REMBRANDT GROUP LIMITED

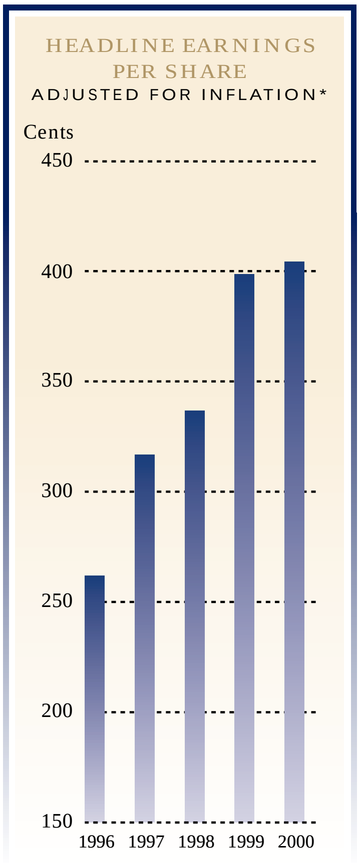
(REGISTRATION NUMBER 1948/031037/06)

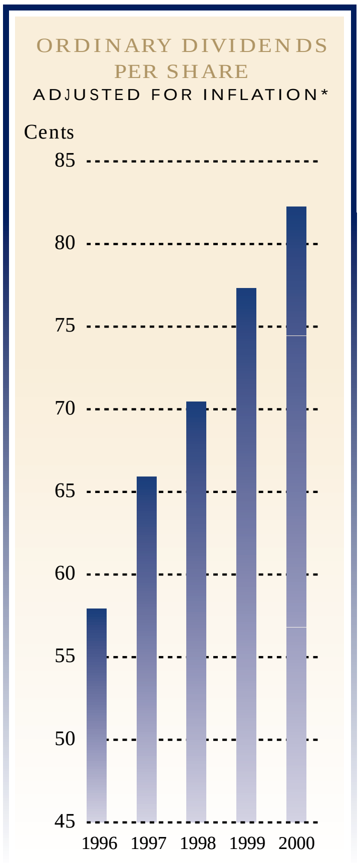
CONTENTS

SALIENT FEATURES – FINANCIAL RESULTS

	2000	1999
HEADLINE EARNINGS	**R3 080 mio**	R2 809 mio
ATTRIBUTABLE NET INCOME	**R2 725 mio**	R2 793 mio
Issued shares of 1 cent each	**522 mio**	522 mio
HEADLINE EARNINGS PER SHARE	**590.0c**	538.1c
EARNINGS PER SHARE	**522.0c**	535.1c
DIVIDENDS PER SHARE		
– ordinary	**120.00c**	104.35c
– special	**30.00c**	100.00c

The comparative figures for the year ended 31 March 1999 have been restated. Please refer to the paragraph headed "Prior year adjustments" in the Report of the Board of Directors.





* Headline earnings and ordinary dividends per share as reflected in the graphs above are shown after elimination of the effects of inflation as represented by the general consumer price index (CPI). (CPI basis 1995 = 100)

GROUP STRUCTURE

AT 31 MARCH 2000

TIB
TECHNICAL AND INDUSTRIAL INVESTMENTS LIMITED

60.4%

TEGKOR
TECHNICAL INVESTMENT CORPORATION LIMITED

9.6%

40.6%

RBB
REMBRANDT CONTROLLING INVESTMENTS LIMITED

51.1%

REMGRO
REMBRANDT GROUP LIMITED

TRADE MARK INTERESTS

British American Tobacco	12%
Stellenbosch Farmers' Winery	30%
Distillers Corporation	30%
Richemont	2%
SA Investments (SAIL)	9%

INDUSTRIAL INTERESTS

Robertsons Holdings	73%
Transvaal Sugar	73%
Rainbow Chicken	56%
Wispeco	100%
Dorbyl	41%
Air Products	50%
Total SA	34%
Henkel SA	50%
Malbak	48%
Lenco Holdings	33%

MINING INTERESTS

Billiton	9%
Gencor	11%
Gold Fields	11%
GFSA	15%
Trans Hex Group	43%

FINANCIAL SERVICES

ABSA Group	9%
Sage Group	17%

CORPORATE

Rembrandt Finance Corporation	100%
RGH Holdings	100%
Rupert International	100%

OTHER INTERESTS

Medi-Clinic Corporation	51%
Vodacom	13%
Tracker	43%
Venfin	82%

Percentages represent the Group's effective interests and have been rounded.
Annexures A and B provide further information of subsidiary companies and investments.

DIRECTORATE

EXECUTIVE DIRECTORS

Johann Rupert (50) *

Chairman
Appointed to the Board in 1986.
Years of service with the Group: 14

E de la H Hertzog (50) *

Deputy Chairman
Appointed to the Board in 1986.
Years of service with the Group: 17

M H Visser (46) *

Managing Director/Deputy Chairman
Appointed to the Board in 1990.
Years of service with the Group: 20

P E Beyers (50) *

Marketing Strategy
Appointed to the Board in 1997.
Years of service with the Group: 3

W E Bührmann (45) *

Investments
Appointed to the Board in 1998.
Years of service with the Group: 13

J W Dreyer (49) *

Investments
Appointed to the Board in 2000.

D M Falck (54) * #

Group Finance
Appointed to the Board in 1990.
Years of service with the Group: 28

J Malherbe (44) * #

Investments Director
Appointed to the Board in 1993.
Years of service with the Group: 10

J A Preller (Mrs) (50) *

Corporate Affairs
Appointed to the Board in 1995.
Years of service with the Group: 28

T van Wyk (52) *

Investments
Appointed to the Board in 1990.
Years of service with the Group: 10

NON-EXECUTIVE DIRECTORS

G D de Jager (49)

Chief Executive Officer: Malbak Limited
Appointed to the Board in 1993.

P J Erasmus (68) #

Former Executive Director
Reappointed to the Board in 1997.
Years of service with the Group: 36

E Molobi (55)

Chairman: Kagiso Trust Investment Company (Pty) Limited
Appointed to the Board in 1997.

P G Steyn (66) #

Former Executive Director
Appointed to the Board in 1988.
Years of service with the Group: 34

 # Member of the ***Group Audit Committee***
** Member of the* ***Executive Committee***

Headline earnings per share increased by 9.6% from 538.1 cents to 590.0 cents. The compound growth rate over the last five years has been 21.8% per annum.

GROUP RESULTS

Headline earnings per share increased by 9.6% from 538.1 cents to 590.0 cents. The compound growth rate over the last five years has been 21.8% per annum.

The major contributors to the increase in headline earnings for the year under review were the mining interests, 41.4%, industrial interests, 32.0% and Vodacom, 48.9%. Overall growth was, however, limited to 9.6%, mainly due to less interest earned on cash resources and a slightly reduced contribution by the tobacco interests.

Net earnings, after exceptional items and amortisation of goodwill, decreased by 2.4% mainly due to a significant increase in unfavourable exceptional items. The capital surplus on the disposal by subsidiaries of investments and businesses was R238 million. However, the attributable share of the unfavourable exceptional items of associated companies amounted to R575 million. This included Gold Fields Limited's provision for impairment of assets and British American Tobacco Plc's integration costs.

The financial figures in the income statement which represent the net operating income after taxation for 1999/2000, are lower than the comparative figures. This is as a result of Dorbyl Limited being equity accounted as an associated company compared to being consolidated in the previous year. Certain items in the balance sheet are therefore also not comparable.

Attributable cash earnings (which exclude the Group's share of net income retained by associated companies), before exceptional items and amortisation of goodwill, decreased by 30% from R1 562 million to R1 093 million as a result of lower dividends received from associated companies. The latter amounted to R740 million, which is R480 million lower than in the previous year. The dividend patterns and payment cycles of British American Tobacco Plc (BAT) differ from those of Rothmans International B.V., with the result that there has been a one-off change to the dividend flow from R&R Holdings. In any event, it is BAT's policy to declare annually dividends of at least 50% of its long-term sustainable earnings.

This has had no effect on the reported earnings as the equity adjustment in the income statement includes both the dividend portion and the retained earnings portion of the Group's share of net income of associated companies.

Ordinary dividends of 120.00 cents per share were declared and paid for the year, compared to 104.35 cents for the previous year. This represents an increase of 15.0%. The ordinary dividends are covered 4.9 times by headline earnings and 1.7 times by cash earnings, compared to 5.2 times and 2.9 times respectively for the previous year.

