

# Remgro Limited

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

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## AUDITED CONSOLIDATED RESULTS

FOR THE YEAR ENDED 31 MARCH **2007**

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### SALIENT FEATURES

- ✦ Headline earnings per share: +37.4%
- ✦ Headline earnings per share – excluding non-recurring portion of BEE costs in the prior period: +27.8%
- ✦ Ordinary dividend per share: +20.2%
- ✦ Intrinsic value per share at year-end: R221.00
- ✦ Five-year compound growth rates:
  - Headline earnings per share: 12.2% p.a.
  - Ordinary dividend per share: 16.1% p.a.

## ABRIDGED CONSOLIDATED BALANCE SHEET

	2007 R'm	2006 R'm
<b>ASSETS</b>		
Property, plant and equipment	2 442	2 318
Biological agricultural assets	91	95
Investment properties	32	31
Goodwill and trade marks	413	352
Investments – Associated companies	33 033	26 098
– Other	6 245	4 136
Retirement benefits	10	–
Loans	5	6
Deferred taxation	124	90
Cash and cash equivalents	5 004	6 357
Other current assets	2 462	1 853
<b>Total assets</b>	<b>49 861</b>	<b>41 336</b>
<b>EQUITY AND LIABILITIES</b>		
Shareholders' equity	45 672	37 494
Minority interest	755	596
<b>Total equity</b>	<b>46 427</b>	<b>38 090</b>
Interest-bearing loans	301	216
Other non-current liabilities	1 419	975
Non-interest-bearing current liabilities	1 714	2 055
<b>Total equity and liabilities</b>	<b>49 861</b>	<b>41 336</b>
<b>Net asset value per share (Rand)</b>		
– At book value	<b>R96.69</b>	R78.14
– At intrinsic value *		
– at year-end	<b>R221.00</b>	R157.59
– at 15 June 2007 (21 June 2006)	<b>R221.44</b>	R169.01

\* Unaudited

## ABRIDGED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	2007 R'm	2006 R'm
Balance at 1 April	38 090	36 503
Total income accounted for	14 008	9 108
Exchange rate adjustments	5 035	(1 395)
Net fair value adjustments for the year	1 846	1 903
<b>Net income directly accounted for in equity</b>	<b>6 881</b>	<b>508</b>
<b>Net profit for the year</b>	<b>7 127</b>	<b>8 600</b>
Dividends paid	(3 813)	(4 676)
Capital invested by minorities	30	17
Transfer between reserves and other movements	11	(285)
Change in reserves of associated companies	(824)	(242)
Purchase of shares by wholly owned subsidiary (treasury shares)	(1 031)	(977)
Medi-Clinic*	–	(1 418)
Net (purchase)/delivery of shares by The Remgro Share Trust	(54)	92
Long-term share incentive scheme reserve	10	(21)
Cancellation of treasury shares	–	(11)
<b>Balance at 31 March</b>	<b>46 427</b>	<b>38 090</b>

\* Since 1 January 2006, Medi-Clinic has been accounted for as an associated company, while it was consolidated previously.

## ABRIDGED CONSOLIDATED INCOME STATEMENT

	2007 R'm	2006 R'm
Sales	7 877	9 802
Inventory expenses	(4 781)	(4 919)
Personnel costs	(1 306)	(2 603)
Depreciation	(223)	(293)
Other net operating expenses	(551)	(771)
<b>Trading profit</b>	<b>1 016</b>	<b>1 216</b>
Dividends received	156	410
Interest received	334	341
Finance costs	(30)	(29)
Negative goodwill	44	–
Net impairment of investments, assets and goodwill	–	3
Profit on redemption and sale of investments	7	3 162
<b>Consolidated profit before tax</b>	<b>1 527</b>	<b>5 103</b>
Taxation	(403)	(857)
<b>Consolidated profit after tax</b>	<b>1 124</b>	<b>4 246</b>
Share of after-tax profit of associated companies	6 003	4 354
<b>Net profit for the year</b>	<b>7 127</b>	<b>8 600</b>
<b>Attributable to:</b>		
Equity holders	6 942	8 202
Minority interests	185	398
	7 127	8 600
<b>ASSOCIATED COMPANIES</b>		
<b>Share of after-tax profit of associated companies</b>		
Profit before taking into account impairments, capital and non-recurring items	5 995	4 428
Net impairment of investments, assets and goodwill	(12)	(157)
Profit on the sale of investments	249	681
Restructuring costs	(237)	(280)
Non-recurring portion of BEE costs	–	(380)
Other capital and non-recurring items	8	62
<b>6 003</b>	<b>4 354</b>	

