

REMGRO LIMITED

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

AUDITED SUMMARY CONSOLIDATED RESULTS FOR THE YEAR ENDED 30 JUNE 2015 AND CASH DIVIDEND DECLARATION

SALIENT FEATURES

| | |
|--|---------------|
| • Headline earnings per share | +20.3% |
| • Ordinary dividend per share | +10.0% |
| • Intrinsic net asset value per share | +17.5% |

REMGRO LIMITED

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| R million | 30 June | |
|---|----------------|-------------|
| | 2015 | 2014 |
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 5 716 | 5 616 |
| Biological agricultural assets | 550 | 499 |
| Investment properties | 51 | 42 |
| Intangible assets | 5 710 | 5 811 |
| Investments - Equity accounted | 57 831 | 52 169 |
| - Other | 2 493 | 2 642 |
| Retirement benefits | 220 | 210 |
| Loans | 977 | 629 |
| Deferred taxation | 18 | 14 |
| | 73 566 | 67 632 |
| Current assets | | |
| Inventories | 3 118 | 2 408 |
| Biological agricultural assets | 549 | 539 |
| Debtors and short-term loans | 3 837 | 3 330 |
| Investment in money market funds | 986 | 1 171 |
| Cash and cash equivalents | 4 050 | 3 657 |
| Other current assets | 52 | 17 |
| | 12 592 | 11 122 |
| Assets held for sale* | 8 534 | 754 |
| | 94 692 | 79 508 |
| EQUITY AND LIABILITIES | | |
| Stated capital | 3 605 | 3 605 |
| Reserves | 69 781 | 62 802 |
| Treasury shares | (272) | (372) |
| Shareholders' equity | 73 114 | 66 035 |
| Non-controlling interest | 2 803 | 2 599 |
| Total equity | 75 917 | 68 634 |
| Non-current liabilities | | |
| Retirement benefits | 227 | 258 |
| Long-term loans | 3 547 | 436 |
| Deferred taxation | 1 630 | 1 505 |
| Current liabilities | 13 371 | 8 675 |
| Trade and other payables | 4 469 | 3 791 |
| Short-term loans | 366 | 4 661 |
| Other current liabilities | 69 | 37 |
| | 4 904 | 8 489 |
| Liabilities held for sale* | 8 467 | 186 |
| | 94 692 | 79 508 |
| Net asset value per share (Rand) | | |
| - At book value | R142.12 | R128.56 |
| - At intrinsic value (unaudited) | R288.89 | R245.96 |

*Refer to "additional information" on page 7 for further detail.

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SUMMARY CONSOLIDATED INCOME STATEMENT

| R million | Year ended 30 June | |
|---|-------------------------------|--------------|
| | 2015 | 2014 |
| Sales | 25 590 | 24 621 |
| Inventory expenses | (15 267) | (15 374) |
| Staff costs | (4 276) | (3 747) |
| Depreciation | (607) | (592) |
| Other net operating expenses | (3 878) | (4 238) |
| Trading profit | 1 562 | 670 |
| Dividend income | 213 | 43 |
| Interest received | 276 | 326 |
| Finance costs | (371) | (1 057) |
| Net impairment of investments, loans, assets and goodwill | (288) | 22 |
| Profit on sale of investments | 696 | 51 |
| Consolidated profit before tax | 2 088 | 55 |
| Taxation | (395) | (57) |
| Consolidated profit/(loss) after tax | 1 693 | (2) |
| Share of after-tax profit of equity accounted investments | 7 228 | 6 853 |
| Net profit for the year | 8 921 | 6 851 |
| Attributable to: | | |
| Equity holders | 8 715 | 6 917 |
| Non-controlling interest | 206 | (66) |
| | 8 921 | 6 851 |

EQUITY ACCOUNTED INVESTMENTS

Share of after-tax profit of equity accounted investments

| | | |
|--|--------------|--------------|
| Profit before taking into account impairments, non-recurring and capital items | 8 332 | 8 584 |
| Net impairment of investments, assets and goodwill | (213) | (262) |
| Profit on the sale of investments | 271 | 174 |
| Other non-recurring and capital items | 62 | 201 |
| Profit before tax and non-controlling interest | 8 452 | 8 697 |
| Taxation | (1 129) | (1 558) |
| Non-controlling interest | (95) | (286) |
| | 7 228 | 6 853 |