The interest of own members in shareholders' funds at book value increased by R1 624 million to R16 787 million or R32.16 per share. Of this increase, R374 million was due to exchange rate adjustments. After taking into account the surplus of market values and directors' valuations over the book value of investments, the interest of own members amounted to R73.98 (1999: R59.12) per share.

TRADE MARK INTERESTS

Contribution to headline earnings:

- R1 511 mio (1999: R1 538 mio)
  - Decrease 1.8%

Percentage of headline earnings:

- 49% (1999: 55%)

Tobacco

- R&R HOLDINGS:

Effective interest 33¹/₃% (1999: 33¹/₃%)

Rembrandt's tobacco interests are represented by a one-third shareholding in R&R Holdings (R&R), previously named Rothmans International Holdings (RIH). The other two-thirds are held by Compagnie Financière Richemont AG. Prior to the merger referred to, R&R held 100% of the equity of Rothmans International B.V. (RIBV). In June 1999 the merger of RIBV and British American Tobacco Plc (BAT) was completed, resulting in R&R holding an economic interest of 35% in the enlarged BAT; 25% in BAT ordinary shares and 10% in BAT convertible redeemable preference shares.

Accounting issues

For the period under review Rembrandt has, through its interest in R&R, equity accounted $33^1/_3$% of RIBV for the two months to 31 May 1999 and $11^2/_3$% of the enlarged BAT for the ten months to 31 March 2000.

- R&R's accounting policies conform with the valuation principles of International Accounting Standards, which require that full provision be made for all deferred tax assets and liabilities, whereas BAT prepares its financial statements under UK Generally Accepted Accounting Principles, which prescribe partial provisioning for deferred tax. An adjustment is therefore made to account for the difference in the accounting treatment of deferred tax assets and liabilities.
- When it accounted for the merger, BAT recorded goodwill on consolidation which it is amortising over 20 years through its income statement. However, Rembrandt's treatment of the merger had the effect of eliminating its share of that goodwill and consequently the current and all future amortisation thereof. (This was explained in the circular to shareholders dated 15 March 1999 and stated that i.e. Rembrandt did not recognise its share of any gain on the exchange by R&R of the interest in RIBV for that in the enlarged BAT. Rembrandt's effective interest in the latter was recorded, at the date of the merger, at an amount equivalent to the carrying value of its effective interest in RIBV prior to the merger). This does not effect any other goodwill accounted for by BAT which is not related to the merger.
- As BAT's financial year ends on 31 December, the accounting treatment involves adjustments to the annual results of BAT to eliminate the first three months of each year and to add the results for the quarter ending 31 March of the following year.

Financial results

The table below illustrates the adjustments made to BAT's reported results and the composition of R&R's headline earnings for the period to 31 March 2000.

	£ mio
Attributable profit as reported by BAT for the year ended 31 December 1999	556
Attributable profit as reported by BAT for the quarter ended 31 March 2000	55
Adjustments:	
– to eliminate the attributable profit of BAT for the five months to 31 May 1999	(236)
– in respect of deferred taxation	112
– to eliminate goodwill amortisation related to the merger	214
	701
– to eliminate other goodwill amortisation	32
– to eliminate exceptional items reported by BAT (after taxation and minority interests):	
– restructuring costs arising from the merger	245
– gain on disposal of brands	(52)
– restructuring costs arising from the Imasco transaction	45
– charge on acquisition of Japanese distributor	50
– others	3
Adjusted attributable profit of BAT 1 June 1999 to 31 March 2000	**1 024**
R&R's 35% share of the attributable profit of BAT for the period 1 June 1999 to 31 March 2000	358
R&R's 100% share of attributable profit of RIBV for the period 1 April 1999 to 31 May 1999	55
R&R's other income	16
R&R's headline earnings for the period 1 April 1999 to 31 March 2000	**429**
Rembrandt's $33^1/_3$% share thereof	143
	R mio
Converted at an average £/R rate of 9.9075	**1 419**

In the comparative period Rembrandt's $33^1/_3$% share of R&R's headline earnings, which consisted mainly of the attributable profits of RIBV, amounted to £151 million or R1 451 million, at an average £/R rate of 9.5810. The closing £/R exchange rate on 31 March 2000 was 10.4400 (1999: 9.9805).

BAT's results

Comparison of the results in the current and prior years is complicated by the impact of the merger. In operational terms, the merger is now complete. Cost savings as a result of the merger are already being realised and the anticipated level of savings of £250 million per annum will be achieved ahead of schedule.

In the quarter to 31 March 2000 BAT acquired the shares in its Canadian associate, Imasco, which it did not already own, and immediately sold Imasco's two principal non-tobacco businesses, CT Financial Services Inc and Shoppers Drug Mart. The sale process for the third non-tobacco business, Genstar, continues. BAT has retained the Canadian tobacco business, Imperial Tobacco.

BAT has made rapid progress in consolidating its long-term brand portfolio with State Express 555, Kent, Lucky Strike, Benson & Hedges, Dunhill, Rothmans and Pall Mall being its main international brands for the future. As a consequence of the merger, BAT is in a strong position to expand further its position as the world's second largest tobacco company and, during 1999, increased its global market share to 15.4% and its share of the important premium international brand segment to 17.6%.

Subsequent to year-end

R&R gave notice during the year of its intention to exercise the put option in respect of one-half of the convertible redeemable preference shares which it held in BAT, at £5.75 per share. The cash consideration amounting to £695 million was received by R&R on 7 June 2000. Rembrandt's one-third interest in the consideration amounted to £231.7 million (some R2 400 million). R&R's interest in BAT has been reduced from 35% to 31.58%. Rembrandt's effective interest in BAT has therefore been reduced from 11.67% to 10.53%. The remaining half of the preference shares is redeemable on 7 June 2004 at £6.75 per share.

Wine and Spirits

Rembrandt has a 30% interest in each of Stellenbosch Farmers' Winery Group Limited (SFW) and Distillers Corporation (SA) Limited (Distillers).

The combined contribution to headline earnings by these interests decreased marginally to R75 million (1999: R77 million).

Both companies reported difficult trading conditions. Although market share was generally maintained, and in certain important categories gained, the total market remained disappointing.

During April of this year it was announced that Distillers and SFW had agreed to consider proposals regarding the merger of the two companies. It is believed that the combined business will be in a better position to tackle the future challenges and opportunities, both locally and abroad.

MINING INTERESTS

Contribution to headline earnings:
- R495 mio (1999: R350 mio)
  - Increase 41.4%

Percentage of headline earnings:
- 16% (1999: 13%)

BILLITON:

Effective interest 8.9% (1999: 8.9%)

Billiton Plc's (Billiton) contribution to Rembrandt's headline earnings increased by 29% to R248 million.

In its most recent profit announcement, for the six months to 31 December 1999, Billiton reported earnings of US $241 million, up 46% over the comparative period. The upturn in prices of commodities did not reach the markets relevant to Billiton before the end of December. Realised prices for important metals were therefore lower. However, Billiton's earnings growth for that period was favourably influenced by certain minority buy-outs in the previous year, and lower taxation.

Billiton mentioned that there were signs which suggest that the worst of the commodity cycle has passed and it believes that it has a good platform for future growth.

GENCOR:

Effective interest 10.9% (1999: 11.0%)

Gencor Limited's (Gencor) contribution to headline earnings increased from R58 million in 1998/99 to R82 million in the year under review. This relates to Gencor's two consecutive six month periods, of which the latter ended on 31 December 1999.

The increase is mainly attributable to improved results from Impala Platinum Holdings Limited (Implats), due to firmer prices and strong demand, higher sales volumes, an increase in net interest income and well-contained costs.

Subsequent to Rembrandt's year-end, Gencor distributed its interests in Gold Fields Limited, Gold Fields of South Africa Limited and Standard Bank Investments Corporation Limited in terms of an unbundling, while retaining Implats as a strategic holding.

GFSA:

Effective interest 15.3% (1999: 15.3%)

Gold Fields of South Africa Limited (GFSA) contributed R42 million (1999: R7 million) to Rembrandt's earnings.

GFSA's restructuring and unbundling continues and during May of this year it distributed its interests in GFL and Northam Platinum Limited to its shareholders.

The two remaining significant investments held by GFSA are its shareholdings in New Wits and Vogels. Both these companies have since initiated voluntary liquidation proceedings. Once this has been completed, GFSA will have cash as its only significant asset and it will then be in a position to consider declaring a dividend in anticipation of liquidation.

Gencor Limited's (Gencor) contribution to headline earnings increased from R58 million in 1998/99 to R82 million in the year under review.