## RECONCILIATION OF HEADLINE EARNINGS

	2007 R'm	2006 R'm
<b>Net profit for the year attributable to equity holders</b>	<b>6 942</b>	<b>8 202</b>
Plus/(minus) – portion attributable to equity holders:		
– Negative goodwill	(44)	–
– Net impairment of investments, assets and goodwill	12	157
– Profit on redemption and sale of investments	(256)	(3 475)
– Restructuring costs	221	279
– Other capital and non-recurring items	(10)	(67)
– Net surplus, after taxation, on disposal of property, plant and equipment	(12)	(12)
<b>Headline earnings</b>	<b>6 853</b>	<b>5 084</b>
Non-recurring portion of BEE costs added back	–	380
<b>Headline earnings – excluding non-recurring portion of BEE costs</b>	<b>6 853</b>	<b>5 464</b>

## ABRIDGED CONSOLIDATED CASH FLOW STATEMENT

	2007 R'm	2006 R'm
Cash flow from operating activities	1 970	1 786
Taxation paid	(676)	(369)
Dividends received	2 736	3 888
Cash available from operating activities	4 030	5 305
Dividends paid	(3 813)	(4 676)
Net cash inflow from operating activities	217	629
Investing activities	(1 725)	3 364
Financing activities	70	99
Net increase/(decrease) in cash and cash equivalents	(1 438)	4 092
Cash and cash equivalents at the beginning of the year	6 339	2 247
Cash and cash equivalents at the end of the year	4 901	6 339
Cash and cash equivalents – per balance sheet	5 004	6 357
Bank overdraft	(103)	(18)

## EARNINGS AND DIVIDENDS

	2007 Cents	2006 Cents
<b>Headline earnings per share</b>		
– Basic	1 445.4	1 052.3
– Diluted	1 401.3	1 027.7
<b>Headline earnings per share – excluding non-recurring portion of BEE costs</b>		
– Basic	1 445.4	1 130.9
– Diluted	1 401.3	1 106.1
<b>Earnings per share</b>		
– Basic	1 464.2	1 697.6
– Diluted	1 418.5	1 671.3
<b>Dividend per share</b>		
Ordinary	434.00	361.00
– Interim	153.00	133.00
– Final	281.00	228.00
Special		400.00

## ADDITIONAL INFORMATION

	2007 Cents	2006 Cents
<b>Number of shares in issue</b>		
– Ordinary shares of 1 cent each	448 802 207	448 802 207
Issued at 1 April	448 802 207	486 493 650
Cancelled during the year	–	(37 691 443)
– Unlisted B ordinary shares of 10 cents each	35 506 352	35 506 352
Total number of shares in issue	484 308 559	484 308 559
<b>Number of shares held in treasury</b>	(11 948 372)	(4 473 004)
– Ordinary shares repurchased and held in treasury	(8 554 019)	(1 379 635)
– Ordinary shares held by The Remgro Share Trust and accounted for as treasury shares	(3 394 353)	(3 093 369)
	472 360 187	479 835 555
<b>Weighted number of shares</b>	474 123 689	483 154 691

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

	2007 R'm	2006 R'm
<b>Listed investments</b>		
<i>Associated</i>		
– Book value	11 478	9 989
– Market value	28 871	23 248
<i>Other</i>		
– Book value	6 229	4 013
– Market value	6 229	4 013
<b>Unlisted investments</b>		
<i>Associated</i>		
– Book value	21 555	16 109
– Directors' valuation	62 969	41 564
<i>Other</i>		
– Book value	16	123
– Directors' valuation	16	123
<b>Additions to and replacement of property, plant and equipment</b>	502	689
<b>Capital commitments</b> (Including amounts authorised, but not yet contracted for)	704	275
<b>Dividends received</b>		
Dividends included in consolidated profit	156	410
Dividends from associated companies set off against investments	2 748	3 349

## COMMENTS

### 1. ACCOUNTING POLICIES

The annual financial statements are prepared on the historical cost basis, unless otherwise indicated, in accordance with International Financial Reporting Standards (IFRS), the requirements of the South African Companies Act, Act 61 of 1973, as amended, and the Listings Requirements of the JSE Limited.