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HEADLINE EARNINGS RECONCILIATION

| R million | Year ended 30 June | |
|---|-------------------------------|-------|
| | 2015 | 2014 |
| Net profit for the year attributable to equity holders | 8 715 | 6 917 |
| Plus/(minus): | | |
| - Net impairment of equity accounted investments | 99 | (92) |
| - Impairment of other investments | 79 | 80 |
| - Net impairment of property, plant and equipment | 94 | (5) |
| - Impairment of assets held for sale | 16 | - |
| - Recycling of foreign currency translation reserves | - | (32) |
| - (Profit)/loss on sale of equity accounted investments | (984) | 83 |
| - (Profit)/loss on sale of other investments | 288 | (98) |
| - Net surplus on disposal of property, plant and equipment | (5) | (12) |
| - Non-headline earnings items included in equity accounted earnings of equity accounted investments | (231) | (244) |
| - Net surplus on disposal of property, plant and equipment | (111) | (131) |
| - Profit on the sale of investments | (271) | (174) |
| - Net impairment of investments, assets and goodwill | 213 | 262 |
| - Other non-recurring and capital items | (62) | (201) |
| - Taxation effect of adjustments | (50) | 33 |
| - Non-controlling interest | (25) | 5 |
| Headline earnings | 7 996 | 6 635 |

EARNINGS AND DIVIDENDS

| Cents | Year ended 30 June | |
|------------------------------------|-------------------------------|---------|
| | 2015 | 2014 |
| Headline earnings per share | | |
| - Basic | 1 555.0 | 1 292.4 |
| - Diluted | 1 541.8 | 1 270.3 |
| Earnings per share | | |
| - Basic | 1 694.9 | 1 347.3 |
| - Diluted | 1 680.9 | 1 325.7 |
| Dividends per share | | |
| Ordinary | 428.00 | 389.00 |
| - Interim | 169.00 | 156.00 |
| - Final | 259.00 | 233.00 |

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SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| R million | Year ended 30 June | |
|---|-------------------------------|-------------|
| | 2015 | 2014 |
| Net profit for the year | 8 921 | 6 851 |
| Other comprehensive income, net of tax | 335 | 2 444 |
| Items that may be reclassified subsequently to the income statement: | | |
| Exchange rate adjustments | 267 | 298 |
| Fair value adjustments for the year | (156) | 346 |
| Deferred taxation on fair value adjustments | (34) | (43) |
| Reclassification of other comprehensive income to the income statement | 45 | (176) |
| Other comprehensive income of equity accounted investments | 929 | 2 015 |
| Items that will not be reclassified to the income statement: | | |
| Remeasurement of post-employment benefit obligations | 5 | 23 |
| Deferred taxation on remeasurement of post-employment benefit obligations | (2) | (6) |
| Change in reserves of equity accounted investments | (699) | (13) |
| Total comprehensive income for the year | 9 276 | 9 295 |
| Total comprehensive income attributable to: | | |
| Equity holders | 9 066 | 9 357 |
| Non-controlling interest | 210 | (62) |
| | 9 276 | 9 295 |

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| R million | Year ended 30 June | |
|--|-------------------------------|-------------|
| | 2015 | 2014 |
| Balance at the beginning of the year | 68 634 | 60 645 |
| Total comprehensive income for the year | 9 276 | 9 295 |
| Dividends paid | (2 136) | (1 834) |
| Investment in subsidiaries | - | (529) |
| Capital invested by minorities | 37 | 876 |
| Other movements | 25 | 114 |
| Long-term share incentive scheme reserve | 81 | 67 |
| Balance at the end of the year | 75 917 | 68 634 |

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SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

| R million | Year ended 30 June | |
|---|-------------------------------|---------|
| | 2015 | 2014 |
| Cash generated from operations | 1 895 | 898 |
| Taxation paid | (397) | (135) |
| Dividends received | 3 215 | 3 372 |
| Cash available from operating activities | 4 713 | 4 135 |
| Dividends paid | (2 136) | (1 834) |
| Net cash inflow from operating activities | 2 577 | 2 301 |
| Investing activities | (1 151) | (2 121) |
| Financing activities | (1 349) | (818) |
| Net increase/(decrease) in cash and cash equivalents | 77 | (638) |
| Exchange rate profit on foreign cash | 116 | 110 |
| Cash and cash equivalents at the beginning of the year | 3 636 | 4 164 |
| Cash and cash equivalents at the end of the year | 3 829 | 3 636 |
| | | |
| Cash and cash equivalents – per statement of financial position | 4 050 | 3 657 |
| Bank overdraft | (221) | (21) |

ADDITIONAL INFORMATION

| | 30 June | |
|--|--------------------|-------------|
| | 2015 | 2014 |
| Number of shares in issue | | |
| - Ordinary shares of no par value | 481 106 370 | 481 106 370 |
| - Unlisted B ordinary shares of no par value | 35 506 352 | 35 506 352 |
| Total number of shares in issue | 516 612 722 | 516 612 722 |
| Number of shares held in treasury | | |
| - Ordinary shares repurchased and held in treasury | (2 169 558) | (2 960 766) |
| | 514 443 164 | 513 651 956 |
| | | |
| Weighted number of shares | 514 200 979 | 513 404 676 |