GFL:

Effective interest 11.0% (1999: 13.1%)

The contribution by Gold Fields Limited (GFL) increased by R19 million to R83 million.

This is not strictly comparable because in the previous financial period, GFL was equity accounted for only six months to 31 December 1998 following the unbundling of GFL shares by GFSA. In the light thereof, a higher increase in the contribution from GFL could have been expected for the full year to December 1999. However, Rembrandt's effective interest in GFL, including its indirect interest via Gencor, reduced by 2.1% during the period under review. Furthermore, GFL had a weak quarter to September 1999 with high operating costs and lower revenues.

GFL is an associated company with a June year-end. Rembrandt's share of its earnings for the twelve months to December each year is equity accounted.

TRANS HEX:

Effective interest 42.9% (1999: 50.0%)

Trans Hex Group Limited's (Trans Hex) headline earnings per share increased by 31% to 126 cents (or R80 million) on diamond sales of R366 million which is an increase of 29%. This was attributable to increased production, a better product mix and higher US $prices.

Total carat production increased by 19% to 135 751 carats, despite the impact of very poor weather conditions on marine production. Mine development continued satisfactorily at Baken, and the entire paleochannel will be fully evaluated by October 2000. Encouraging results were also reported by the Bloeddrif and Reuning projects.

Trans Hex's mergers with Gem Diamond Mining Corporation Limited and Benguela Concessions Limited were successfully completed and were effective from 31 March 2000.

Although Rembrandt acquired 5 million shares in Trans Hex during December 1999, the interest has been diluted to 43% as a result of the shares issued by Trans Hex in terms of the above mergers.

INDUSTRIAL INTERESTS

Contribution to headline earnings:

- R384 mio (1999: R291 mio)
  - Increase 32.0%

Percentage of headline earnings:

- 12% (1999: 10%)

HL & H:

Effective interest 72.6% (1999: 70.3%)

Hunt Leuchars & Hepburn Holdings Limited (HL & H) had a satisfactory year with headline earnings up 23%. The contribution to Rembrandt's headline earnings increased by R28 million to R138 million.

The year to 31 March 2000 reflected for the first time a full year's trading results of the joint venture that Robertsons entered into with Bestfoods on 1 July 1998. HL & H's total revenue increased by 13% over the previous year; Robertsons' by 16% and Transvaal Sugar Limited's (TSB) by 7%. TSB's turnover suffered as a result of low world sugar prices, while Robertsons' sales reflected a strong overall performance from all its businesses. HL & H's operating income grew by 22%, reflecting improved efficiencies in TSB, while Robertsons maintained its operating margins in a highly competitive market.

HL & H and The Tongaat-Hulett Group (Tongaat) are negotiating with regard to the acquisition by Tongaat of TSB. When concluded, this transaction will be subject to Competitions Board and other regulatory approvals.

It was also announced that Industrial Partnership Investments Limited (IPI), a subsidiary of Rembrandt, would consider proposing schemes of arrangement in terms of Section 311 of the Companies Act, between HL & H and its ordinary and preference shareholders as well as other holders of relevant instruments. Through this IPI would acquire HL & H ordinary and preference shares, and other relevant instruments held by such scheme members, on the final completion of the Tongaat/TSB transaction. A further announcement will be made in due course.

RAINBOW:

Effective interest 55.9% (1999: 55.9%)

Rainbow Chicken Limited's (Rainbow) headline earnings for the year under review was R13.7 million compared to a loss of R11.1 million in the previous year.

Rainbow's operating profit amounted to R52.0 million (1999: R34.0 million) which consisted of a loss of R24.1 million and a profit of R76.1 million for the first and second six month periods respectively.

Further improvements in key performance indicators and production costs are being achieved, while progress in marketing and customer services are beginning to bear fruit. In view of Rainbow's expectation that price realisations will not materially improve, its performance in the coming year will largely depend on the successful continuation of the restructuring and streamlining process.

METKOR:

Effective interest 100% (1999: 75.7%)

During March 2000, Rembrandt acquired the shares of the minorities in Metkor Group Limited (Metkor) for R46 million in cash, plus 2.8 million Dorbyl Limited shares. Metkor became a wholly-owned subsidiary company and its listing on the Johannesburg Stock Exchange was terminated.

Through the wholly-owned Metkor, Rembrandt now holds 100% of Wispeco Holdings Limited and 50% of Air Products South Africa (Pty) Limited.

DORBYL:

Effective interest 41.1% (1999: 41.1%)

Rembrandt's interest in Dorbyl Limited (Dorbyl) was previously held, in part, directly (16%) and partially, through Metkor (25%) by virtue of Metkor's 60% interest in International Pipe & Steel Investments South Africa (Pty) Limited (IPSA) which held 50% of Dorbyl. The other 40% of IPSA was held by the Anglo American group. Metkor also held a 3% in Dorbyl directly.

During February 2000, Anglo American sold its shares in IPSA to Metkor, and for the same value, bought shares in Dorbyl from IPSA.

This resulted in IPSA also becoming a wholly-owned subsidiary of Rembrandt. Rembrandt now holds a direct interest in Dorbyl of 41% through its wholly-owned subsidiaries.

While Dorbyl was consolidated as a subsidiary in the previous year, it has been equity accounted as an associated company for the full 1999/2000 financial year.

Dorbyl's headline earnings increased by 38% to R106 million in the year under review. Activity levels in most economic sectors served by Dorbyl were depressed for most of the year, resulting in intense competition and suppressed margins. Effective cost saving and cost containment was therefore necessary to protect its operating income, which improved 34% on a negligible turnover increase.

Dorbyl reported that no further significant disposals or retrenchments are planned. In addition, all installations of modern ERP based information systems have been essentially completed. Accordingly, for the first time in six years there will, in the year ahead, be operational stability, facilitating total focus on efficiency issues.

MALBAK:

Effective interest 47.9% (1999: 47.5%)

Malbak Limited (Malbak) reported headline earnings of R196 million (1999: R224 million) for the year under review.

The results reflect the difficulties experienced by the packaging industry globally. Raw material price increases which could not be passed on to the customer, overcapacity, disruptive weather patterns and fierce competition had an adverse effect on turnover growth and operating margins.

During the year Malbak disposed of non-core activities, including its effective 50% holding in Kimberly-Clark of Southern Africa and Kohler Corrugated. This generated some R689 million. Acquisitions in South Africa during the period included Salpak – flexible liquids packaging, Divpac – cores, and Interpak – folding cartons, at a cost of R83 million.

Offshore, Malbak acquired the minority interest in M.Y. Holdings Plc at a cost of R654 million in February 2000 and the business of Farmografica Srl, an Italian manufacturer of healthcare packaging, at a cost of R32 million.

On 24 May 2000, Malbak announced that it was in the process of acquiring the folding cartons business of Low & Bonar Plc (L&B) for a cash consideration of approximately R835 million (£80 million). This acquisition places Malbak in a dominant position in the folding cartons market – No. 1 in South Africa, No. 2 in the United Kingdom and No. 4 in Europe. L&B is well invested in state-of-the-art technology and has some of the most modern plants available in Europe. It has four operations situated in the United Kingdom, one in the Netherlands and one in Belgium.

Malbak reported that there are few signs of an economic upturn in the sectors relevant to the packaging industry in South Africa. As local operating efficiencies are adjusted, margins are expected to improve. The United Kingdom and European economies are still showing growth but margins are likely to remain under pressure until such time as the current consolidation activity removes surplus production capacity from the market place.

Dorbyl's headline earnings increased by 38% to R106 million in the year under review. Effective cost saving and cost containment was therefore necessary to protect its operating income, which improved 34% on a negligible turnover increase.

FINANCIAL SERVICES

Contribution to headline earnings:

R244 mio (1999: R232 mio)

Increase 5.2%

Percentage of headline earnings:

8% (1999: 8%)

ABSA:

Effective interest 9.5% (1999: 9.5%)

The headline earnings of Absa Group Limited (ABSA) for the year ended 31 March 2000 increased by a disappointing 1.0% to R1 988 million.

ABSA reported that growth in net interest income was negatively affected by low growth in advances and lower net interest margins. Interest rate risk management strategies, put in place since the first quarter of the year under review, led to an improvement in the margin during the second half of the year.

The increase in real interest rates in 1998 and the deterioration in the domestic economy increased the incidence of bad debts, and ABSA had to make provision in excess of levels experienced in the past.