These financial statements incorporate accounting policies that have been consistently applied to both years presented. During the year 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 years.

### 2. COMPARISON WITH PRIOR YEAR

During the previous financial year various investee companies in the Group concluded black economic empowerment (BEE) transactions. The accounting treatment of these transactions resulted in non-recurring charges of R379.7 million against headline earnings for the year ended 31 March 2006. Due to the material effect that the accounting treatment of these transactions had on Remgro's results, headline earnings per share, and its year-on-year comparison, are also presented excluding the non-recurring portion of BEE costs.

Since 1 January 2006, Medi-Clinic Corporation Limited (Medi-Clinic) is accounted for as an associated company, whilst previously it was consolidated. Certain income statement items are therefore not directly comparable with those of the previous financial year.

### 3. RESULTS

#### Headline earnings

Total headline earnings for the year to 31 March 2007 increased by 34.8% from R5 084 million to R6 853 million. Headline earnings per share, however, increased by 37.4% from 1 052.3 cents to 1 445.4 cents due to the favourable effect of the share repurchase programme. Excluding Remgro's share of the non-recurring portion of BEE costs incurred by various investee companies in the comparative year, headline earnings and headline earnings per share increased by 25.4% and 27.8% respectively.

#### Contribution to headline earnings

	Year ended 31 March				
	2007 R'm	Non-recurring portion of BEE costs included		Non-recurring portion of BEE costs excluded	
		% change	2006 R'm	% change	2006 R'm
Tobacco interests	2 964	25.1	2 369	25.1	2 369
Financial services	1 529	33.3	1 147	6.5	1 436
Industrial interests	1 924	62.5	1 184	50.9	1 275
Mining interests	155	(46.2)	288	(46.2)	288
Corporate finance and other interests	281	192.7	96	192.7	96
	6 853	34.8	5 084	25.4	5 464

The following commentary, comparing the results to those of the previous year, is based on headline earnings excluding the non-recurring portion of BEE costs.

The contribution of the tobacco interests, which represented 43.3% (2006: 43.4%) of headline earnings, increased by 25.1%.

Currency movements had a greater impact on the Group's earnings than in the previous financial year. Due to the weaker rand, the currency impact on translation of R&R Holdings SA, Luxembourg's (R&R) contribution to headline earnings increased from an unfavourable R26 million in 2006 to a favourable R420 million, as set out in the table below.

	Year ended 31 March	
	2007	2006
Average exchange rate (R/£)	13.2898	11.4050
Closing exchange rate (R/£)	14.3449	10.6437
R&R's contribution (£'m)	223	208
R&R's contribution (R'm)	2 964	2 369
Favourable/(unfavourable) currency impact (R'm)	420	(26)

In sterling terms, R&R's contribution increased by 7.2%.

The combined contribution of FirstRand and RMBH to Remgro's headline earnings amounted to R1 529 million (2006: R1 313 million), an increase of 16.5%, due to good performances by First National Bank and Rand Merchant Bank. In 2006 dividends from Absa Group Limited amounting to R123 million were also accounted for in headline earnings.

The contribution of the industrial interests to headline earnings increased by 50.9%. Unilever Bestfoods Robertsons and Tsb Sugar produced strong results, while Distell and Rainbow Chicken continued their earnings growth, with contributions to Remgro's headline earnings amounting to R210 million and R293 million respectively (2006: R164 million and R250 million). Kagiso Trust Investments (Proprietary) Limited's (KTI) contribution to Remgro's headline earnings was R307 million. During the year under review KTI's profit was favourably impacted by fair value adjustments of the conversion right attached to its holding of Metropolitan Holdings Limited preference shares (R390 million) as well as a non-recurring profit realised on the exercise of its option to acquire an interest in The FirstRand Empowerment Trust (R81 million). As Remgro effectively acquired its investment in KTI during December 2005, no income from KTI was accounted for during the comparative year. Medi-Clinic's contribution to headline earnings increased from R200 million in 2006 to R278 million. This increase can be attributed mainly to secondary taxation on companies (STC) paid by Medi-Clinic in the comparative period on the special dividend that was paid in December 2005. Nampak's contribution to Remgro's headline earnings amounted to R125 million (2006: R107 million).