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

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ADDITIONAL INFORMATION (continued)

| R million | 30 June | |
|---|----------------|-------------|
| | 2015 | 2014 |
| Listed investments | | |
| <i>Associated</i> | | |
| – Book value | 41 533 | 36 601 |
| – Market value | 97 926 | 79 734 |
| <i>Other</i> | | |
| – Book value | 902 | 880 |
| – Market value | 902 | 880 |
| Unlisted investments | | |
| <i>Associated</i> | | |
| – Book value | 11 336 | 11 090 |
| – Directors' valuation (unaudited) | 22 516 | 22 497 |
| <i>Joint ventures</i> | | |
| – Book value | 4 962 | 4 478 |
| – Directors' valuation (unaudited) | 13 295 | 11 063 |
| <i>Other</i> | | |
| – Book value | 1 591 | 1 762 |
| – Directors' valuation | 1 591 | 1 762 |
| Assets and liabilities held for sale | | |
| During June 2015, Remgro entered into an agreement with funds managed by Cinven to acquire 119 923 335 Spire shares (equivalent to a 29.9% shareholding in Spire). In conjunction with the transaction, Remgro and Mediclinic concluded an agreement whereby Mediclinic would acquire Remgro's interest in Spire, subject to a successful Mediclinic rights issue. Total assets and liabilities are | (175) | - |
| Investment | 8 275 | - |
| Trade and other creditors | (8 276) | - |
| Derivative instruments | (174) | - |
| Various other assets and liabilities classified as held for sale | 242 | 568 |
| Assets | 259 | 754 |
| Liabilities | (17) | (186) |
| | 67 | 568 |
| Additions to and replacement of property, plant and equipment | 853 | 852 |
| Capital and investment commitments | 5 847 | 1 105 |
| (Including amounts authorised but not yet contracted for, including R4.1 billion in respect of the Mediclinic rights issue) | | |
| Guarantees and contingent liabilities | 316 | 306 |
| Dividends received from equity accounted investments set off against investments | 3 077 | 3 568 |

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ADDITIONAL INFORMATION (continued)

Fair value remeasurements

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, being discounted cash flow, liquidation valuation or actual net asset value of the investment.
- Derivative instruments: The fair value of derivative instruments is determined by using mark-to-market valuations.

Financial instruments measured at fair value, 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 following tables illustrate the fair values of financial assets and liabilities that are measured at fair value, by hierarchy level:

| R million | <i>Level 1</i> | <i>Level 2</i> | <i>Level 3</i> | Total |
|----------------------------------|----------------|----------------|----------------|--------------|
| 30 June 2015 | | | | |
| Assets | | | | |
| Available-for-sale | 902 | - | 1 591 | 2 493 |
| Derivative instruments | - | 10 | - | 10 |
| Investment in money market funds | 986 | - | - | 986 |
| | 1 888 | 10 | 1 591 | 3 489 |
| Liabilities | | | | |
| Derivative instruments | - | 190 | - | 190 |
| 30 June 2014 | | | | |
| Assets | | | | |
| Available-for-sale | 880 | - | 1 762 | 2 642 |
| Derivative instruments | - | 3 | - | 3 |
| Investment in money market funds | 1 171 | - | - | 1 171 |
| | 2 051 | 3 | 1 762 | 3 816 |
| Liabilities | | | | |
| Derivative instruments | - | 10 | - | 10 |

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ADDITIONAL INFORMATION (continued)

The following tables illustrate the reconciliation of the carrying value of level 3 assets from the beginning to the end of the year:

| R million | <i>Available- for-sale</i> | <i>Assets at fair value through profit and loss</i> | <i>Derivative instruments</i> | Total |
|---|--------------------------------|---|-----------------------------------|--------------|
| 30 June 2015 | | | | |
| Balances at the beginning of the year | 1 762 | - | - | 1 762 |
| Additions | 375 | - | - | 375 |
| Disposals | (484) | - | - | (484) |
| Exchange rate adjustments | 148 | - | - | 148 |
| Fair value adjustments through comprehensive income | (210) | - | - | (210) |
| Balances at the end of the year | 1 591 | - | - | 1 591 |
| 30 June 2014 | | | | |
| Balances at the beginning of the year | 1 285 | 60 | 73 | 1 418 |
| Additions | 277 | 23 | - | 300 |
| Disposals | (3) | - | (111) | (114) |
| Exchange rate adjustments | 64 | - | - | 64 |
| Transfer to equity accounted investments | - | (83) | - | (83) |
| Fair value adjustments through profit and loss | - | - | 38 | 38 |
| Fair value adjustments through comprehensive income | 139 | - | - | 139 |
| Balances at the end of the year | 1 762 | - | - | 1 762 |

There were no transfers between the different levels.

Level 3 investments consist mainly of investments in the Milestone China entities (Milestone), the Kagiso Infrastructure Empowerment Fund (KIEF) and the Pembani Remgro Infrastructure Fund (PRIF) amounting to R1 058 million, R322 million and R150 million respectively. These investments are all valued based on the fair value of each investment's underlying assets, which are valued using a variety of valuation methodologies. Listed entities are valued at the last quoted share price on the reporting date, whereas unlisted entities' methods include discounted cash flow valuations, appropriate earnings and revenue multiples.