SAGE:

Effective interest 16.6% (1999: 16.4%)

Sage Group Limited (Sage) reported an increase of 22% in headline earnings per share. Its contribution to Rembrandt's earnings increased to R57 million (1999: R45 million).

Its operating results reflect a 89.3% contribution from the predominant life assurance interests, 7.5% from unit trust activities and the balance of 3.2% from other financial services, including property.

New business in life assurance showed continued strong progress. This expanded Sage's market share to 30.6% in its chosen core focus area of individual recurring premiums.

CORPORATE FINANCE AND OTHER INTERESTS

Contribution to headline earnings:

- R446 mio (1999: R398 mio)
  - Increase 12.1%

Percentage of headline earnings:

- 15% (1999: 14%)

CORPORATE:

Effective interest 100% (1999: 100%)

The corporate interests mainly comprise group services, group treasury and portfolio investments. These divisions contributed R139 million to group earnings compared to R199 million the previous year. This decrease was mainly due to the effect of lower interest rates on the income from cash resources. The latter amounted to R1 713 million at year-end, compared to R2 102 million the previous year.

MEDI-CLINIC:

Effective interest 51.2% (1999: 50.4%)

Medi-Clinic Corporation Limited (Medi-Clinic) increased headline earnings by 25%. Its contribution to Rembrandt's earnings was R104 million (1999: R81 million).

Medi-Clinic reported that admissions and theatre cases increased, while the average length of stay remained more or less constant. The integration of the Auckland hospitals has been successfully completed and rationalisation benefits have been realised. New hospitals performed well and as a whole did better than was generally expected.

Medi-Clinic will remain focused on the improvement of the mix of its facilities by adapting to the needs of the market and increasing patient volumes by utilising demographic changes.

Taking the above into account as well as the inherent growth due to the ageing of the medical scheme population, higher patient expectations and new technology, Medi-Clinic expects to maintain its steady growth pattern.

VODACOM:

Effective interest 13.5% (1999: 13.5%)

Vodacom Group (Pty) Limited (Vodacom) continues to be the industry leader in South Africa. The growth in the market, particularly in pre-paid subscribers, shows no sign of slowing down. Continued innovation of products, the expected growth in the economy and the entry of a third network operator should ensure that the current market of more than 5 million subscribers on 31 March 2000 increase to approximately 7 million by March 2001. Vodacom is well placed to attract the bulk of this growth to its network.

Vodacom's turnover for the year to 31 March 2000 grew by 41.7% to R9.7 billion. Attributable income increased by 71.9% to R1.4 billion. Its capital expenditure for the year to 31 March 2001 will be in excess of R3.8 billion and will be financed from Vodacom's internal resources and borrowings.

TRACKER:

Effective interest 42.9% (1999: 48.8%)

With more than 76 000 vehicles equipped with its stolen vehicle recovery system, Tracker Investment Holdings (Pty) Limited (Tracker) has now established itself as the market leader. Various initiatives in conjunction with short-term insurance companies to penetrate the medium to lower end of the vehicle market have resulted in significant growth. On average, more than 4 000 units are now being installed each month, making Tracker the fastest growing system of its kind in South Africa.

To date, more than 5 100 stolen vehicles have been recovered, more than 1 100 arrests made and more than 90 vehicle crime syndicates have been exposed as a direct result of the Tracker system. These results would not have been possible without the support and commitment of the South African Police Service, in particular the reactionary units, who utilise more than 1 100 tracking computers.

TAXATION

In his budget speech in February of this year, the Minister of Finance announced substantial changes to the South African taxation regime. A residence basis of taxation will be adopted with effect from the year of assessment, commencing on or after 1 January 2001. As part of a phased approach to the introduction of this basis, foreign dividends became taxable with effect from 23 February 2000, subject to certain relief. Furthermore, a capital gains tax will be introduced with effect from 1 April 2001.

Rembrandt has made certain representations to the relevant authorities. The manner in which the taxes are levied must be fair and equitable. Also, it must not be administratively unduly burdensome, extraordinarily complex or lead to adverse economic implications for South Africa. If necessary, Rembrandt will inform shareholders of the possible effect of the new taxes as soon as the legislation has been finalised.

ACKNOWLEDGEMENTS

To all of those who contributed to the success of the Group over the past year, we extend our sincere thanks: to the shareholders for their continued confidence; the managing directors and all colleagues in the various Group companies for their co-operation and support; all other directors, officials and employees for their dedication and all parties concerned for services rendered to the Group.

In particular, we express our gratitude to Mr J A Rupert who retired from the Board on 24 November 1999 for his valuable contribution over more than 44 years. We welcome Mr J W Dreyer who joined the Board of this Company on 1 January 2000.

Johann Rupert

Thys Visser
Stellenbosch
14 June 2000

COMMUNITY SERVICE

"There is no danger in sharing, and the marvel of it is that you have little competition" – Dr A E Rupert

The structural changes which took place in the Group during the past year also had an influence on the programme of service to the community.

In the course of the merger of the Group's tobacco interests with those of British American Tobacco Plc., the biggest portion of existing community commitments were transferred to BAT. What have been retained are certain initiatives closely associated with Rembrandt as well as support of organisations with which the Group has historic ties.

Various new projects came on board, among which are the Southern African Wildlife College, the SA College for Tourism in Graaff-Reinet, a schools project at Jacobsdal in the Free State as well as the South African Golf Development Board.

The following are some highlights of projects and organisations in which the Group is actively involved:

ENTREPRENEURSHIP AND TRAINING

Business Trust – at the end of 1999, the Group made a grant of R30 million to the Business Trust in support of the latter's objectives to create jobs and to develop the country's manpower potential. The Trust was established in 1998 when listed and non-listed companies agreed to contribute according to a fixed formula to job creation and training.

The Group asked the Business Trust to divide its contribution of R30 million equally between the Southern African Wildlife College and the SA College for Tourism. The Trust has indicated that it will be sympathetic towards this request.

Helpmekaar Study Fund – for more than 80 years this organisation has been contributing to tertiary education, especially in the Western Cape. The Helpmekaar Study Fund is one of only a few organisations which lend money at reasonable interest rates to students for the duration of their courses.

The last contribution of a total grant of R1 million over five years will be made by the Group during the 2000/2001 financial year to support the Helpmekaar's entrepreneurship programme. The objective of this programme is to help promising young people, who otherwise would have had problems in obtaining the necessary funds, to prepare themselves for careers as entrepreneurs and job creators.

SA College for Tourism – this college, which was established with funding from the Rupert Family Foundations, will initially concentrate on the training of entrepreneurs in the hospitality industry. The focus will be on adults who are interested to be trained as owners and managers of guest-houses.

The first students are expected to register early next year. People from rural areas in the vicinity of the country's nature parks will be targeted for training in the following three areas: entrepreneurship, hospitality studies and cultural- and ecotourism, and community development.

Southern African Wildlife College – since its opening in 1997, this college near Hoedspruit has gone from strength to strength. The objectives of this regional initiative are to motivate the managers of conservation areas in Southern Africa and to equip them with the necessary skills in managing their areas in a sustainable manner. The first diploma course and the second certificate course of the college were successfully concluded with a diploma ceremony in December 1999.

ENVIRONMENT

World Wide Fund for Nature South Africa (WWF-SA) – as a founder member, the Group has, since 1968, supported the objectives of this nature conservation organisation which is continuously facing new challenges because of the huge development needs in the region. During the past year WWF-SA has supported 230 projects, highlights of which are the following:

WWF-SA's 11 year campaign to establish a national park in the Succulent Karoo finally came to fruition when the first national park in Namaqualand, the Namaqua National Park of 50 000 ha, was proclaimed in August 1999. The first step to achieve this objective was taken more than a decade ago when, through a donation by Dr Rupert, WWF-SA was able to buy a piece of land of 930 ha near Kamieskroon, today known as the Skilpad Wildflower Reserve.

Property of great significance was bought in the Northern Province for the Vhembe/Dongola National Park. It will form part of the proposed Limpopo Transnational Conservation Area which is jointly being planned with Botswana and Zimbabwe in partnership with the Peace Parks Foundation.

WWF's international *Living Planet Campaign* is making good progress on behalf of conservation world-wide. WWF-SA's contribution, *Campaign 2000*, aims to assist with the conservation of the country's remaining natural resources. The Group contributed R500 000 to this campaign during the past year.