Mining interests' contribution to headline earnings decreased by 46.2% to R155 million (2006: R288 million). This decrease can be attributed mainly to the non-recurring special dividend amounting to R183 million received from Implats during the comparative year. Dividends received from Implats amounted to R147 million (2006: R277 million). Trans Hex's contribution to headline earnings was R8 million (2006: R10 million).

The central treasury division's contribution increased from R146 million to R266 million. This increase can be attributed mainly to higher interest rates as well as higher average cash balances compared to 2006. Also included therein, are foreign currency profits amounting to R65 million (2006: R24 million loss) relating to intergroup balances. These intergroup balances were settled during the past year.

Headline earnings was also impacted favourably by the accounting recognition of a pension fund surplus amounting to R70 million following the finalisation of a surplus allocation process.

## Earnings

Total earnings decreased by 15.4% to R6 942 million (2006: R8 202 million), mainly as a result of capital gains arising on the realisation of investments accounted for during the comparative year.

## 4. INTRINSIC VALUE

Remgro's intrinsic value per share increased by 40.2% from R157.59 at 31 March 2006 to R221.00 at 31 March 2007. Refer to Annexure A for full details.

## 5. BRITISH AMERICAN TOBACCO PLC (BAT)

Remgro's interest in BAT is represented by its one-third holding of the ordinary shares and all of the "2005" participation securities issued by R&R. This gives Remgro an effective interest of 10.4% in BAT at 31 March 2007. The other two-thirds of the ordinary share capital of R&R is held by Compagnie Financière Richemont SA.

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 29.4% at 31 March 2007 (2006: 28.9%).

R&R's share of BAT's earnings for the twelve months to 31 March 2007 is based on BAT's results for the year ended 31 December 2006 plus the results for the quarter to 31 March 2007 less the results for the quarter to 31 March 2006.

Remgro's share of R&R's headline earnings consists of 35.46% of R&R's share of the attributable profit of BAT and its share of R&R's non-BAT profit (this includes income attributable to its investment in the "2006" participation securities issued by R&R during March 2006).

	2007 £'m	2006 £'m
<b>Attributable profit of BAT before capital and non-recurring items</b>	<b>2 077</b>	<b>1 942</b>
R&R's share of the attributable profit of BAT: – 29.06% to 29.40% (2006: 28.56% to 28.89%)	<b>607</b>	558
R&R's non-BAT income	<b>9</b>	29
<b>R&amp;R's headline earnings for the year ended 31 March</b>	<b>616</b>	587
<b>Remgro's share thereof:</b>		
– 35.46% of R&R's share of the attributable profit of BAT	<b>215</b>	198
– portion of R&R's non-BAT income	<b>8</b>	10
	<b>223</b>	208
	<b>R'm</b>	R'm
<b>Translated at an average R/£ rate of 13.2898 (2006: 11.4050)</b>	<b>2 964</b>	2 369

The following commentary is based on BAT's annual report for the year ended 31 December 2006.

BAT's adjusted, diluted earnings per share, a good indicator of its underlying performance, grew by 10% to 98.12 pence per share. This increase was the result of the improved underlying operating performance from both subsidiaries and associates, together with a lower effective tax rate and the

benefit of the share buy-back programme, which more than offset the impact of higher net finance costs and minorities.

BAT cigarette sales volumes from subsidiaries for the year ended 31 December 2006 increased by 2% to 689 billion on both a reported and a 'like-for-like' basis. Net revenues rose by 5% on both an actual and 'like-for-like' basis. This volume and revenue growth was achieved across a broad spread of markets. The four global 'drive brands' (Kent, Dunhill, Lucky Strike and Pall Mall) continued their impressive performance and achieved overall volume growth of 17%. These brands now represent over 21% of BAT's volumes from subsidiaries, while international brands as a whole account for 40% of the total.

BAT's profit from operations was 8% higher at £2 622 million or 7% higher on a 'like-for-like' basis, with Asia-Pacific, Latin America and the Africa and Middle East regions contributing to these results.