Milestone's fair value consists of listed investments (42%), cash and cash equivalents (4%) and unlisted investments (54%). Two-thirds of the unlisted investments were acquired during the current financial year and were valued at cost as Milestone's management considers the transaction price to be the fair value of the investments, while the remaining one-third was valued at approximately R190 million. KIEF's investments were valued using the discounted cash flow method. PRIF's main asset is the investment in ETG Group and it was valued using appropriate revenue and earnings multiples based on peer group companies to determine a price-to-book valuation.

Changes in the valuation assumptions of the above unlisted investments will not have a significant impact on Remgro's financial statements.

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COMMENTS

1. ACCOUNTING POLICIES

The summary consolidated financial statements are prepared in accordance with the requirements of the JSE Limited (JSE) for summary financial statements, and the requirements of the Companies Act applicable to summary financial statements. The JSE requires summary financial statements to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by *IAS 34: Interim Financial Reporting*.

The accounting policies applied in the preparation of the consolidated financial statements from which the summary consolidated financial statements were derived are in terms of IFRS and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements, with the exception of the implementation of *IFRIC 21: Levies* and the amendments to *IAS 19: Employee Benefits*, *IAS 32: Financial Instruments – Presentation*, *IAS 36: Impairment of Assets* and *IAS 39: Financial Instruments – Novation of derivatives and continuation of hedge accounting*. The adoption of these interpretations and amendments had no impact on the results of either the current or prior year. The financial statements have been prepared under the supervision of the Chief Financial Officer, Leon Crouse CA(SA).

2. RESULTS

Headline earnings

Headline earnings for the year to 30 June 2015 amounted to R7 996 million compared to R6 635 million for the year to 30 June 2014, representing an increase of 20.5%, whereas headline earnings per share increased by 20.3% from 1 292.4 cents to 1 555.0 cents.

Contribution to headline earnings by reporting platform

| R million | Year ended | <i>Change</i> | Year ended |
|----------------------------|-------------------|---------------|-------------------|
| | 30 June | | 30 June |
| | 2015 | | 2014 |
| Food, liquor and home care | 1 531 | 92.6 | 795 |
| Banking | 2 845 | 11.9 | 2 542 |
| Healthcare | 1 734 | 16.5 | 1 489 |
| Insurance | 986 | 13.2 | 871 |
| Industrial | 381 | (45.6) | 700 |
| Infrastructure | 392 | 136.1 | 166 |
| Media and sport | (16) | (125.0) | 64 |
| Other investments | 84 | 42.4 | 59 |
| Central treasury | 111 | 33.7 | 83 |
| Other net corporate costs | (52) | 61.2 | (134) |
| Headline earnings | 7 996 | 20.5 | 6 635 |

Refer to Annexures A and B for segmental information.

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Commentary on reporting platforms' performance (unaudited)

Food, liquor and home care

The contribution from food, liquor and homecare to Remgro's headline earnings amounted to R1 531 million (2014: R795 million), representing an increase of 92.6%. This increase is mainly the result of a higher contribution from RCL Foods, which contributed R755 million to headline earnings (2014: R239 million headline loss). It should however be noted that the results of RCL Foods for the year under review now includes the results of TSB, while TSB was still reported separately for the first six months in the comparative year. TSB's headline earnings for the year under review amounted to R281 million (2014: R218 million). During the year under review RCL Foods' results were positively affected by Rainbow's new business model whereby reliance on pure commodity lines was reduced, as well as the restructuring of its debt during the previous financial year whereby the Euro bonds were replaced by a rand based debt package which eliminated the unfavourable foreign exchange adjustments. Unilever's contribution to Remgro's headline earnings decreased by 4.6% to R331 million (2014: R347 million). This decrease is mainly the result of increased brand and marketing investments. Distell's contribution to headline earnings, which includes the investment in Capevin Holdings, amounted to R445 million (2014: R495 million). This decrease is mainly the result of a favourable remeasurement of R159 million to the contingent consideration payable on the acquisition of Burn Stewart Distillers Limited accounted for in the comparative year. Excluding this remeasurement, Distell's contribution to Remgro's headline earnings would have increased by 0.7% from R442 million. It should be noted that Remgro's effective interest in Distell decreased from 33.4% to 31.0% due to Distell issuing 15.0 million ordinary shares to BEE shareholders during January 2014.

Banking

The headline earnings contribution from the banking division amounted to R2 845 million (2014: R2 542 million), representing an increase of 11.9%. Both FirstRand and RMBH reported good headline earnings growth of 13.2% and 11.8% respectively, mainly due to good growth in both net interest income and non-interest revenue from FNB, RMB and WesBank, partly offset by a slight increase in year-on-year credit impairment charges.