CULTURAL DEVELOPMENT

The *Rembrandt van Rijn Art Foundation* currently presents a unique photo-essay of the Namib by the Swiss photo essayist Hansruedi Büchi. This travelling exhibition which, to date, has been exhibited in six of the main centres and visited by approximately 36 000 people, is compiled of big format photographs. It will also shortly be seen in Namibia. Press reports and public comments have been favourable and appreciation has been expressed for the opportunity to see these extraordinary photographs.

Historical Homes of South Africa has since 1966 been involved in the conservation of historical buildings on a purely business basis. Neatly restored buildings are an asset and a steady source of tourism income which enable many small towns to function as proper economic units in the absence of factories. They also provide a valuable stimulus for job creation through the hotel and guest-house industry.

Cape Philharmonic Orchestra (CPO) – when some years ago the CPO was threatened with closing down, a fate shared by many other orchestras at present, the Group came out in support of efforts to help safeguard the future of the CPO as a cultural asset for the Western Cape. To support this drive, the Group pledged R1.5 million over five years.

SPORT DEVELOPMENT

SA Golf Development Board (SAGDB) – the Group is a founder member of this organisation which was established on 1 August 1999 with the aim of making golf more accessible to South African youth, and especially for those from deprived communities.

SAGDB, which was registered as a section 21 company, enjoys the support of all the official golfing bodies in the country as well as that of the Minister of Sport. For development purposes, the country has been divided into ten regions. The SAGDB will strive to increase the number of participants significantly and in such a way that they will reflect the demography of the country. During the past year the Group contributed R500 000 to this initiative.

COMMUNITY DEVELOPMENT

Organ Donor Foundation of SA – the Group is grateful to report that the aircraft and staff of Falconair once again made a valuable contribution to assist those patients who were waiting for life-sustaining organs. During the past year five flights, often on short notice and in the middle of the night, were undertaken to transport organs for critical operations.

Jacobsdal Schools Project – the Group's involvement in this project originated from a visit initiated by the former President, Mr Nelson Mandela, to the Panorama School in Jacobsdal in May last year. During the visit the educational needs of this irrigation area in the Free State were spelt out to the Group. After discussions with the local community, the Group agreed to build two primary schools for 350 and 250 learners at an estimated total cost of R7 million.

The first phase of the project involved the reintroduction of a bus service at a cost of R483 362 to transport the children daily from the irrigation area to schools in Jacobsdal. The service had earlier been terminated because of a lack of funds.

In the second phase nine mobile classrooms were transported to the designated stands at a cost of R105 127 to ensure normal teaching in the first quarter of 2000. It is estimated that the construction phase will be completed by the end of the third quarter this year.

CORPORATE GOVERNANCE

Rembrandt Group Limited was incorporated in 1948, listed on the Johannesburg Stock Exchange in 1956 and will hold its 52nd Annual General Meeting this year.

The Company has always upheld strict principles of corporate governance similar to those recommended by the King Report's Code of Corporate Practices and Conduct. The Company therefore endorses the principles contained therein. Regarding compliance with the Code, attention is drawn to the fact that the Company has an Executive Chairman. This is referred to below.

CORPORATE STRUCTURE

The Company is an investment holding company which has the necessary corporate infrastructure through its wholly-owned subsidiaries.

Subsidiaries which are not wholly-owned are mainly listed companies with independent Boards of Directors on which this Company has non-executive representation. Other non-subsidiary investments comprise both listed and unlisted companies which are not controlled by this Company and which are mostly associated companies due to significant influence and Board representation.

The Company's activities are, therefore, mainly concentrated on the management of investments and the provision of support, than on being involved in the day-to-day management of business units of those investees. The Company is a long-term investor, forging strategic alliances on a partnership basis while endeavouring to add value where possible.

All the Company's listed subsidiaries and associates endorse the Code of Corporate Practices and Conduct. The Company continues to encourage full compliance where possible and disclosure where not.

BOARD OF DIRECTORS

The Board, which meets at least six times a year, consists of fourteen directors, four of whom are non-executive. Details of the directors are provided on page 3 of the Annual Report.

The Chairman of the Board is Mr Johann Rupert who is also an executive director. The Board considers it in the Company and the Group's best interest to have an executive chairman.

BOARD COMMITTEES

The Company has an Executive Committee which meets between Board meetings to deal with issues delegated by the main Board.

The Group Audit Committee, which consists of two non-executive and two executive directors, meets four times a year to deal with issues relating to internal control including internal and external audit, accounting policies and financial reporting within the mandate given by the Board. The committee is chaired by a non-executive director and meetings are attended by the Managing Director as well as both the external and internal auditors.

All members of the Board are kept fully informed of the matters dealt with and resolutions taken by the aforementioned committees and are afforded the opportunity to raise any matters as they may deem necessary.

The Remuneration Committee consists of Dr A E Rupert and Mr J A Rupert, both members of the Group Advisory Board, and Mr Johann Rupert.

GROUP ADVISORY BOARD

The Company has the privilege of calling upon the advice of this non-statutory board which consists of Dr A E Rupert (Chairman), Prof J N de Villiers, Dr O D Dhlomo, Mr R P Gouws, Dr V E Hesse, Mr F P Kotzee, Mr E B Levenstein, Mr D J Marlow, Mr J A Rupert, Dr C J Saunders and Mr H M Shikwane.

EMPLOYMENT EQUITY

In terms of the Employment Equity Act, the Company strives to afford all staff the opportunity to realise their full potential.

A Steering Committee and various Work Groups, together with management, are determining training and development needs and are also involved in the implementation and monitoring of the Company's labour plan. Special attention is given to those groups which, because of historic reasons, might be lagging behind.

The Company believes that the quality of its staff is an important sustainable competitive advantage it has over its rivals. Therefore it believes that its success does not lie in the uniformity of its staff but in the diversity and development of their collective talents. For that, space and opportunities will always be created.

INTERNAL CONTROL

The directors are responsible for the Company's system of internal control, which is designed to provide reasonable, but not absolute, assurance against material misstatement and loss. Internal control is broadly defined as a process, effected by a company's board of directors, management and other personnel, designed to provide reasonable assurance regarding the achievement of efficiency and effectiveness of operations, sound financial controls and compliance with applicable laws and regulations.

The system contains self-monitoring mechanisms, and actions are taken to correct deficiencies as they are identified. Even an effective system of internal control, no matter how well designed, has inherent limitations, including the possibility of circumvention or overriding of controls. One of the aims of an effective system of internal control is to provide reasonable assurance with respect to the reliability of financial information and, in particular, financial statements' presentation. Furthermore, because of changing conditions, the effectiveness of a system of internal control may vary over time.

The Company has an internal audit function in operation which has been outsourced. The assurance that the system of internal control is effective and timeously adjusted to changing conditions, is enhanced by the duties of the internal auditors.

The Group Audit Committee has reviewed the systems of internal control of the Company and its wholly-owned subsidiaries for the financial year to 31 March 2000. The directors are of the opinion that, based on inquiries received and the reports from the Internal Auditors, the systems of internal control were effective for the period under review.

The Group Audit Committee has also reviewed the minutes of the Audit Committees of its material non wholly-owned subsidiaries and associated companies and has made all the necessary enquiries.

SEVEN YEAR CONSOLIDATED FINANCIAL REVIEW

	2000	1999	1998	1997	1996	1995	1994
	R mio	R mio	R mio	R mio	R mio	R mio	R mio
BALANCE SHEET							
Capital employed							
Share capital	**5**	5	5	5	5	5	5
Share premium	**26**	26	26	26	26	26	26
Reserves	**16 599**	15 132	12 839	10 743	8 992	7 687	7 059
Interest of own members	**16 630**	15 163	12 870	10 774	9 023	7 718	7 090
Interest of outside shareholders	**801**	1 396	1 455	1 565	1 080	417	554
Total shareholders' interest	**17 431**	16 559	14 325	12 339	10 103	8 135	7 644
Interest-bearing debt	**406**	913	617	496	884	733	683
	17 837	17 472	14 942	12 835	10 987	8 868	8 327
Employment of capital							
Fixed assets	**2 356**	2 932	2 404	2 401	1 839	1 530	1 504
Investments and loans	**13 543**	11 454	9 997	7 964	6 797	5 849	5 513
Current assets	**2 978**	4 933	4 124	3 861	3 474	2 389	2 289
Total assets	**18 877**	19 319	16 525	14 226	12 110	9 768	9 306
Interest-free debt	**1 040**	1 847	1 583	1 391	1 123	900	979
	17 837	17 472	14 942	12 835	10 987	8 868	8 327
Interest of own members – per share *(Rand)*	**31.86**	29.05	24.66	20.64	17.29	14.79	13.58
INCOME STATEMENT							
Net operating income before taxation	**568**	645	437	466	977	1 200	1 081
Taxation	**139**	205	186	150	331	460	409
Net operating income after taxation	**429**	440	251	316	646	740	672
Equity adjustment	**2 767**	2 489	2 015	1 694	915	432	432
Net income before exceptional items	**3 196**	2 929	2 266	2 010	1 561	1 172	1 104
Amortisation of goodwill by associated companies	**(45)**	–	–	–	–	–	–
Exceptional items	**(332)**	(35)	(126)	303	–	(214)	(17)
Net income	**2 819**	2 894	2 140	2 313	1 561	958	1 087
Attributable to outside shareholders	**94**	101	31	107	80	9	54
Attributable net income	**2 725**	2 793	2 109	2 206	1 481	949	1 033
Headline earnings per share *(cents)*	**590.0**	538.1	422.6	369.5	282.4	220.5	199.6
Earnings per share *(cents)*	**522.0**	535.1	404.0	422.6	283.7	181.8	197.9
Dividends per share *(cents)*							
– ordinary	**120.00**	104.35	88.37	76.84	62.45	49.96	43.44
– special	**30.00**	100.00					14.52

