PROFIT ANNOUNCEMENT FOR DISTRIBUTION TO SHAREHOLDERS AND TO BE RELEASED ON SENS

REMGRO LIMITED

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

INTERIM REPORT

UNAUDITED REPORT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2008 AND CASH DIVIDEND DECLARATION

SALIENT FEATURES

• **Interim dividend per share:**	**80 cents**
• **Headline earnings per share:**	**-2.6%**
• **Intrinsic value per share at 30 September:**	**R227.16**
• **Successful unbundling of BAT shares and Reinet depositary receipts to shareholders subsequent to 30 September**	
• **Pro forma headline earnings per share:**	**-13.5%**

REMGRO LIMITED

ABRIDGED CONSOLIDATED BALANCE SHEET

	30 September 2008 R'm	2007 R'm	31 March 2008 R'm
ASSETS			
Non-current assets			
Property, plant and equipment	**2 676**	2 504	2 568
Biological agricultural assets	**67**	68	67
Investment properties	**34**	47	33
Goodwill and trade marks	**399**	402	408
Investments - Associated companies	**44 815**	34 931	43 175
- Joint ventures	**154**	23	64
- Other	**4 640**	6 644	8 551
Retirement benefits	**10**	10	10
Loans	**2**	2	2
Deferred taxation	**126**	125	4
	52 923	44 756	54 882
Current assets	**7 955**	7 663	6 945
Cash and cash equivalents	**4 157**	4 533	3 934
Other current assets	**3 798**	3 130	3 011
Total assets	**60 878**	52 419	61 827
EQUITY AND LIABILITIES			
Issued capital	**45**	45	45
Reserves	**58 259**	49 213	58 697
Treasury shares	**(2 093)**	(1 521)	(1 515)
Shareholders' equity	**56 211**	47 737	57 227
Minority interest	**667**	520	648
Total equity	**56 878**	48 257	57 875
Non-current liabilities	**1 398**	1 691	1 872
Retirement benefits	**208**	212	229
Long-term loans	**162**	220	189
Deferred taxation	**1 028**	1 259	1 454
Current liabilities	**2 602**	2 471	2 080
Short-term loans	**612**	375	190
Other current liabilities	**1 990**	2 096	1 890
Total equity and liabilities	**60 878**	52 419	61 827

Net asset value per share (Rand)			
- At book value	**R119.58**	R101.04	R121.11
- At intrinsic value	**R227.16**	R228.33	R253.67

ABRIDGED CONSOLIDATED INCOME STATEMENT

	Six months ended 30 September		Year ended 31 March
	2008	2007	2008
	R'm	R'm	R'm
Sales	**5 398**	4 878	9 447
Inventory expenses	**(3 675)**	(3 021)	(5 415)
Personnel costs	**(810)**	(810)	(1 621)
Depreciation	**(127)**	(129)	(251)
Other net operating expenses	**(353)**	(337)	(1 109)
Trading profit	**433**	581	1 051
Dividends received	**315**	188	274
Interest received	**111**	165	296
Finance costs	**(24)**	(9)	(43)
Net impairment of investments, assets and goodwill	**(81)**	6	19
Profit on sale and restructuring of investments	**2 115**	96	1 665
Consolidated profit before tax	**2 869**	1 027	3 262
Taxation	**(174)**	(194)	(419)
Consolidated profit after tax	**2 695**	833	2 843
Share of after-tax profit of associated companies and joint ventures	**3 612**	3 681	7 210
Net profit	**6 307**	4 514	10 053
Attributable to:			
Equity holders	**6 277**	4 467	9 893
Minority interests	**30**	47	160
	6 307	4 514	10 053

Share of after-tax profit of associated companies and joint ventures			
Profit before taking into account impairments, non-recurring and capital items	**5 017**	5 079	10 023
Net impairment of investments, assets and goodwill	**(111)**	(18)	(28)
Profit on the sale of investments	**458**	213	372
Restructuring costs	**(110)**	(66)	(259)
Other non-recurring and capital items	**(13)**	8	32
Profit before tax and minority interest	**5 241**	5 216	10 140
Taxation	**(1 415)**	(1 248)	(2 390)
Minority interest	**(214)**	(287)	(540)
	3 612	3 681	7 210