Healthcare

Mediclinic's contribution to Remgro's headline earnings amounted to R1 734 million (2014: R1 489 million). It should be noted that Mediclinic's results for the year under review include positive Swiss prior year tax adjustments amounting to R712 million, while the comparative period also included a once-off past service cost credit and Swiss tax adjustments totalling R303 million. Excluding these once-off items Mediclinic's contribution to Remgro's headline earnings would have increased by 5.9% from R1 354 million. This increase is mainly due to solid performances by all three operating platforms, partly offset by the dilution of Remgro's effective interest in Mediclinic from 44.3% to 42.1% due to the bookbuild exercise undertaken by Mediclinic in June 2014.

Insurance

RMI Holdings' contribution to headline earnings increased by 13.2% to R986 million. RMI Holdings reported an increase of 4.6% in normalised earnings, with Discovery and MMI Holdings achieving good earnings growth of 16.9% and 6.3% respectively, partly offset by a weaker performance by OUTsurance mainly due to an increase in claims resulting from severe storms in Australia.

Industrial

Total South Africa's contribution to Remgro's headline earnings amounted to R133 million (2014: R233 million). This decrease is mainly the result of substantial unfavourable stock revaluations in the year under review compared to favourable stock revaluations in the comparative year. These revaluations are the result of the volatility in the Brent Crude price and the rand exchange rate. Remgro's share of the results of KTH amounted to a loss of R108 million (2014: profit of R71 million). During the year under review KTH's results were negatively impacted by unfavourable fair value adjustments relating to its investment in Exxaro Resources Limited. Air Products' and Wispeco's contribution to headline earnings amounted to R222 million and R104 million respectively (2014: R217 million and R107 million), while PGSI contributed R30 million to Remgro's headline earnings (2014: R72 million).

Infrastructure

Grindrod's contribution to Remgro's headline earnings amounted to R135 million (2014: R108 million). This increase is mainly the result of the closure of Grindrod's commodity trading division which produced poor results in the comparative year. It should also be noted that Remgro's effective interest in Grindrod diluted from 25.0% on 31 December 2013 to 22.6% due to the issue by Grindrod of 64 million shares to a consortium of strategic black investors during June 2014. For the year under review the CIV group contributed R51 million to headline earnings (2014: R58 million). SEACOM reported a headline earnings of R96 million for the year under review (2014: headline loss of R26 million), with Remgro's share of this earnings amounting to R24 million (2014: loss of R6 million). During May 2015 the Pembani Remgro Infrastructure Fund (PRIF) had its first close, which resulted in

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Remgro receiving an income distribution of R170 million from PRIF (mainly resulting from foreign exchange gains realised in the PRIF structure), which together with interest income and related tax charges, contributed R177 million to Remgro's headline earnings.

Media and sport

Media and sport interests primarily consist of the interests in Sabido and various sport interests, including interests in the rugby franchises of Premier Team Holdings (Saracens), the Blue Bulls and Western Province Rugby, as well as the Stellenbosch Academy of Sport. Sabido's contribution to Remgro's headline earnings amounted to R69 million (2014: R131 million). This decrease is mainly due to significant new business development costs incurred over the last two years (R245 million compared to R125 million in the comparative year). The sport interests' contribution to headline earnings amounted to a loss of R65 million (2014: R71 million loss).

Other investments

The contribution from other investments to headline earnings amounted to R84 million (2014: R59 million), of which Business Partners' contribution was R47 million (2014: R33 million).

Central treasury and other net corporate costs

The contribution from the central treasury division amounted to R111 million (2014: R83 million). This increase is mainly the result of higher average cash balances, as well as higher interest rates than in the comparative year. Other net corporate costs amounted to R52 million (2014: R134 million). This decrease is mainly the result of a net after-tax facilitation and underwriting fee of R99 million received from Mediclinic on the Spire transaction and resultant rights issue, partly offset by transaction and funding costs of R38 million also relating to the Spire transaction, which will be recovered from Mediclinic in the next financial year.

Total earnings

Total earnings increased by 26.0% to R8 715 million (2014: R6 917 million). This increase is mainly the result of the headline earnings growth and a profit of R955 million realised on the dilution of Remgro's interest in Mediclinic during the bookbuild in June 2014, partly offset by the loss of R223 million realised on the sale of the investment in Lashou.

5. INTRINSIC NET ASSET VALUE

Remgro's intrinsic net asset value per share increased by 17.5% from R245.96 at 30 June 2014 to R288.89 at 30 June 2015. Refer to Annexure B for full details.

6. INVESTMENT ACTIVITIES

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

Mediclinic International Limited (Mediclinic) and Spire Healthcare Group Plc (Spire)

During June 2015 Remgro entered into an agreement with funds managed by Cinven to acquire 119 923 335 Spire shares (equivalent to a 29.9% shareholding in Spire) at a price of GBP3.60 per share for a total purchase consideration of GBP431.7 million (excluding transaction costs). The transaction was concluded early in July 2015 and Remgro financed the transaction through a combination of its own cash, as well as external funding.