2000 – Dorbyl, previously consolidated, has been equity accounted since 1 April 1999.
1999 – Figures have been restated. Refer to the Report of the Board of Directors.
1998 – Exceptional items include: Costs of restructuring and discontinuance of operations at Dorbyl, Rainbow Chicken and Wispeco: R127 million.
1997 – Rainbow Chicken, previously equity accounted, has been consolidated since 1 October 1996.
– HL & H Timber was sold on 1 April 1996.
– Exceptional items include: Capital surplus on the sale of long-term investments: R140 million.
1996 – The tobacco interests, previously consolidated, have been equity accounted since 1 October 1995.
– Metkor Group and Dorbyl, previously equity accounted, have been consolidated since 1 April 1995.
1995 – Exceptional items include: – Costs relating to health warning legislation and operating rationalisation of tobacco interests: R55 million; – Share of writedown by GFSA of its investment in Northam: R112 million.

REPORT OF THE INDEPENDENT AUDITORS

TO THE MEMBERS OF REMBRANDT GROUP LIMITED

We have audited the annual financial statements and group annual financial statements of Rembrandt Group Limited set out on pages 18 to 44 for the year ended 31 March 2000. These financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

SCOPE

We conducted our audit in accordance with statements of South African Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures included in the financial statements,
- assessing the accounting principles used and significant estimates made by management, and
- evaluating the overall financial statement presentation.

We believe that our audit provides a reasonable basis for our opinion.

AUDIT OPINION

In our opinion, the financial statements fairly present, in all material respects, the financial position of the Company and Group at 31 March 2000 and the results of their operations and cash flows for the year then ended in accordance with South African Statements of Generally Accepted Accounting Practice, and in the manner required by the Companies Act in South Africa.

PricewaterhouseCoopers Inc.

PRICEWATERHOUSECOOPERS

Registered Accountants and Auditors
Chartered Accountants (SA)

Stellenbosch
14 June 2000

CERTIFICATE BY THE COMPANY SECRETARY

I, Johannes Cornelis Engelbrecht, being the Company Secretary of Rembrandt Group Limited hereby certify that all returns required of a public company have, in respect of the year under review, been lodged with the Registrar of Companies and that all such returns are true, correct and up-to-date.

J C Engelbrecht
Secretary

Stellenbosch
14 June 2000

REPORT OF THE BOARD OF DIRECTORS

FOR THE YEAR ENDED 31 MARCH 2000

Dear Shareholder

Your Board has pleasure in reporting on the activities and financial results of your Group for the year under review.

NATURE OF ACTIVITIES

Your Company is an investment holding company. The Group derives its cash income mainly from dividends and interest. The consolidated annual financial statements incorporate the equity accounted attributable income of associated companies.

Your Group's interests consist mainly of investments in tobacco products, banking and financial services, printing and packaging, engineering and motor components, adhesives, life assurance, medical services, mining, petroleum products, cellular communications, food, wine and spirits and various other trade mark products.

CAUTIONARY ANNOUNCEMENT

In a joint cautionary announcement on 14 June 2000 shareholders of Technical and Industrial Investments Limited, Technical Investment Corporation Limited, Rembrandt Controlling Investments Limited and Rembrandt Group Limited (the Group) were advised that the directors of the Group are considering restructuring proposals which will lead to the separation of the underlying investments of Rembrandt Group Limited into two separate listed companies, the one representing the Group's established investments and the other the technology orientated investments.

Further announcements will be made in due course. Shareholders are accordingly advised to exercise caution in dealing in the shares of companies in the Group.

GENERAL REVIEW

OPERATING RESULTS

Year ended 31 March:	**2000**	1999
Headline earnings (R million)	**3 080**	2 809
– per ordinary share (cents)	**590.0**	538.1
Attributable net income (R million)	**2 725**	2 793
– per ordinary share (cents)	**522.0**	535.1
Dividends paid (R million)	**626**	1 067
Provision for special dividend (R million)	**157**	–
– ordinary – per ordinary share (cents)	**120.00**	104.35
– special – per ordinary share (cents)	**30.00**	100.00

INVESTMENTS

The most important changes during the period under review were as follows:

Sappi Limited (Sappi)
The 3.5% interest in Sappi was sold for R337 million. A capital surplus of R194 million was realised and accounted for as an exceptional item.

Malbak Limited (Malbak)
During August 1999 a further investment of R30 million was made in Malbak. On 31 March 2000 the direct interest in Malbak was 44%.

Compagnie Financière Richemont AG (Richemont)
5.67 million Richemont depository receipts were purchased during July 1999 at a cost of R636 million. Together with the 47 293 A units acquired during 1997, Rembrandt held an effective interest of 1.8% in Richemont on 31 March 2000. Only dividend income is accounted for in respect of this investment.

Trans Hex Group Limited (Trans Hex)

During December 1999 a further investment of R38 million was made in Trans Hex. Trans Hex issued additional shares to finance the merger with Benguela Concessions Limited and Gem Diamond Mining Corporation Limited, resulting in the interest being diluted to 42.9% with effect from 31 March 2000.

Metkor Group Limited (Metkor)

Rembrandt acquired all the shares of the minorities of Metkor with effect from 28 February 2000. The investment was financed by R46 million cash plus 2.8 million Dorbyl shares.

Dorbyl Limited (Dorbyl)

The control structure of Dorbyl changed during the year. The effective interest of 41.1%, previously accounted for as a subsidiary company, has been equity accounted as an associated company from 1 April 1999.

Luna Corporation Limited (Luna)

During November 1999 an interest of 13.6% was acquired in Luna at a cost of R34 million. Luna has a 63.3% interest in Southern African Investments Limited (SAIL), which is listed on the Johannesburg Stock Exchange.

Hunt Leuchars & Hepburn Holdings Limited (HL & H)

During December 1999 all the outstanding compulsorily convertible debentures of HL & H, a subsidiary company, were acquired at a cost of R52 million.

British American Tobacco Plc. (BAT)

As mentioned in the previous Annual Report, Rothmans International BV (RIBV) and BAT merged their businesses effective 7 June 1999. R&R Holdings Soc.An. (R&R), in which Rembrandt holds a one-third interest, had consequently exchanged its 100% of RIBV for 35% of the enlarged BAT; 25% in ordinary shares and 10% in convertible preference shares. Rembrandt's effective interest in BAT was therefore 11.67%.

Medi-Clinic Corporation Limited (Medi-Clinic)

On 31 March 2000, the interest in Medi-Clinic was 51.2% on a fully diluted basis. The interest in excess of 50% is only temporary as a result of personnel options which have not been exercised and would dilute the interest to 50% or less. Medi-Clinic has not been consolidated as a subsidiary company, but, as in the past, has been equity accounted as an associated company.

Subsequent to the year-end:

During April 2000 Rembrandt exchanged 484 200 Richemont depository receipts for an additional interest of 22.4% in Luna at a price of R70.7 million. The interest is now 36%.

The 49% interest in W & A Gilbey (South Africa) (Pty) Limited was sold for R45 million in April 2000.

During April 2000 Gencor Limited distributed its interests in Gold Fields Limited (GFL), Gold Fields of South Africa Limited (GFSA) and Standard Bank Investment Corporation Limited (Stanbic) to its shareholders by way of unbundling. Thereafter GFSA also distributed its interests in GFL and Northam Platinum Limited (Northam) to its shareholders by way of unbundling. After these unbundlings, the interests in these companies are as follows: GFL 11.3%, GFSA 18.1%, Stanbic 0.2% and Northam 11.6%.

