsons | 0 | 15 |
| Total | 183 | 100 |

- UBR (41% held)
 - *UBR's focus on fewer, larger trademarks, has led to the disposal of certain trademarks during the year*
 - *Strategy in place to stabilise market share of leading brands*
 - *UBR's underlying earnings growth was 37.2%, excluding the restructuring charges and minority interest*

Focus on selected interests

- TSB (100% held)
 - *Drought conditions reduced SA crop by 12.4%*
 - *TSB raw sugar production declined by 1.3% to 488 000 tonnes*
 - *Molatek feed plant increased production by 25%*
 - *Lower international sugar prices and a stronger rand, led to a reduction in:*
 - *sales by 1.2% to R1,457m;*
 - *headline earnings from R106.3m to R95.6m (-10.1%)**
 - ** Remgro increased its stake in TSB in the previous period to 100%*

Focus on selected interests

- Air Products (50% held)
 - *Expanded operations into the resources industry*
 - *Technology solutions from Air Products & Chemicals Inc, in curbing pollution, offer further opportunities*
 - *Turnover increased from R316.8m to R323.9m (+2.3%) in 2H04*
 - *Headline earnings increased from R47.8m to R53.8m (+12.6%) in 2H04*
- Total (24.9% effective held; previously 34.4%)
 - *Total was substantially impacted by the stronger rand, resulting in losses on revaluation of stock*
 - *Market share in fuel increased from 13.4% to 14.0%*
 - *Remgro's share of earnings dropped to R25m but improved results are expected based on a stable rand*
- Wispeco (100% held)
 - *Wispeco benefited from the growth in the construction industry; acquisitions and restructuring*
 - *Sales volumes increased by 15%, turnover by 9%*
 - *Contribution to headline earnings increased from R 28m to R 45m (+61%)*

Mining interests

| Mining Interests | Earnings (Rm) | | | Value (Rm) | | |
|------------------|---------------|------------|-------------|--------------|--------------|------------|
| | FY04 | FY03 | %chng | FY04 | FY03 | %chng |
| Trans Hex | 79 | 96 | -18% | 823 | 599 | 37% |
| Gencor | 72 | 223 | -68% | 5 | 1,330 | - |
| Impala | 17 | 0 | | 1,720 | | - |
| Other | 3 | 3 | | | | |
| Total | 171 | 322 | -47% | 2,548 | 1,929 | 32% |

- **Highlights**

- *Earnings substantially down as only dividends are accounted for from Impala as opposed to Gencor, which was equity accounted*
- *Trans Hex earnings were impacted by the stronger ZAR*

Corporate finance & other

| Corporate finance | Earnings (Rm) | | | Value (Rm) | | |
|-------------------|---------------|------------|------------|--------------|--------------|------------|
| | FY04 | FY03 | %chng | FY04 | FY03 | %chng |
| Medi-Clinic | 231 | 191 | 21% | 2,143 | 1,339 | 60% |
| Central treasury | 104 | 152 | -32% | 2,150 | 1,652 | 30% |
| Corporate costs | -85 | -82 | 4% | | | |
| Other | 8 | 7 | 14% | 239 | 260 | -8% |
| Total | 258 | 268 | -4% | 4,532 | 3,251 | 39% |