In conjunction with the above transaction, Remgro and Mediclinic concluded an agreement whereby Mediclinic would acquire Remgro's interest in Spire, subject to Mediclinic raising the appropriate funds in order to conclude such a transaction. During August 2015 Mediclinic raised R10.0 billion through a rights issue in terms of which 111 111 111 new Mediclinic shares were issued at a price of R90.00 per share. Remgro, by following its rights and by underwriting the balance of the rights issue, invested an additional R4.6 billion into Mediclinic. Following the successful conclusion of the rights issue, Mediclinic acquired Remgro's shareholding in Spire during August 2015 for an amount of R8.6 billion, equal to the purchase price, transaction and funding costs. Remgro thus effectively only facilitated the acquisition of Spire by Mediclinic.

On 30 June 2015 Remgro's effective interest in Mediclinic was 42.0% (2014: 42.1%). The additional Mediclinic shares acquired by Remgro in terms of it underwriting the Mediclinic rights issue referred to above, marginally increased its interest in Mediclinic to 42.5%.

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RMB Holdings Limited (RMBH)

During April 2015 Remgro acquired a further 2 990 000 RMBH shares for a total amount of R215.5 million. This transaction increased Remgro's effective interest in RMBH to 28.2% (2014: 27.9%).

Community Investments Ventures Holdings Proprietary Limited (CIVH)

Remgro's interest in Dark Fibre Africa Proprietary Limited (Dark Fibre Africa) is held through its investment in CIVH. Dark Fibre Africa is a wholly owned subsidiary of CIVH. During August 2014 Remgro invested a further R56.6 million in CIVH, thereby increasing its interest marginally from 50.7% on 30 June 2014 to 50.9% on 30 June 2015.

Grindrod Limited (Grindrod)

During the year under review Remgro acquired a further 3 380 435 Grindrod shares in the open market for a total amount of R58.0 million, thereby increasing its effective interest in Grindrod to 23.0% (2014: 22.6%).

Kagiso Tiso Holdings Limited (KTH)

During July 2014 Remgro acquired an additional 3 000 ordinary shares in KTH for a total amount of R22.5 million. This transaction increased Remgro's effective interest in KTH to 34.9% (2014: 34.7%).

Lashou Group Inc (Lashou)

During the year under review Remgro disposed of its investment in Lashou. A loss of \$19.9 million was realised on this transaction. This loss is excluded from headline earnings.

Milestone China Opportunities Fund III (Milestone III)

During the year under review Remgro invested a further \$33.1 million in Milestone III, thereby increasing its cumulative investment to \$86.5 million. As at 30 June 2015 the remaining commitment to Milestone III amounted to \$13.5 million.

Other

Other smaller investments amounted to R85.2 million.

Events after year-end

Other than the above-mentioned Spire transaction, there were no significant transactions subsequent to 30 June 2015.

7. TREASURY SHARES

At 30 June 2014, 2 960 766 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 scheme.

During the year under review no Remgro ordinary shares were repurchased, while 791 208 Remgro ordinary shares were utilised to settle Remgro's obligation towards scheme participants who exercised the rights granted to them.

At 30 June 2015, 2 169 558 Remgro ordinary shares (0.5%) were held as treasury shares.

8. CASH RESOURCES AT THE CENTRE

The Company's cash resources at 30 June 2015 were as follows:

| R million | 30 June 2015 | | | 30 June 2014 |
|--|---------------------|-----------------|----------------|---------------------|
| | Local | Offshore | Total | |
| Per consolidated statement of financial position | 3 055 | 995 | 4 050 | 3 657 |
| Investment in money market funds | 500 | 486 | 986 | 1 171 |
| Less: Cash of operating subsidiaries | (965) | (52) | (1 017) | (1 564) |
| Cash at the centre | 2 590 | 1 429 | 4 019 | 3 264 |

On 30 June 2015, approximately 25% (R986 million) of the available 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.

REMGRO LIMITED

DIRECTORATE

On 25 November 2014 the Remgro Board of directors appointed Mr J Malherbe, a current Remgro non-executive director, as co-deputy chairman with Dr E de la H Hertzog, who is the current deputy chairman.

The Board wishes to congratulate Mr Malherbe on his appointment.

Ms S E N de Bruyn Sebotsa has been appointed as an independent non-executive director of Remgro with effect from 16 March 2015. She has considerable experience in the areas of finance, business and the empowerment of women in South Africa.

The Board wishes to welcome Ms De Bruyn Sebotsa as a director to the Company.

REPORTS OF THE INDEPENDENT AUDITOR

The Company's directors are responsible for the preparation of a summary of the consolidated financial statements.

The annual financial statements have been audited by PricewaterhouseCoopers Inc. and their unqualified audit report on the comprehensive annual financial statements is available for inspection at the registered office of the Company and the report on the summary annual financial statements is attached.