RECONCILIATION OF HEADLINE EARNINGS

	Six months ended 30 September 2008 R'm	2007 R'm	Year ended 31 March 2008 R'm
Net profit for the period attributable to equity holders	**6 277**	4 467	9 893
Plus/(minus):			
- Net impairment of investments, assets and goodwill	**81**	(2)	(15)
- Profit on sale and restructuring of investments	**(2 115)**	(96)	(1 665)
- Net (surplus)/loss on disposal of property, plant and equipment	**-**	(114)	(114)
- Non-headline earnings items included in equity accounted earnings of associated companies and joint ventures	**(241)**	(135)	(122)
- Taxation effect of adjustments	**36**	28	5
- Minority interest	**8**	3	9
Headline earnings	**4 046**	4 151	7 991

EARNINGS AND DIVIDENDS

	Six months ended 30 September 2008 Cents	2007 Cents	Year ended 31 March 2008 Cents
Headline earnings per share			
- Basic	**856.7**	879.6	1 692.8
- Diluted	**840.3**	852.0	1 649.0
Pro forma headline earnings per share			
- Basic	**437.7**	506.3	964.1
- Diluted	**425.4**	482.8	928.3
Earnings per share			
- Basic	**1 329.1**	946.6	2 095.7
- Diluted	**1 310.3**	917.3	2 048.9
Dividends per share			
Ordinary	**80.00**	180.00	510.00
- Interim	**80.00**	180.00	180.00
- Final			330.00

ABRIDGED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Six months ended 30 September 2008 R'm	30 September 2007 R'm	Year ended 31 March 2008 R'm
Balance at 1 April	**57 875**	46 427	46 427
Total income accounted for	**1 098**	4 249	14 377
Exchange rate adjustments	**(1 831)**	(545)	2 362
Net fair value adjustments for the period	**(3 378)**	280	1 962
Net income directly accounted for in equity	**(5 209)**	(265)	4 324
Net profit for the period	**6 307**	4 514	10 053
Dividends paid	**(1 595)**	(1 384)	(2 252)
Increase of interest in subsidiary company	**-**	(656)	(660)
Capital invested by minorities	**7**	31	58
Transfer between reserves and other movements	**8**	3	53
Change in reserves of associated companies and joint ventures	**89**	(436)	(165)
Purchase of shares by wholly owned subsidiary (treasury shares)	**(666)**	-	-
Net delivery/(purchase) of shares by The Remgro Share Trust	**88**	(24)	(18)
Long-term share incentive scheme reserve	**(26)**	10	18
Shares issued	**-**	37	37
Total equity	**56 878**	48 257	57 875

ABRIDGED CONSOLIDATED CASH FLOW STATEMENT

	Six months ended 30 September 2008 R'm	30 September 2007 R'm	Year ended 31 March 2008 R'm
Cash generated from operations	**1 666**	481	1 485
Taxation paid	**(125)**	(195)	(497)
Dividends received	**752**	1 861	3 548
Cash available from operating activities	**2 293**	2 147	4 536
Dividends paid	**(1 595)**	(1 384)	(2 252)
Net cash flow from operating activities	**698**	763	2 284
Investing activities	**(923)**	(1 502)	(3 438)
Financing activities	**7**	345	84
Net decrease in cash and cash equivalents	**(218)**	(394)	(1 070)
Cash and cash equivalents at the beginning of the period	**3 831**	4 901	4 901
Cash and cash equivalents at the end of the period	**3 613**	4 507	3 831
Cash and cash equivalents	**4 157**	4 533	3 934
Bank overdraft	**(544)**	(26)	(103)

ADDITIONAL INFORMATION

	30 September 2008	2007	31 March 2008
Number of shares in issue			
- Ordinary shares of 1 cent each	**449 003 606**	449 003 606	449 003 606
Issued at 1 April	**449 003 606**	448 802 207	448 802 207
Issued during the period	**-**	201 399	201 399
- Unlisted B ordinary shares of 10 cents each	**35 506 352**	35 506 352	35 506 352
Total number of shares in issue	**484 509 958**	484 509 958	484 509 958
Number of shares held in treasury	**(14 455 989)**	(12 042 320)	(11 972 555)
- Ordinary shares repurchased and held in treasury	**(12 054 019)**	(8 554 019)	(8 554 019)
- Ordinary shares held by The Remgro Share Trust and accounted for as treasury shares	**(2 401 970)**	(3 488 301)	(3 418 536)
	470 053 969	472 467 638	472 537 403
Weighted number of shares	**472 277 388**	471 894 427	472 052 993