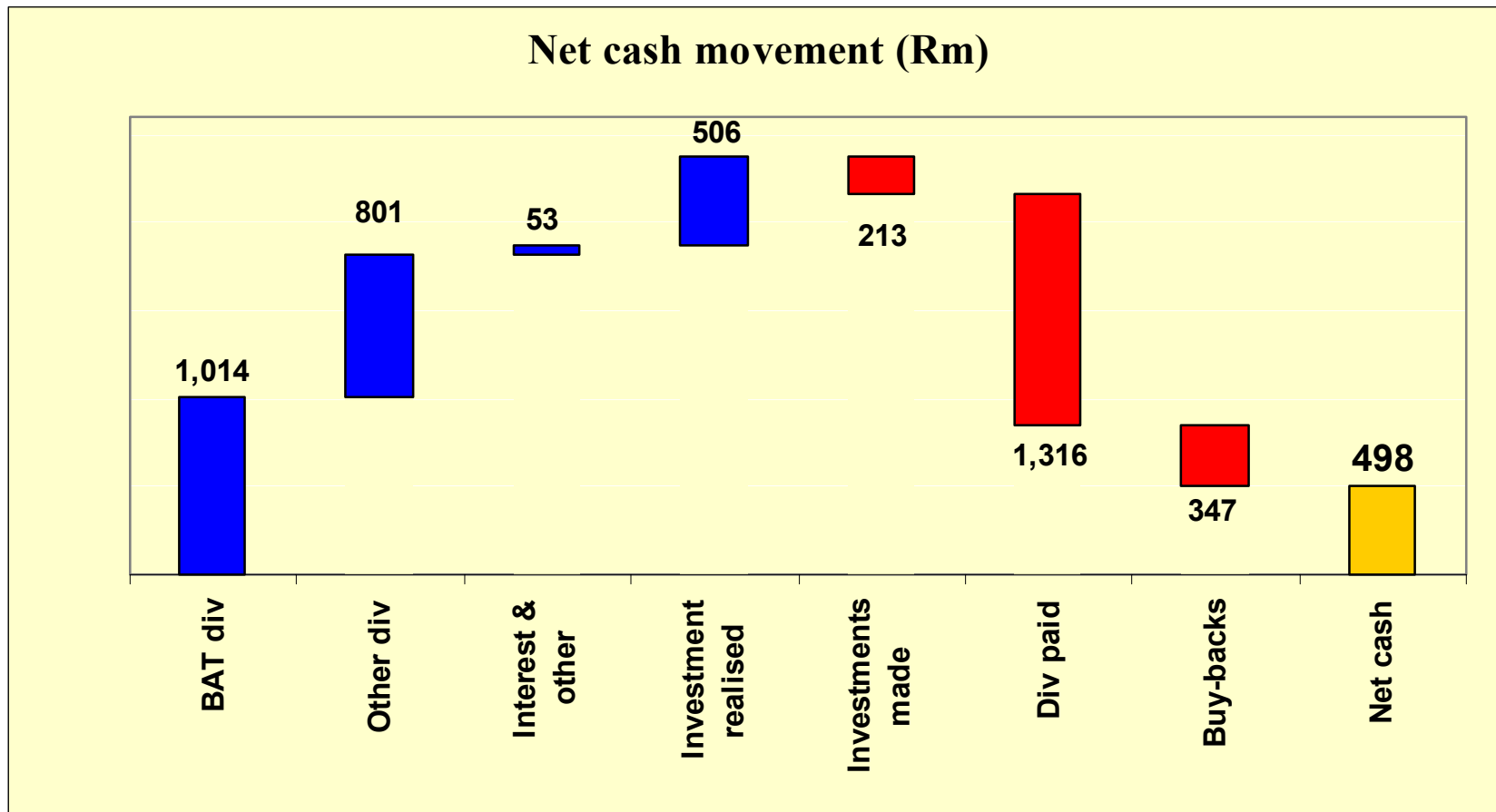
- **Highlights**

- *Medi-Clinic's earnings contribution increased by 21%*
- *Interest on cash declined due to a lower effective interest received on cash*
- *Effective interest earned declined from 13.2% to 7.9%*
- *Corporate costs increased by 4% (including donations and cost of share incentive scheme)*

Portfolio changes

- Impala Platinum
 - *Unbundling of Gencor's interest in Impala, leaving Remgro with a 5% stake in Impala*
- Total (South Africa)
 - *Remgro reduced its stake from 34.4% to 24.9% (on a fully diluted basis), which resulted in an exceptional profit of R51m*
- Sage
 - *Remgro subscribed to a further 54.2m shares for R87.5m. Effective stake in Sage at 21.8%*
- Rainbow
 - *An additional 11.1% stake was acquired for R119.3m. Effective stake in Rainbow at 64.2%*
- Trans Hex
 - *5m shares has been sold for R54m to Mvelaphanda. Remgro stake has reduced from 41.1% to 34.2%*
- Share buy-backs (excluding share trust)
 - *Remgro bought back 4.826m shares for a consideration of R295.5m*
 - *A total of 16.443m shares (3.4% of issued shares) have been bought back since the start of the buy-back program*