The auditor's report does not necessarily report on all the information contained in this announcement/financial results. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of the auditor's report together with the accompanying financial information from the issuer's registered office.

DECLARATION OF CASH DIVIDEND

Declaration of Dividend No. 30

Notice is hereby given that a final gross dividend of 259 cents (2014: 233 cents) per share has been declared out of income reserves in respect of both the ordinary shares of no par value and the unlisted B ordinary shares of no par value, for the year ended 30 June 2015.

A dividend withholding tax of 15% or 38.85 cents per share will be applicable, resulting in a net dividend of 220.15 cents per share, unless the shareholder concerned is exempt from paying dividend withholding tax or is entitled to a reduced rate in terms of an applicable double-tax agreement.

The total gross dividend per share for the year ended 30 June 2015 therefore amounts to 428 cents, compared to 389 cents for the year ended 30 June 2014.

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.

Dates of importance:

| | |
|---|--------------------------|
| Last day to trade in order to participate in the dividend | Friday, 6 November 2015 |
| Shares trade ex dividend | Monday, 9 November 2015 |
| Record date | Friday, 13 November 2015 |
| Payment date | Monday, 16 November 2015 |

Share certificates may not be dematerialised or rematerialised between Monday, 9 November 2015, and Friday, 13 November 2015, both days inclusive.

REMGRO LIMITED

In terms of the Company's Memorandum of Incorporation, dividends will only be transferred electronically to the bank accounts of shareholders, while dividend cheques are no longer issued. In the instance where shareholders do not provide the Transfer Secretaries with their banking details, the dividend will not be forfeited but will be marked as "unclaimed" in the share register until the shareholder provides the Transfer Secretaries with the relevant banking details for payout.

The Integrated Annual Report will be posted to members and will be available on Remgro's website at www.remgro.com during October 2015.

Signed on behalf of the Board of Directors.

Johann Rupert
Chairman

Jannie Durand
Chief Executive Officer

Stellenbosch
17 September 2015

REMGRO LIMITED

DIRECTORATE

Non-executive directors

Johann Rupert (*Chairman*), E de la H Hertzog (*Deputy Chairman*),
J Malherbe (*Deputy Chairman*), S E N de Bruyn Sebotsa*, G T Ferreira*,
P K Harris*, N P Mageza*, P J Moleketi*, M Morobe*,
F Robertson*, H Wessels*
(**Independent*)

Executive directors

J J Durand (*Chief Executive Officer*),
W E Bührmann, L Crouse

CORPORATE INFORMATION

Secretary

M Lubbe

Listing

JSE Limited

Sector: Industrials – Diversified Industrials

Business address and registered office

Millennia Park, 16 Stellantia Avenue, Stellenbosch 7600
(PO Box 456, Stellenbosch 7599)

Transfer Secretaries

Computershare Investor Services Proprietary Limited, 70 Marshall Street,
Johannesburg 2001
(PO Box 61051, Marshalltown 2107)

Auditors

PricewaterhouseCoopers Inc.
Stellenbosch

Sponsor

Rand Merchant Bank (A division of FirstRand Bank Limited)

Website

www.remgro.com

REMGRO LIMITED

ANNEXURE A

COMPOSITION OF HEADLINE EARNINGS

| R million | Year ended | |
|--|-------------------|---------------------|
| | 2015 | 30 June 2014 |
| Food, liquor and home care | | |
| Unilever South Africa | 331 | 347 |
| Distell ¹ | 445 | 495 |
| RCL Foods ² | 755 | (239) |
| TSB ² | - | 192 |
| Banking | | |
| RMBH | 2 005 | 1 793 |
| FirstRand | 840 | 749 |
| Healthcare | | |
| Mediclinic | 1 734 | 1 489 |
| Insurance | | |
| RMI Holdings | 986 | 871 |
| Industrial | | |
| Air Products South Africa | 222 | 217 |
| KTH | (108) | 71 |
| Total South Africa | 133 | 233 |
| PGSI | 30 | 72 |
| Wispeco | 104 | 107 |
| Infrastructure | | |
| Grindrod | 135 | 108 |
| CIV group | 51 | 58 |
| SEACOM | 24 | (6) |
| Other infrastructure interests | 182 | 6 |
| Media and sport | | |
| Sabido | 69 | 131 |
| Other media and sport interests | (85) | (67) |
| Other investments | 84 | 59 |
| Central treasury | 111 | 83 |
| Other net corporate costs | (52) | (134) |
| Headline earnings | 7 996 | 6 635 |
| Weighted number of shares (million) | 514.2 | 513.4 |
| Headline earnings per share (cents) | 1 555.0 | 1 292.4 |

1. Includes the investment in Capevin Holdings Limited.

2. Remgro disposed of its 100% interest in TSB to RCL Foods during January 2014. Since 1 January 2014 TSB's results were accounted for by RCL Foods.