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

	30 September 2008 R'm	2007 R'm	31 March 2008 R'm
Listed investments			
Associated			
- Book value	**17 419**	12 610	16 665
- Market value	**22 242**	26 251	22 147
Other			
- Book value	**4 557**	6 556	8 483
- Market value	**4 557**	6 556	8 483
Unlisted investments			
Associated			
- Book value	**27 396**	22 321	26 510
- Directors' valuation	**71 897**	68 455	82 286
Joint ventures			
- Book value	**154**	23	64
- Directors' valuation	**154**	23	64
Other			
- Book value	**83**	88	68
- Directors' valuation	**83**	88	68
Additions to and replacement of property, plant and equipment	**231**	180	464
Capital commitments (Including amounts authorised, but not yet contracted for)	**779**	730	888
Guarantees and contingent liabilities	**308**	80	58
Dividends received from associated companies set off against investments	**452**	1 506	3 297

COMMENTS

1. ACCOUNTING POLICIES

The interim report is prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards (IFRS), including IAS 34: Interim Financial Reporting, and in accordance with the requirements of the Companies Act (No. 61 of 1973), as amended, and the Listings Requirements of the JSE Limited (JSE).

These financial statements incorporate accounting policies that are consistent with those of the previous financial periods. During the period under review various new accounting standards, interpretations and amendments to IFRS became effective. The adoption of these new accounting standards, interpretations and amendments to IFRS had no impact on the results of either the current or prior periods.

2. PRIOR YEAR ADJUSTMENTS

Remgro has restated its reported results for the six months ended 30 September 2007 for the following changes:

Comparative figures in respect of associated companies
On 26 November 2007, Remgro published its interim results for the six months ended 30 September 2007. Attention was drawn to the fact that at that stage certain associated companies were not in a position to provide Remgro with the necessary information in order to restate its headline earnings for the comparative periods. This related to associated companies that implemented the new accounting guideline on headline earnings, i.e. Circular 08/07 in later financial periods, for example FirstRand Limited and RMB Holdings Limited in respect of their interim reporting to 31 December 2007.

The companies mentioned above have subsequently announced their restated results in terms of Circular 08/07, which have been included in the Remgro restated results for the six months ended 30 September 2007.

Comparative figures in respect of Tsb Sugar Holdings (Pty) Limited (Tsb Sugar)
Due to the seasonal nature of its industry, Tsb Sugar allocated certain income and expenses evenly throughout the financial year instead of recognising it in the period in which the transactions took place. This practice has been suspended and the comparative figures for the six months ended 30 September 2007 have been restated accordingly. This change in accounting treatment only affects interim results and has no impact on annual results.

Restatement of comparative figures as a result of the abovementioned adjustments:

	Six months ended 30 September 2007 R'm
Income statement	
Increase in sales	254
Increase in inventory expenses	6
Increase in other net operating expenses	147
Decrease in minority interests	(19)
Headline earnings	
Headline earnings as previously reported	4 016
Restatement of comparative figures in respect of associated companies	15
Restatement of comparative figures in respect of Tsb Sugar	120
Restated headline earnings	4 151
Headline earnings per share as previously reported (cents)	851.0
Restated headline earnings per share (cents)	879.6

	30 September 2007 R'm
Balance sheet	
Increase in reserves	120
Decrease in minority interests	(19)
Increase in current assets	55
Decrease in current liabilities	(46)

3. RESULTS

Headline earnings

For the period under review total headline earnings decreased by 2.5% from R4 151 million to R4 046 million, while headline earnings per share decreased by 2.6% from 879.6 cents to 856.7 cents.

Contribution to headline earnings

	Six months ended 30 September		Year ended 31 March
	2008	2007	2008
	R'm	R'm	R'm
Tobacco interests	**2 052**	1 839	3 579
Financial services	**792**	1 080	2 120
Industrial interests	**847**	970	1 895
Mining interests	**296**	176	264
Corporate finance and other interests	**59**	86	133
	4 046	4 151	7 991

The contribution of the tobacco interests, which represented 50.7% (2007: 44.3%) of headline earnings, increased by 11.6%. In sterling, R&R Holdings SA, Luxembourg's (R&R) contribution increased by 5.4%.