In Europe, profit at £781 million was slightly lower mainly as a result of very competitive trading conditions in a number of markets and the inclusion in the comparative period of a one-off benefit in Italy. Excluding this benefit, profit increased by £9 million, with strong growth from Russia, Hungary, Italy and France, largely offset by declines in Spain, Poland, Germany, the Netherlands and Ukraine. Regional volumes on a 'like-for-like' basis were 2% higher at 248 billion, with growth in Russia, France, Spain and Hungary partly offset by declines in Ukraine, Italy and Germany.

In Asia-Pacific, regional profit increased by £85 million to £616 million, mainly attributable to good performances in Australasia, Malaysia, South Korea and Pakistan. Volumes at 142 billion were 4% higher as strong increases in Pakistan, Bangladesh, South Korea and Vietnam were partially offset by declines in Malaysia and Indonesia.

Profit in Latin America increased by £81 million to £611 million due to good performances across the region, coupled with a stronger average exchange rate in Brazil. Volumes grew in many of the markets which led to an overall increase of 2% to 153 billion.

Profit in the Africa and Middle East region grew by £34 million to £468 million, mainly driven by South Africa, Nigeria, the Middle East and Egypt. Volumes were slightly higher at 103 billion, as a result of Nigeria, Egypt and the Middle East, partially offset by decreases in Turkey.

The profit from the America-Pacific region decreased by £12 million to £424 million, while volumes were down 3% to 44 billion sticks. The increases in profit and volumes from Japan were more than offset by lower contributions from Canada.

BAT's associated companies grew their volumes by 4% to 241 billion sticks. BAT's share of the post-tax results amounted to £431 million. Excluding exceptional items, the share of the post-tax results of associates, increased by £38 million to £427 million mainly from Reynolds American and ITC. The contribution from Reynolds American, excluding brand impairment charges and the benefit from the favourable resolution of certain tax matters in both years as well as other exceptional charges in 2005, was £18 million higher at £285 million. This was mainly due to improved pricing and cost reductions, partially offset by lower volumes. The contribution from ITC, BAT's associate in India, increased by £11 million to £91 million.

## 6. OTHER INVESTMENTS

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

### **Rainbow Chicken Limited (Rainbow)**

During March 2007 Remgro made an offer by way of a scheme of arrangement to acquire the entire issued share capital of Rainbow not already owned by Remgro. The initial offer was for a cash consideration of R16.00 per Rainbow share or 9 Remgro ordinary shares for every 100 shares held in Rainbow, or a combination of the aforementioned. On 5 June 2007 Rainbow shareholders voted against the scheme of arrangement.

An alternative offer, consisting of a cash consideration of R16.00 per Rainbow share or 8.1 Remgro ordinary shares for every 100 shares held in Rainbow, or a combination thereof, became effective on 6 June 2007. The last day to trade in order to participate in the alternative offer will be 22 June 2007.

Since 6 June 2007, to date hereof, Remgro has acquired 7 841 819 Rainbow shares in the open market at R16.00 per share for a total amount of R126.0 million.

### **KTI and the Kagiso Infrastructure Empowerment Fund (KIEF)**

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 2007 R4.7 million of the R350.0 million committed was invested.

### **RMB Holdings Limited (RMBH)**

During the year under review, Remgro acquired a further 6 836 847 RMBH shares at an average price of R28.88 for a total amount of R197.5 million. On 31 March 2007, Remgro's interest in RMBH was 23.7% (2006: 23.1%).

### **Business Partners Limited (Business Partners)**

During January 2007 Remgro acquired a further 7 070 699 Business Partners shares for a total amount of R42.2 million. On 31 March 2007, Remgro's interest in Business Partners was 21.3% (2006: 17.8%).

Due to the increase in shareholding, Business Partners was reclassified as an investment in an associated company with effect from 31 March 2007, while previously it was accounted for under "Investments – Other". During the year under review only dividend income from Business Partners amounting to R5.2 million was accounted for. As from 1 April 2007 Business Partners will be accounted for according to the equity method.

### **Gencor Limited (Gencor)**

On 14 March 2006, Gencor was placed under voluntary liquidation and a liquidation dividend of R0.20 per share was declared. During May 2006 Remgro received R7.6 million.