REMGRO LIMITED

ANNEXURE B

COMPOSITION OF INTRINSIC NET ASSET VALUE

| R million | 30 June 2015 | | 30 June 2014 | |
|---|---------------|-----------------|--------------|-----------------|
| | Book value | Intrinsic value | Book value | Intrinsic value |
| Food, liquor and home care | | | | |
| Unilever South Africa | 3 384 | 8 688 | 3 086 | 9 037 |
| Distell ¹ | 3 157 | 11 098 | 2 864 | 9 336 |
| RCL Foods | 7 346 | 11 514 | 6 862 | 10 547 |
| Banking | | | | |
| RMBH | 12 267 | 26 409 | 11 225 | 20 743 |
| FirstRand | 4 300 | 11 720 | 3 969 | 8 957 |
| Healthcare | | | | |
| Mediclinic | 13 227 | 36 727 | 10 597 | 29 316 |
| Insurance | | | | |
| RMI Holdings | 6 717 | 19 096 | 6 224 | 14 739 |
| Industrial | | | | |
| Air Products South Africa | 882 | 4 164 | 839 | 3 610 |
| KTH | 1 876 | 2 696 | 2 061 | 2 481 |
| Total South Africa | 1 428 | 1 785 | 1 329 | 1 596 |
| PGSI | 672 | 672 | 760 | 760 |
| Wispeco | 603 | 920 | 540 | 778 |
| Infrastructure | | | | |
| Grindrod | 4 016 | 2 329 | 3 667 | 4 513 |
| CIV group | 1 795 | 2 797 | 1 657 | 2 282 |
| SEACOM | 566 | 1 001 | 569 | 991 |
| Other infrastructure interests | 480 | 480 | 829 | 829 |
| Media and sport | | | | |
| Sabido | 1 126 | 2 094 | 974 | 2 528 |
| Other media and sport interests | 374 | 382 | 534 | 533 |
| Other investments | 3 047 | 3 266 | 2 699 | 2 767 |
| Central treasury – cash at the centre² | 4 019 | 4 019 | 3 264 | 3 264 |
| Other net corporate assets | 1 832 | 2 224 | 1 486 | 1 860 |
| Net asset value (NAV) | 73 114 | 154 081 | 66 035 | 131 467 |
| Potential CGT liability³ | | (5 466) | | (5 130) |
| NAV after tax | 73 114 | 148 615 | 66 035 | 126 337 |
| Issued shares after deduction of shares repurchased (million) | 514.4 | 514.4 | 513.7 | 513.7 |
| NAV after tax per share (Rand) | 142.12 | 288.89 | 128.56 | 245.96 |

1. Includes the investment in Capevin Holdings Limited.

2. Cash at the centre excludes cash held by subsidiaries that are separately valued above (mainly RCL Foods and Wispeco).

3. 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.

4. 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.

5. Intrinsic net asset values have not been audited.

REMGRO LIMITED

REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF REMGRO LIMITED

The summary consolidated financial statements of Remgro Limited, set out on pages 1 to 9 and 17 of the audited consolidated results, which comprise the summary consolidated statement of financial position as at 30 June 2015, the summary consolidated income statement and the summary consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of Remgro Limited for the year ended 30 June 2015. We expressed an unmodified audit opinion on those consolidated financial statements in our report dated 17 September 2015. Our auditor's report on the audited consolidated financial statements contained an "Other Matter" paragraph: "Other reports required by the Companies Act" (refer below).

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summary consolidated financial statements, therefore, is not a substitute for reading the audited consolidated financial statements of Remgro Limited.

Directors' responsibility for the summary consolidated financial statements

The Company's directors are responsible for the preparation of a summary of the audited consolidated financial statements in accordance with the JSE Limited's (JSE) requirements for summary financial statements, set out in note 1 to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements, and for such internal control as the directors determine is necessary to enable the preparation of summary consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the summary consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, "Engagements to Report on Summary Financial Statements."

Opinion

In our opinion, the summary consolidated financial statements derived from the audited consolidated financial statements of Remgro Limited for the year ended 30 June 2015 are consistent, in all material respects, with those consolidated financial statements, in accordance with the JSE's requirements for summary financial statements, set out in note 1 to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

Other reports required by the Companies Act

The "Other reports required by the Companies Act" paragraph in our audit report dated 17 September 2015 states that as part of our audit of the consolidated financial statements for the year ended 30 June 2015, we have read the Directors' Report, the Audit and Risk Committee's Report and the Company Secretary's Certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated financial statements. These reports are the responsibility of the respective preparers. The paragraph also states that, based on reading these reports, we have not identified material inconsistencies between these reports and the audited consolidated financial statements. The paragraph furthermore states that we have not audited these reports and accordingly do not express an opinion on these reports. The paragraph does not have an effect on the summary consolidated financial statements or our opinion thereon.

PricewaterhouseCoopers Inc.

Director: N H Döman

Registered Auditor

Stellenbosch

17 September 2015