Currency movements continued to impact the tobacco interests' contribution to the Group's earnings materially. Due to the weaker rand, the positive currency impact on translation of R&R's contribution to headline earnings (consisting mainly of equity accounted income from BAT) was R112 million during the period under review, compared to R207 million in 2007, as set out in the table below.

	Six months ended 30 September		Year ended 31 March
	2008	2007	2008
Average exchange rate (R/£)	**15.0166**	14.1987	14.2882
Closing exchange rate (R/£)	**14.7590**	14.0020	16.0290
R&R's contribution (£'m)	**137**	130	251
R&R's contribution (R'm)	**2 052**	1 839	3 579
Favourable currency impact (R'm)	**112**	207	250

The combined contribution of FirstRand and RMBH to Remgro's headline earnings from financial services amounted to R792 million (2007: R1 080 million). The decrease of 26.7% can be attributed mainly to an increase in bad debts in the retail lending operations of the banking segment as well as to equity trading losses.

The contribution of the industrial interests decreased by 12.7% to R847 million (2007: R970 million). Kagiso Trust Investment's (KTI) contribution to Remgro's headline earnings amounted to a loss of R194 million (2007: R18 million profit). During the period under review KTI's results were materially impacted by unfavourable fair value adjustments relating to its holding of Metropolitan Holdings Limited preference shares amounting to R369 million (2007: R10 million favourable), as well as losses incurred on other derivative instruments. Total South Africa produced strong results with a contribution to headline earnings of R282 million (2007: R118 million), while Distell continued its earnings growth with a contribution to headline earnings of R114 million (2007: R102 million). Both Rainbow and Medi-Clinic reported lower results with contributions to Remgro's headline earnings amounting to R93 million and R132 million respectively (2007: R142 million and R153 million). Nampak's contribution to Remgro's headline earnings amounted to R53 million (2007: R77 million).

Mining interests' contribution to headline earnings increased by 68.2% to R296 million (2007: R176 million). Dividends received from Implats amounted to R314 million (2007: R187 million). Trans Hex reported a headline loss of R63 million for the period (2007: R32 million loss). Remgro's share of this loss amounted to R18 million (2007: R11 million).

The contribution of corporate finance and other interests decreased by 31.4% to R59 million (2007: R86 million). The decrease can be attributed mainly to losses amounting to R44 million which were equity accounted from the investment in Xiocom (2007: Rnil). Lower average cash balances than in the comparative period also resulted in a decrease in the contribution from the central treasury division. Included in the corporate finance and other interests' contribution to headline earnings referred to above, are foreign currency profits amounting to R48 million relating to intergroup dividends.

Pro forma headline earnings

With effect from 3 November 2008 Remgro distributed its investment in British American Tobacco Plc (BAT) to its shareholders as an interim dividend *in specie*. Refer to the "Subsequent to 30 September 2008" section in note 6 for further details.

As a result of the BAT unbundling, headline earnings are also presented on a pro forma basis which, for the interim period only, excludes the equity accounted income of BAT, as set out in the table below.

	Six months ended 30 September		Year ended 31 March
	2008	2007	2008
	R'm	R'm	R'm
Headline earnings as reported	**4 046**	4 151	7 991
Equity accounted income of BAT added back	**(1 979)**	(1 762)	(3 440)
Pro forma headline earnings	**2 067**	2 389	4 551
Headline earnings per share as reported (cents)	**856.7**	879.6	1 692.8
Pro forma headline earnings per share (cents)	**437.7**	506.3	964.1

On a pro forma basis both headline earnings and headline earnings per share decreased by 13.5% from R2 389 million to R2 067 million and from 506.3 cents to 437.7 cents respectively.

For the year ending 31 March 2009 the investment in BAT will only be equity accounted for the seven months to 31 October 2008.

Earnings

Total earnings increased by 40.5% to R6 277 million (2007: R4 467 million), mainly due to the surplus amounting to R2 115 million realised on the redemption by R&R of debentures during the period under review (refer to the BAT paragraph in note 5).