Rembrandt has undertaken to acquire an interest in Midi TV, the holding company of e.tv, by investing R280 million. The structuring of this investment is subject to approval by the Independent Broadcasting Authority.

R&R, in which Richemont holds the other two-thirds interest, decided to exercise the put option in respect of one-half of the convertible preference shares of BAT at £5.75 per share. Consequently R&R received £695 million on 7 June 2000. Rembrandt's effective interest in BAT reduced to 10.53%.

REPORT OF THE BOARD OF DIRECTORS

GROUP FINANCIAL REVIEW

Prior year adjustments

Changes in accounting policy
The policy in respect of the accounting for income from foreign associated companies, has been changed to comply with the amended South African Statement of Generally Accepted Accounting Practice in respect of investments in associated companies.

The full attributable net income of foreign associated companies is consequently translated to SA rand at the average of the exchange rates prevailing during the reporting period for each of the currencies concerned. Previously only the retained portion of income of foreign associated companies was translated to SA rand at the average exchanged rates, whilst dividends received were accounted for at the rates of exchange ruling on the dates of the transactions.

The comparative figures for the year ended 31 March 1999, have been restated as indicated below.

Dorbyl's results
As previously announced, Dorbyl restated its results for the year ended 31 March 1999. The effect of this restatement on headline earnings is indicated below.

Restatement of comparative figures

Per share	Year ended 31 March 1999
Headline earnings as previously reported	548.9c
Changes in accounting policy	(8.8c)
Restatement of Dorbyl's results	(2.0c)
Restated headline earnings	538.1c

Balance sheet

Capital employed at 31 March 2000 amounted to R17 837 million (1999: R17 472 million) of which R17 431 million (1999: R16 559 million) was represented by shareholders' funds.

The interest of own members in shareholders' funds at book value increased by R1 467 million, or R2.81 per share, to R16 630 million, or R31.86 per share (1999: R15 163 million, or R29.05 per share).

The analyses of "Employment of capital", "Revenue" and of "Source of headline earnings" below reflect the divisions into which the interests have been classified. Each division represents the main business sector of the investments classified thereunder. No adjustment has been made where companies are mainly active in one sector but also have interests in other sectors.

	2000		1999	
Capital employed	**R mio**	**R per share**	R mio	R per share
Total capital employed	**17 837**	**34.17**	17 472	33.47
Less: Interest of outside shareholders and interest-bearing debt	**1 207**	**2.31**	2 309	4.42
	16 630	**31.86**	15 163	29.05
Employment of capital				
Trade mark interests	**4 367**	**8.37**	3 250	6.23
Mining interests	**4 726**	**9.05**	4 491	8.60
Industrial interests	**3 331**	**6.38**	3 183	6.10
Financial services	**1 394**	**2.67**	1 304	2.50
Corporate finance and other interests	**2 812**	**5.39**	2 935	5.62
	16 630	**31.86**	15 163	29.05

INCOME STATEMENT

	2000		1999	
Revenue (Refer note 9)	**R mio**	**%**	R mio	%
Trade mark interests	**449**	**7**	847	14
Mining interests	**189**	**3**	271	4
Industrial interests – Comparable revenue	**4 986**	**83**	4 552	73
Financial services	**41**	**1**	76	1
Corporate finance and other interests	**379**	**6**	480	8
	6 044	**100**	6 226	100
Revenue of Dorbyl Limited until 31 March 1999	**–**	**–**	4 635	–
	6 044	**–**	10 861	–

Revenue does not include the attributable portion of the revenue of associated companies.

	2000		1999	
Source of headline earnings	**R mio**	**%**	R mio	%
Trade mark interests	**1 511**	**49**	1 538	55
Mining interests	**495**	**16**	350	13
Industrial interests	**384**	**12**	291	10
Financial services	**244**	**8**	232	8
Corporate finance and other interests	**446**	**15**	398	14
	3 080	**100**	2 809	100

	2000	1999
Composition of headline earnings	**R mio**	R mio
Subsidiary companies and joint ventures	**331**	337
Profits	**339**	386
Losses	**8**	49
Associated companies – share of net income	**2 749**	2 472
Profits	**2 751**	2 479
Losses	**2**	7
	3 080	2 809

COMPANY NET INCOME AND APPROPRIATION

	2000	1999
The Company's own net income at the beginning of the year amounts to	**2 540**	2 687
Net income for the year	**740**	920
Dividend No 99 of 44.71c per share paid in October 1999 (1998: 38.88c)	**(233)**	(203)
Special dividend of 100.00c per share paid in October 1998	**–**	(522)
Dividend No 100 of 75.29c per share paid in February 2000 (1999: 65.47c)	**(393)**	(342)
Provision for special dividend to be paid in August 2000	**(157)**	–
The Company's own unappropriated income carried forward to the following year amounts to	**2 497**	2 540

REPORT OF THE BOARD OF DIRECTORS

FOR THE YEAR ENDED 31 MARCH 2000

MAJOR SHAREHOLDER

Your Company's immediate holding company is Rembrandt Controlling Investments Limited.

Technical and Industrial Investments Limited is the ultimate holding company. Rembrandt Trust (Pty) Limited owns 44.5% of the share capital of Technical and Industrial Investments Limited.

An analysis of the shareholders in your Company appears on page 45.

SUBSIDIARIES AND INVESTMENTS

Particulars of subsidiaries, associated companies and other investments are disclosed in Annexures A and B.

DIRECTORS

Mr J A Rupert retired as a director on 24 November 1999 and Mr J W Dreyer was co-opted as a director on 1 January 2000.

In terms of the provisions of the Articles of Association, Messrs G D de Jager, J W Dreyer, D M Falck, J Malherbe, E Molobi and Johann Rupert retire from the Board. These directors are eligible and offer themselves for re-election.

The names of the directors appear on page 3.

DIRECTORS' INTERESTS

At 31 March 2000 the aggregate of the direct and indirect beneficial interests of the directors in the issued share capital of the Company amounted to 0.10% (1999: 0.10%).

Indirect interests through listed public companies have not been taken into account.

No material change in the interests of directors has taken place between the financial year-end and the date of this report.

DIRECTORS' EMOLUMENTS

Your Board recommends that directors' fees to non-executive directors for services rendered during the past financial year be fixed at R169 500 (1999: R138 000).

LONG-TERM MANAGEMENT INCENTIVE SCHEME

Management incentive bonuses can be awarded to senior management in terms of certain standards and long-term objectives. The net annual after-tax cost of the scheme is charged against income and is disclosed separately in the annual financial statements in note 17.

YEAR 2000

The Group did not experience any problems with the year 2000 transition.

ACQUISITION OF SHARES OF THE COMPANY AND OF ITS HOLDING COMPANY

Your Board recommends that general authority be granted for it to acquire, should, prevailing circumstances warrant it. the Company's own shares, shares in any holding company of the Company, and to approve the acquisition of shares in the Company, by any of its subsidiaries, subject to the provisions of the Companies Act 61 of 1973, as amended, and the Listing Requirements of the Johannesburg Stock Exchange.

Special Resolutions to this effect are incorporated in the notice of the forthcoming Annual General Meeting of the Company.

CHANGE IN DIVIDEND PAYMENT DATES

Until 31 March 2000, the Company declared its dividends in August and February. This was before the end of the financial periods (September and March), to which they applied. The Board of Directors decided to change the dividend cycle so that in future dividends will be declared in November (interim dividend for the half-year to 30 September) and in June (final dividend for the year to 31 March) to coincide with the announcement of the Company's results for those periods. In future dividend payments will be made in January and August.

As the above-mentioned change will result in shareholders receiving their interim dividend for the half-year to September 2000 only in January 2001, the Board of Directors decided on 14 June 2000 to declare a special dividend from retained reserves for the bridging period. The special dividend of 30.00 cents per ordinary share will be paid on 22 August 2000 to shareholders registered as such at the close of business on 4 August 2000. As a result of the proposed restructuring of the Group, it was decided to provide for this dividend on 31 March 2000.

SECRETARY

The name and address of the company secretary appear on page 46.

RESPONSIBILITY

The directors are responsible for the maintenance of adequate accounting records and the preparation and integrity of the annual financial statements included in this Annual Report. The independent auditors are responsible for reporting on the annual financial statements.