Cash movement at centre



- Cash at the centre increased by R498m in FY04 to R 2.15bn

BAT preference shares

- Cash of £272m (R 3.3bn) was received on 7th June 2004, which is still held off-shore
- Implications
 - *There are no CGT implications*
- Potential application of funds
 - *Declaration of a special dividend of 200 cents per share*
 - *Consideration of a resumption of the share buy-back programme, given its low PE and discount at which Remgro trades to its intrinsic value*
 - *Remgro will investigate potential offshore opportunities*

BAT buy-back scheme

- Facts

- *BAT has bought back around 126m of its shares since the start of the buy-back programme*
- *Represents nearly 6% of its shares*
- *R&R's effective stake on a fully diluted basis has increased to 27.9% (4 June 2004)*

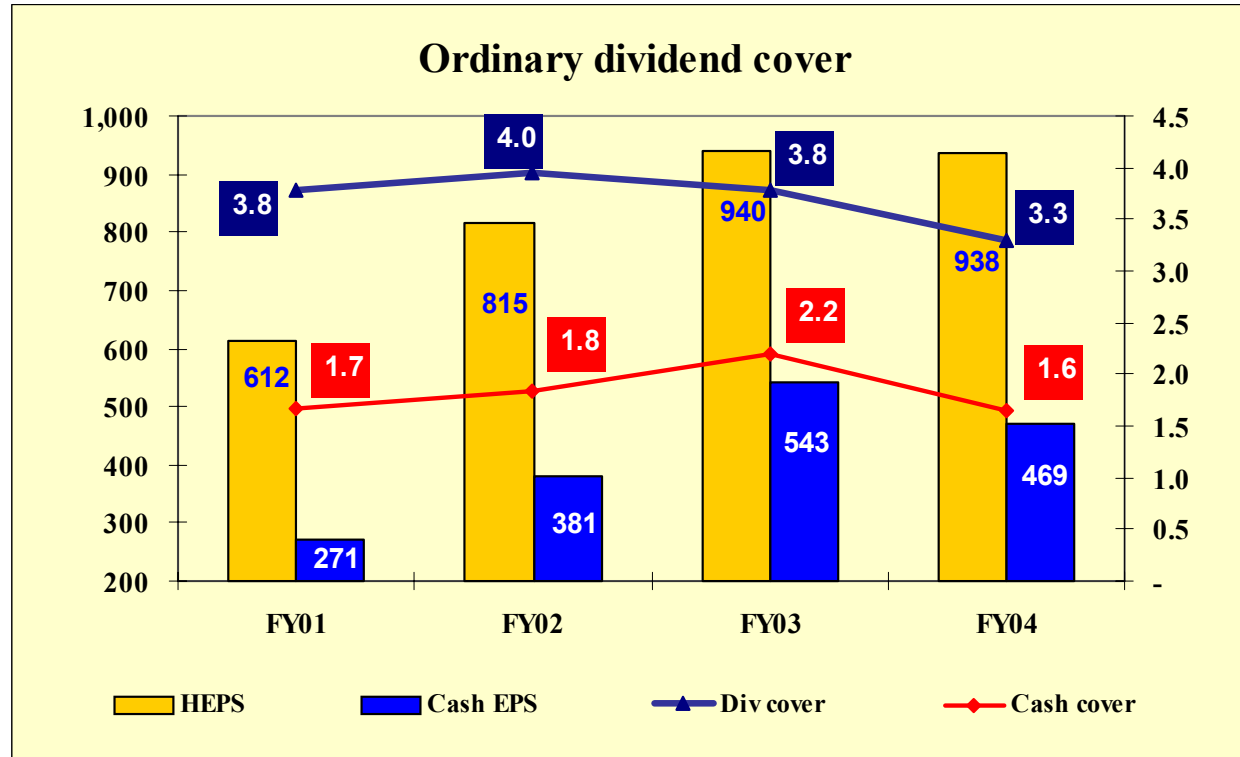
- Prospects

- *R&R's stake will continue to increase on the basis that BAT continues with its buy-back programme*
- *BAT could continue its share buy-back programme whilst R&R holding is below the 30% shareholding threshold*