During the period under review Remgro made a provision for impairment amounting to R81 million on two of its listed investments, i.e. Dorbyl and Trans Hex, as their carrying values exceeded their estimated recoverable amounts.

4. INTRINSIC VALUE

Remgro's intrinsic value per share decreased by 10.5% from R253.67 at 31 March 2008 to R227.16 at 30 September 2008. Refer to Annexure A for full details. The intrinsic value per share (ex BAT) on Tuesday, 18 November 2008 was R94.36.

5. BRITISH AMERICAN TOBACCO PLC (BAT)

At 30 September 2008, Remgro's interest in BAT was represented by its one-third holding of the ordinary shares and all of the "2005" participation securities issued by R&R. This gave Remgro an effective interest of 10.7% in BAT at 30 September 2008 (2007: 10.6%). The balance of the ordinary share capital of R&R was held by Compagnie Financière Richemont SA. In addition to the above, Remgro also held one-third of the "2006" participation securities issued by R&R.

As part of the steps to the unbundling of the investment in BAT, R&R redeemed £142.5 million of debentures held by Remgro during the period under review and cancelled the "2006" participation securities. The debentures redeemed formed part of the consideration received from the Rothmans International merger on 1 October 1995. As set out in the 1996 Rembrandt Group Limited Annual Report, no book value was reflected in the group accounts in respect of the original investment in R&R. As a result, the gross proceeds received by Remgro upon the redemption of the debentures has been recorded as an exceptional profit amounting to R2 115 million.

During the six months under review there was no change in the number of BAT shares held by R&R. However, due to the positive effect of BAT's continuing share buy-back programme, R&R's interest in BAT increased to 30.2% at 30 September 2008 (2007: 29.8%).

For the period under review Remgro's share of R&R's headline earnings consisted of 35.46% of R&R's share of the attributable profit of BAT and its share of R&R's non-BAT income (including income attributable to its investment in the "2006" participation securities referred to above).

	Six months to September 2008 £'m	2007 £'m
Attributable profit of BAT before non-recurring and capital items	**1 234**	1 177
R&R's share of the attributable profit of BAT:		
– 30.06% to 30.20% (2007: 29.62% to 29.84%)	**372**	350
R&R's non-BAT income	**9**	8
R&R's headline earnings for the six months to 30 September	**381**	358
Remgro's share thereof:		
– 35.46% of R&R's share of the attributable profit of BAT	**132**	124
– portion of R&R's non-BAT income	**5**	6
	137	130
	R'm	R'm
Translated at an average R/£ rate of 15.0166 (2007: 14.1987)	**2 052**	1 839

BAT has a 31 December year-end and reports to its shareholders on a quarterly basis. Additional information in respect of BAT, including copies of the annual and quarterly reports, is available from the BAT website at www.bat.com.

6. OTHER INVESTMENTS

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

Xiocom Wireless, Inc. (Xiocom)
During the 2008 financial year Remgro acquired a 37.5% interest, on a fully diluted basis, in Xiocom, a USA company that specialises in the deployment and operation of wireless broadband networks. Remgro has conditionally committed funds amounting to $50.0 million to Xiocom and on 31 March 2008, $11.25 million was already invested. During the period under review Remgro invested a further $12.5 million in Xiocom.

PG Group of Companies (PGSI)
With effect from 31 July 2007 Remgro acquired a 24.5% interest, on a fully diluted basis, in PGSI for R719.5 million, including transaction costs. PGSI is the foreign holding company of the Plate Glass group. During the period under review Remgro invested a further $1.0 million (or R7.9 million) in PGSI. On 30 September 2008, Remgro's interest in PGSI, on a fully diluted basis, was 25.0%.

Kagiso Trust Investments (Pty) Limited (KTI) and the Kagiso Infrastructure Empowerment Fund (KIEF)
During the 2007 financial year, Remgro entered into agreements with KTI and KIEF, in terms of which it committed funds amounting to R350 million to KIEF. The fund has a target size of R650 million and aims to invest in infrastructure projects, including roads, airports, power and telecommunication installations, railway systems, ports, water and social infrastructure. By 31 March 2008, Remgro invested R50.4 million of the R350 million committed. During the period under review Remgro invested a further R16.1 million in KIEF.