### **Sage Group Limited (Sage)**

As previously reported, Remgro sold its 17.9% interest in Sage to Momentum Group Limited during the previous financial year for R114 million, or R1.75 per Sage share, comprising of an initial payment of R1.42 per share and a potential subsequent payment of up to R0.33 per share. The initial payment received in September 2005 amounted to R92 million.

During the year under review, Remgro received a further R6 million, or R0.09 per Sage share, as partial payment of the potential subsequent payment that was still subject to certain tax disputes being resolved.

On 8 June 2007 Remgro received R17 million, or R0.27 per Sage share, as final distribution following the successful resolution of the tax disputes referred to above.

### **Medi-Clinic Corporation Limited (Medi-Clinic)**

During December 2006 Remgro acquired a further 140 000 Medi-Clinic shares for an amount of R3.3 million. On 31 March 2007, Remgro's interest in Medi-Clinic was 47.6% (2006: 48.0%).

### **Repurchase of Remgro shares**

During the year under review, a wholly owned subsidiary company of Remgro acquired a further 7 174 384 Remgro ordinary shares at an average price of R143.71 for a total amount of R1 031.0 million. At 31 March 2007 8 554 019 Remgro ordinary shares (1.9%) were held as treasury shares. No derivative transactions, which may have led to the repurchase of Remgro shares, were entered into during the year under review.

The Remgro Share Trust purchased 563 000 Remgro ordinary shares during the year under review at an average price of R132.68 for a total amount of R74.7 million, while 262 016 shares were delivered to participants against payment of the subscription price.

*Subsequent to the year-end*

### **PG Group of Companies (PG)**

Remgro has acquired, subject to certain conditions precedent, a 25% interest in PG for R700 million. The transaction is not expected to have a material impact on Remgro's profits in the short term.

PG is the largest automotive and building glass corporation in Africa with a successful history of more than 100 years. *PG Glass* and *Shatterprufe* are recognised as two of the strongest brand names in Southern Africa and are synonymous with automotive and building glass throughout the region. PG is also a major exporter of automotive glass to Europe and the United States of America. PG operates a wide spread of manufacturing, wholesale and retail operations in both the automotive and building markets. A new state-of-the-art float glass line (R800 million investment) that will increase capacity by 80% and make South Africa a net exporter of float glass, has been commissioned during April 2007. In addition, PG has recently invested significantly in its automotive manufacturing facilities. It is ideally positioned to participate in the ongoing growth of the building and automotive sectors.

### **Tsb Sugar Holdings (Proprietary) Limited (Tsb Sugar)**

On 31 January 2007 Tsb Sugar entered into an agreement to sell certain sugarcane farms in the Nkomazi region to land claimants in terms of a land reform transaction for an amount of R285 million. The effective date of the transaction is 1 April 2007.

The farms and biological agricultural assets will be rented from the new owners and a joint management company will be responsible for the management of each of the farms. Tsb Sugar and the new owners each have a 50% interest in the management companies.

## 7. CASH RESOURCES AND APPLICATION

The Company's cash resources at 31 March 2007 are as follows:

	Local R'm	Offshore R'm	Total R'm
Per consolidated balance sheet	1 867	3 137	5 004
Less: Cash from other operating subsidiaries	(647)	–	(647)
Cash at the centre	1 220	3 137	4 357
Attributable share of R&R's cash	–	2 151	2 151
<b>Available cash</b>	<b>1 220</b>	<b>5 288</b>	<b>6 508</b>

The final ordinary dividend per share has been increased by 23.2% to 281 cents. Total ordinary dividends per share in respect of the financial year to 31 March 2007 have therefore increased by 20.2% from 361 cents to 434 cents.

The total distribution to shareholders in respect of the financial year is as follows:

(Based on total issued shares at time of payment)	2007 R'm	2006 R'm
Ordinary		
– Interim	741	694
– Final	1 361	1 104
	2 102	1 798
Special	–	1 937
Total	2 102	3 735

The Board is of the opinion that, after the above distribution to shareholders, the Group will have sufficient cash resources to pursue investment opportunities and to continue its share repurchase programme.