Domestic strategy

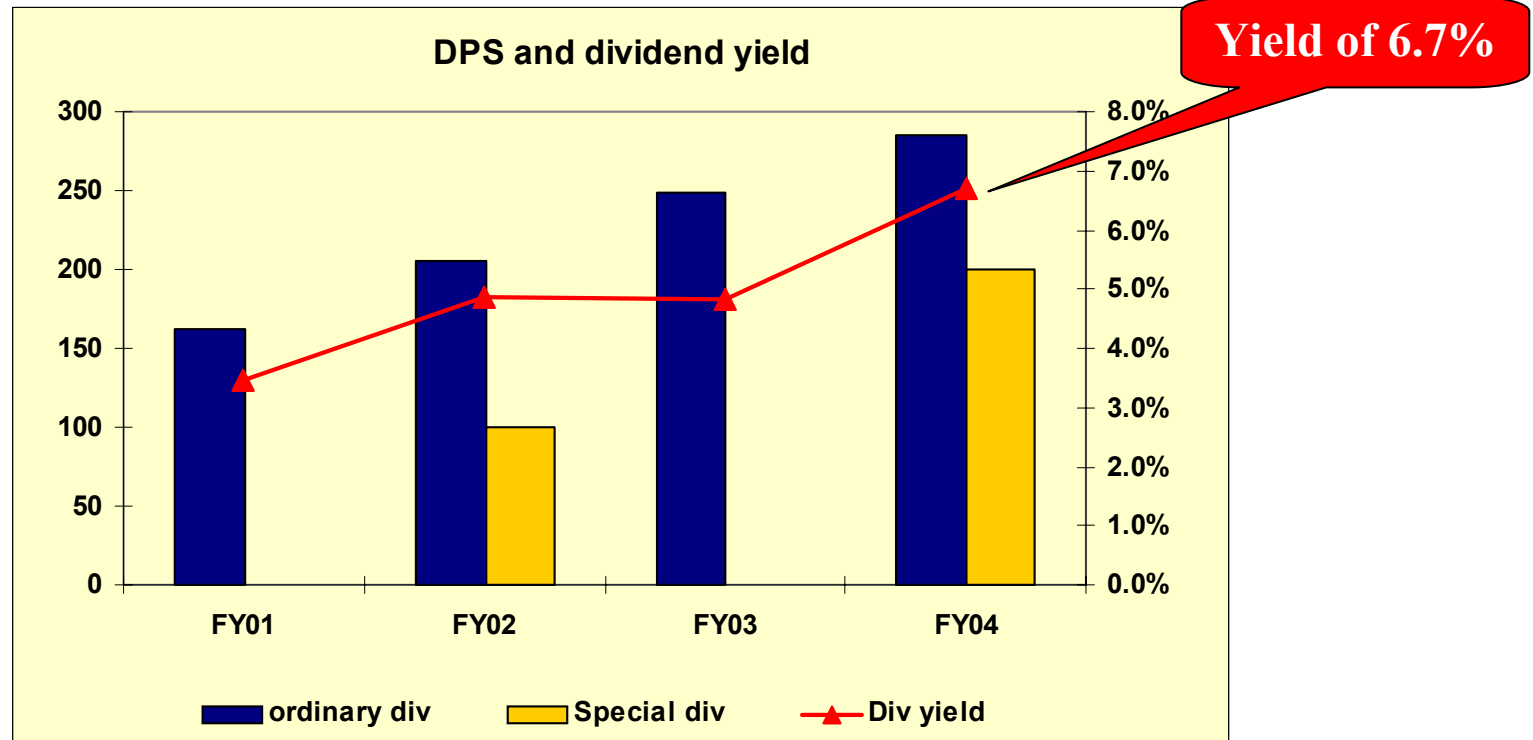
- Remgro continuously evaluates the appropriateness of its South African investment portfolio as well as new potential investment opportunities
- Consideration will be given to alter the portfolio if Remgro is of the opinion that such changes will lead to better returns

Ordinary dividends



- Aim of our dividend policy is to provide consistent, real growth (inflation-beating) in dividends per share
- Excessive cash could be distributed by means of special dividends
- An increasing proportion of dividend income has been distributed as ordinary dividends over the last four years

Dividend distribution



- Remgro has paid a total of R6.2bn in dividends to its shareholders since FY01
- The payment of special dividends are often a feature
- Dividend yield is very attractive (including special payments)

Questions