Repurchase of Remgro shares
At 30 September 2008 12 054 019 Remgro ordinary shares (2.7%) were held as treasury shares. The treasury shares comprised of the opening balance on 1 April 2008 of 8 554 019 Remgro ordinary shares and 3 500 000 Remgro ordinary shares acquired during the period under review by a wholly owned subsidiary company of Remgro at an average price of R189.71 for a total amount of R666.4 million. These shares were acquired for the purpose of hedging the new share appreciation rights scheme that was implemented subsequent to the unbundling of the investment in BAT.

During the period under review no Remgro ordinary shares were purchased by The Remgro Share Trust, while 1 016 566 shares were delivered to participants against payment of the subscription price.

Subsequent to 30 September 2008, as part of the preliminary steps to the unbundling of the investment in BAT, the 8 554 019 Remgro ordinary shares held as treasury shares and 969 836 of the Remgro ordinary shares held by The Remgro Share Trust were cancelled after the unbundling of the investment in BAT was approved by Remgro shareholders. The balance of the Remgro ordinary shares held by The Remgro Share Trust were delivered to participants and a wholly owned subsidiary company of Remgro provided a direct finance facility to the participants to allow them to settle the outstanding purchase price.

***Subsequent to 30 September 2008*:**

Group restructuring
On 7 October 2008 Remgro shareholders approved the unbundling of the investment in BAT by way of an interim dividend *in specie*, and on 3 November 2008 Remgro distributed 192 870 000 ordinary shares in BAT and 302 555 410 Reinet Investments S.C.A. (Reinet) depositary receipts to Remgro shareholders in the ratio of 40.6054 BAT ordinary shares and 63.6977 Reinet depositary receipts for every 100 Remgro shares held.

The interim dividend *in specie* amounted to a total amount of R55.1 billion and Secondary Taxation on Companies (STC) of R686.0 million is payable on this dividend. In addition to the STC payable, Securities Transfer Tax amounting to R144.1 million is also payable on the dividend *in specie*.

All cautionary and other announcements relating to the unbundling of the investment in BAT are available on Remgro's website at www.remgro.com.

7. INFORMATION REGARDING UNLISTED INVESTMENTS

Tsb Sugar Holdings (Pty) Limited (Tsb Sugar)
Tsb Sugar's revenue for the six month period under review increased by 3.8% from R1 507 million to R1 564 million. Sugar accounted for R1 457 million (2007: R1 410 million) of turnover. Exports for the period accounted for 17% of turnover.

Tsb Sugar's headline earnings for the period was R173 million (2007: R175 million). Headline earnings attributable to sugar amounted to R185 million (2007: R177 million) of total headline earnings.

It is important to take note of the seasonality of the business of Tsb Sugar and that the results for the six month periods to 30 September are not necessarily a true reflection of the anticipated results for the year ending 31 March.

It is expected that Tsb Sugar's sugar production for the season will increase to 507 659 tons (2007: 478 643 tons). This increase can be attributed to increased hectares under cane due to improved prevailing climatic conditions and a marginal improvement in cane yields as a result of the increase in overall water availability. The export sugar price for the full year is expected to be higher than the previous year. This, combined with a weaker rand, is expected to result in higher export income. Tsb Sugar did also benefit from the increase in the local market sugar price. The Royal Swaziland Sugar Corporation's contribution to Tsb Sugar's profit for the period is R56 million (2007: R46 million), 21.7% better than the previous period due to increased access to the European Union market.

Wispeco Holdings Limited (Wispeco)
Headline earnings for the period under review amounted to R26 million (2007: R27 million). For the six months under review Wispeco's headline earnings were lower, mainly due to weaker local demand for aluminium extrusions as a result of the slowdown in the residential building industry.

On the back of higher commodity prices, turnover increased by 4.1% to R507 million while operating profit margin reduced to 7.9% (2007: 9.8%). Low cost imports from China continued to grow, thus exerting pressure on profit margins. Sales volumes for the rest of the year will depend on the sustainability of demand from the commercial building industry and large infrastructure projects.

In the current economic climate, Wispeco is placing increased emphasis on effective credit and inventory management, maximizing customer service and continuously improving productivity in all operating divisions. As a result of lower demand and continued productivity improvement, capacity expansion plans on the new Vereeniging property have been placed on hold.