### DIRECTORATE

Miss M Ramos was appointed as an independent non-executive director on 26 March 2007. Mr M M Morobe was appointed as an independent non-executive director on 18 June 2007.

### AUDIT REPORT

The annual financial statements have been audited by PricewaterhouseCoopers Inc. and their unqualified audit reports on the comprehensive annual financial statements and the summarised financial statements are available for inspection at the registered office of the Company.

### DIVIDEND DECLARATION

#### Declaration of Dividend No 14

Notice is hereby given that a final dividend of 281 cents (2006: 228 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 financial year ended 31 March 2007.

### Dates of importance

Last day to trade in order to participate in the final dividend	Friday, 10 August 2007
Trading on or after this date will be ex the final dividend	Monday, 13 August 2007
Record date	Friday, 17 August 2007
Payment date	Monday, 20 August 2007

Shareholders may not dematerialise or rematerialise their holdings of ordinary shares between Monday, 13 August 2007, and Friday, 17 August 2007, both days inclusive.

The Annual Report will be posted to members during July 2007.

Signed on behalf of the Board of Directors.

**Johann Rupert**

Chairman

**Thys Visser**

Chief Executive Officer

Stellenbosch

18 June 2007

### 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\*, D Prins\*, M Ramos (*Miss*)\*, F Robertson\* (*\*Independent*)

#### Executive directors

M H Visser (*Chief Executive Officer*),  
W E Bührmann, D M Falck, 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

#### Depository

The Bank of New York, 101 Barclay Street, New York NY 10286

#### Business address and registered office

Carpe Diem Office Park, Quantum Street, Techno Park, Stellenbosch 7600 (PO Box 456, Stellenbosch 7599)

#### Transfer Secretaries

Computershare Investor Services 2004 (Proprietary) Limited  
70 Marshall Street, Johannesburg 2001  
(PO Box 61051, Marshalltown 2107)

#### Auditors

PricewaterhouseCoopers Inc.  
Cape Town

#### Sponsor

Rand Merchant Bank (A Division of FirstRand Bank Limited)

[www.remgro.com](http://www.remgro.com)

## ANNEXURE A

### INTRINSIC NET ASSET VALUE

Notes	Shares held million	Stock exchange closing price	£'m	Exchange rate	31 March 2007 R'm	31 March 2006 R'm
<b>Tobacco interests</b>						
			3 641.0	14.3449	52 229	34 065
			3 405.2			
			236.1			
			(0.3)			
<b>Financial services</b>						
			481.1		11 836	9 623
			280.9		10 111	7 990
<b>Industrial interests</b>						
			171.1		4 295	3 531
					3 020	1 984
			58.7		3 054	2 112
			78.1		1 735	1 308
					2 226	1 889
			173.6		2 778	1 642
					1 980	1 260
					910	801
			14.1		211	191
					421	441
					1 312	710
			7.8		130	117
<b>Mining interests</b>						
			26.7		6 085	3 886
			30.2		438	363
			38.0		–	8
<b>Other</b>						
					220	117
					(738)	(417)
					506	(100)
<b>Cash at the centre</b>						
					1 220	4 066
			218.7	14.3449	3 137	1 729
<b>Intrinsic net asset value</b>					<b>107 116</b>	<b>77 316</b>
<b>Potential CGT liability</b>					<b>(2 714)</b>	<b>(1 699)</b>
<b>Intrinsic net asset value after tax</b>					<b>104 402</b>	<b>75 617</b>
Issued shares after deduction of shares repurchased and the shares in The Remgro Share Trust (million)					472.4	479.8
<b>INTRINSIC VALUE PER SHARE</b>					<b>R221.00</b>	<b>R157.59</b>

#### Notes

1. This represents Remgro's effective interest of 10.4% in BAT Plc.
2. Cash at the centre excludes cash held by subsidiaries and associated companies that are separately valued above.
3. The potential capital gains tax (CGT) liability, which is unaudited, 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 (Implats and Caxton) is included in "Other" above.
4. Unlisted investments are shown at directors' valuation. Listed investments, with the exclusion of Rainbow Chicken, are shown at stock exchange prices. Rainbow Chicken is shown at R16.00, the price applicable for the alternative offer to Rainbow Chicken shareholders since 6 June 2007.