Wispeco continues to play an important role in skills development in the aluminium fabrication industry. Earlier this year Wispeco awarded ten SpazAL franchises to some of the learners who completed Wispeco's aluminium fabrication learnership. These young entrepreneurs are currently supported by a one-year mentorship programme.

Business Partners Limited (Business Partners)
Business Partners is a specialist investment group which provides risk finance, mentorship and property management services to small and medium enterprises in South Africa.

Headline earnings for the six months ended 30 September 2008 amounted to R65 million (2007: R63 million) representing an increase of 3.2% compared to the same period of the previous year. Headline earnings attributable to Remgro for the period was R14 million (2007: R13 million). The slight increase in headline earnings is due primarily to increases in operational income largely as a result of an increase in the investment portfolio and higher interest revenue. This was negated by a decrease in the surplus realised on the disposal of investments and an increase in the impairment charges on the investment portfolio.

Investments to the value of R475 million (2007: R300 million) were advanced during the six month period, representing an increase of 58.3% in investment activity. It is anticipated that despite the decline in the macro economic environment, investment activities in the second half of the current financial year will match those achieved in the first six months.

Total South Africa (Pty) Limited (Total)
Total's contribution to Remgro's headline earnings for the period under review amounted to R282 million (2007: R118 million), a year-on-year increase of 139%. However, due to the substantially increased investment in working capital, Total did not pay a dividend during the period under review, compared to a dividend of R168 million in the comparative period.

Retail sales of petroleum products in South Africa have been negatively impacted on by the increasing international oil prices which resulted in a stagnation of demand. Total's sales volumes have remained at a similar level as in September 2007, with market share largely unchanged.

The increase in marketing margin is due mainly to stock revaluations in the first six months of the year and small increases granted by the government on some of the price structure elements. However, increased transport costs, resulting from high fuel prices and increased overheads due to high inflation levels, have had a negative impact on margins and profit growth.

Natref (in which Total has a 36% interest) has experienced an unsatisfactory reliability rate which only improved since August 2008. Despite production interruptions, the refining margins have been high for the first six months of the year due to the increasing international oil prices. In an effort to increase energy efficiency, Natref saved 10% on its electricity consumption during the period.

Unilever South Africa Holdings (Pty) Limited (Unilever South Africa)
Unilever South Africa's contribution to Remgro's headline earnings for the six month period under review amounted to R127 million (2007: R121 million). Revenue increased by 20.7% to R5 595 million (2007: R4 634 million), while gross profit margins were lower at 31.8% (2007: 35.7%).

The increased contribution to headline earnings can be attributed mainly to turnover growth, as well as focusing on the control of overhead spending, while still ensuring increased investment in brands. The growth in the retail business turnover was 21.3% for the six months ended 30 September 2008, 17% of which was derived from price increases. Homecare products, especially laundry powders Omo and Sunlight, were the largest contributors to this growth. Strong growth was also evident in Spreads due to high price increases during the period and in Savoury and Dressings, where growth was balanced between increases in volume and price. The impact of increased turnover and controlled overhead spending was offset partially by raw material cost inflation and distribution cost increases.

Air Products South Africa (Pty) Limited (Air Products)
Air Products' contribution to Remgro's headline earnings for the six months ended 30 September 2008 increased by 18.6% to R51 million (2007: R43 million), while profit before tax increased by 35.0% to R81 million (2007: R60 million). Earnings growth was negatively impacted by the increased effective tax rate for the period of 36% (2007: 28%) caused by increased Secondary Taxation on Companies payable on significantly higher dividends paid in the current year.

Sales volumes were generally good across all segments of the business. In the large tonnage gas business, a large air separation plant was commissioned for Konkola Copper Mines. Significant construction progress was made during the period on a new air separation plant in Newcastle, KwaZulu-Natal, to increase supplies to Mittal Steel operations in the area. Demand for cylinder gases and other packaged gas products remained strong throughout the year.

The immediate outlook for Air Products remains positive although the rate of growth in demand is expected to slowdown as some industries experience a fall-out from lower commodity price levels and a decrease in local economic activity and export opportunities.

PGSI Limited (PGSI)
For the six months under review PGSI's turnover declined by 2% over the comparative period to R1 272 million and its headline earnings declined by 56.5% from R62 million to R27 million. PGSI's contribution to Remgro's headline earnings for the period under review amounted to R3 million.

The National Credit Act as well as the increase in interest rates over the last two years have resulted in lower consumer disposable income. These factors have been the main reason for the significant decline in domestic new car sales and residential building activity, which negatively impacted on the demand for glass. The local Original Equipment Car Manufacturers have resisted price increases due to low cost products available from the East, whilst Shatterprufe's auto glass manufacturing costs have increased markedly.

Export car sales and commercial building projects have continued to offer good demand for glass. A weaker rand has supported the profitability of value-added autoglass exports.

Borrowing costs increased over the comparative period due to debt funding required to finance the second float glass plant, commissioned in April 2007. The benefits of this additional capacity will only come through after the routine repair of the first float line, scheduled from May to August 2009.

Kagiso Trust Investments (Pty) Limited (KTI)
KTI's contribution to Remgro's headline earnings for the six months under review amounted to a headline loss of R194 million (2007: R18 million profit). The reduction in contribution to headline earnings was due mainly to an unfavourable fair value adjustment on the conversion rights attached to its holding of Metropolitan Holdings Limited preference shares of R369 million and a negative fair value adjustment of R126 million in the platinum hedging financial instrument for the Mototolo joint venture.

Xiocom Wireless, Inc. (Xiocom)
Remgro acquired a 37.5% interest in this technology start-up company during the 2008 financial year. Remgro has conditionally committed funds amounting to $50.0 million to Xiocom and at 30 September 2008, $23.75 million was invested. For the period under review Remgro has equity accounted for losses of $6 million (2007: $nil).

During the reporting period Xiocom made progress to position itself as a preferred supplier of broadband systems and networks to developing markets. In this regard the roll-out of networks in the Dominican Republic has commenced. A network for Altech was successfully commissioned in Kigali, Rwanda.

Both the hardware and software platforms were improved and the new versions successfully implemented.

Revenue at this stage is immaterial and the loss is a result of expenditure incurred in establishing the company.

DIRECTORATE

On 22 August 2008, Mr Daniel Prins retired as an independent non-executive director and Mr Herman Wessels was appointed as an independent non-executive director.

The Board wishes to thank Mr Prins for his valuable contribution over the years.

DIVIDENDS

Subsequent to the distribution of ordinary shares in BAT and Reinet depository receipts at the beginning of November 2008, shareholders will in future be receiving dividends from Remgro, BAT and Reinet.

Shareholders will, in respect of the BAT shares distributed to them, be receiving the BAT final dividend directly, in respect of its financial year to December 2008. It is anticipated that the BAT final dividend will be paid during May 2009. Remgro's final dividend for the year ending 31 March 2009, will be paid during August 2009.

Taking the above into consideration, the Remgro interim dividend was determined at 80 cents (2007: 180 cents) per share.

DECLARATION OF CASH DIVIDEND

Declaration of Dividend No 17

Notice is hereby given that an interim dividend of 80 cents (2007: 180 cents) per share has been declared in respect of both the ordinary shares of one cent each and the unlisted B ordinary shares of ten cents each, for the half year to 30 September 2008.

Dates of importance:

Last day to trade in order to participate in the interim dividend	Friday, 9 January 2009
Shares trade ex dividend	Monday, 12 January 2009
Record date	Friday, 16 January 2009
Payment date	Monday, 19 January 2009

Share certificates may not be dematerialised or rematerialised between Monday, 12 January 2009 and Friday, 16 January 2009, both days inclusive.

Signed on behalf of the Board of Directors.

Johann Rupert
Chairman

Thys Visser
Chief Executive Officer

Stellenbosch
25 November 2008

DIRECTORATE

Non-executive directors
Johann Rupert *(Chairman)*,
E de la H Hertzog *(Deputy Chairman)*, P E Beyers, G D de Jager*, J W Dreyer,
P K Harris*, J Malherbe, M M Morobe*, M Ramos (Miss)*,
F Robertson*, H Wessels*
(**Independent*)

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

CORPORATE INFORMATION

Secretary
M Lubbe (Mrs)

Listing
JSE Limited
Sector: Industrials – Diversified Industrials

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

Depositary
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Transfer Secretaries
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(PO Box 61051, Marshalltown 2107)

Auditors
PricewaterhouseCoopers Inc.,
Cape Town

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

Website
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