The annual financial statements are prepared in accordance with South African Statements of Generally Accepted Acounting Practice, and in the manner required by the Companies Act in South Africa, on the going concern basis and incorporate full and responsible disclosure. The annual financial statements are based upon appropriate accounting policies which, with the exception of accounting for income from foreign associated companies, have been consistently applied in all material respects and supported by reasonable and prudent judgements and estimates.

The directors are of the opinion that the Group will continue as a going concern in the future.

APPROVAL

The annual financial statements set out on pages 18 to 44 have been approved by your Board.

Signed on behalf of the Board of Directors.

Johann Rupert
Chairman

Thys Visser
Managing Director/Deputy Chairman

Stellenbosch
14 June 2000

ACCOUNTING POLICIES

The annual financial statements are prepared mainly on the historical cost basis and incorporate the following principal accounting policies which, with the exception of accounting for income from foreign associated companies, have been consistently applied in all material respects.

(I) CONSOLIDATION, PROPORTIONATE CONSOLIDATION AND EQUITY ACCOUNTING

Preference shares and debentures which are compulsorily convertible, are regarded as part of the permanent equity capital of a company for the purposes of consolidation, proportionate consolidation and equity accounting.

Consolidation – subsidiary companies
All companies which are defined as subsidiary companies in terms of the Companies Act are included in the consolidated statements in the usual manner.

Proportionate consolidation – joint ventures
All jointly controlled ventures are accounted for according to the proportionate consolidation method. In terms of this method the Group's share of assets, liabilities, income, expenditure and cash flow are included in the consolidated statements. The Group's share of retained income is transferred to non-distributable reserves.

Equity accounting – associated companies
Companies which are neither subsidiaries nor joint ventures, but in which a long-term interest is held and over whose financial and operating policies a significant influence can be exercised, are accounted for according to the equity method as associated companies. Certain associated companies have year-ends which differ from that of the Company. In such circumstances the results of listed and certain unlisted companies are accounted for from the latest published information and management accounts as at year-end, respectively. The accounting policies of associated companies do not necessarily correspond with those of the Group and no adjustments are made therefor. The Group's share of retained income is transferred to non-distributable reserves. The Group's share of other movements in the reserves of associated companies are accounted for as changes in consolidated non-distributable reserves.

Goodwill
The goodwill or negative goodwill is the difference between the cost of the investments and the attributable net assets of the subsidiary companies, joint ventures and associated companies at the acquisition dates. Negative goodwill is included in non-distributable reserves. Goodwill is written off against non-distributable reserves.

(II) FIXED ASSETS AND DEPRECIATION

Capitalised leased assets – assets leased in terms of finance lease agreements are capitalised at their equivalent cash consideration. Depreciation is provided on the straight-line basis over the expected useful lives of the assets. Finance charges are written off over the term of the lease in accordance with the effective interest rate method.

Preproduction costs and interest – preproduction costs as well as interest on borrowings directly related to major capital projects under construction are capitalised until such assets are brought into a working condition for their intended use.

Land and buildings – are stated at cost or valuation. Specialised buildings are depreciated on a straight-line basis over their expected useful lives. Other buildings are not depreciated. Leasehold improvements are written off over the periods of the leases.

Machinery, equipment, office equipment and vehicles – are stated at cost and are depreciated on a straight-line basis over their expected useful lives.

Crops – are stated at cost or valuation. Cost consists of the aggregate of agricultural establishment and development costs. Agricultural establishment costs represent the costs incurred in establishing sugar cane and other perennial crops and are not amortised. Agricultural development costs consist of planting and other development costs. These costs are capitalised in the first year of planting and costs during the years thereafter are written off directly against income. Ongoing cultivation costs are expensed as incurred. Crops are revalued periodically.

Provision for deferred maintenance – where material, provision is made for costs and other expenses not evenly incurred from year to year in respect of maintenance of buildings, plant and equipment.

Trade marks, user rights and patents – the costs of trade marks and patents which are established and developed by the Group itself are expensed as incurred. The value thereof is consequently not reflected in the annual financial statements. The costs of trade marks and user rights which have been purchased are written off on a straight-line basis over their expected useful lives.

Research and development costs – research and development costs are written off against income as incurred. Where the asset recognition criteria have been met, development expenditure is capitalised and written off over the expected useful life of the product.

(III) INVESTMENTS

Associated companies – are stated at cost after adjustment for goodwill. In the consolidated financial statements the Group's share of post-acquisition reserves and retained income, accounted for according to the equity method, is added to cost.

Other long-term investments – are stated at cost, plus past equity adjustments of investments which are no longer classified as associated companies, less amounts written off for declines in value considered not to be of a temporary nature. Such amounts written off are accounted for as exceptional items.

Portfolio investments – are stated at cost less amounts written off for declines in value considered not to be of a temporary nature. Such amounts written off and profits and losses on realisation, are accounted for in normal income.

(IV) INVENTORIES AND CONTRACTS IN PROGRESS

Inventories are stated at the lower of cost or net realisable value. The basis of determining cost is either the first-in-first-out or average cost method. Where applicable, provision is made for slow-moving and redundant inventories. Work in progress and finished goods include direct costs and an appropriate allocation of manufacturing overheads. The value of contracts in progress includes cost to date, an allocation of variable overheads and, in the case of certain subsidiaries, fixed works overheads, less provision for anticipated losses. Crops to be harvested within one year are included in inventories at the estimated cost thereof.

(V) DEFERRED TAXATION

Deferred taxation is accounted for on the comprehensive method. Deferred tax assets are only accounted for when the realisation thereof is reasonably assured in the foreseeable future.

(VI) FOREIGN CURRENCIES

Transactions in foreign currencies are accounted for at the rates of exchange ruling on the dates of the transactions. Foreign currency monetary items at year-end are translated to SA rand at the rates of exchange ruling at that date. Exchange differences that arise as a result thereof and on forward exchange contracts, are accounted for in income.

Assets, liabilities and reserves of foreign entities at year-end are translated to SA rand at the rates of exchange ruling at that date. Operating results of foreign subsidiaries and income of foreign associated companies are translated to SA rand at the average of the exchange rates prevailing during the year for each of the currencies concerned. Differences arising on translation are accounted for in reserves as exchange rate adjustments.

(VII) FINANCIAL INSTRUMENTS

Financial instruments include those carried on the balance sheet and off-balance sheet instruments.

Financial instruments carried on the balance sheet include cash resources, investments, debtors, creditors, provisions, leases and borrowings.

Certain group companies are also parties to financial instruments that reduce exposure to fluctuations in foreign currency exchange rates. These instruments, which mainly comprise forward exchange contracts, are not recognised in the financial statements on inception.

Fair values and the recognition methods of the different financial instruments are disclosed in the notes to the financial statements. Fair values represent an approximation of possible value, which may differ from the value that will be finally realised.

Where the redemption of loans is provided for by means of investments in financial instruments which allow for the contractual right of set-off against the loan and it is expected that the loan will be settled in this way, the related balance sheet items are set-off against one another.

(VIII) REVENUE RECOGNITION

The sale of goods is recognised when the significant risks and rewards of ownership of the goods have been transferred. Revenue arising from services is recognised when the service is rendered. Interest is recognised on a time proportion basis (taking into account the principal outstanding, the effective rate and the period), unless collectability is in doubt. Dividends are recognised when the right to receive payment is established.

BALANCE SHEETS

AT 31 MARCH 2000

	Notes	CONSOLIDATED 2000 R mio	CONSOLIDATED 1999 R mio	THE COMPANY 2000 R mio	THE COMPANY 1999 R mio
Capital employed					
Share capital	1	**5**	5	**5**	5
Share premium		**26**	26	**26**	26
Reserves	2	**16 599**	15 132	**2 518**	2 561
Interest of own members		**16 630**	15 163	**2 549**	2 592
Interest of outside shareholders		**801**	1 396	**–**	–
Total shareholders' interest		**17 431**	16 559	**2 549**	2 592
Interest-bearing debt		**406**	913	**–**	–
Long-term	3	**254**	590	**–**	–
Short-term	4	**152**	323	**–**	–
		17 837	17 472	**2 549**	2 592
Employment of capital					
Fixed assets	5	**2 356**	2 932	**–**	–
Investments	6	**13 532**	11 446	**2 707**	2 594
Loans		**11**	8	**–**	–
Current assets		**2 978**	4 933	**1**	–
Inventories	7	**471**	1 223	**–**	–
Debtors		**775**	1 608	**–**	–
Cash resources		**1 713**	2 102	**–**	–
Taxation		**19**	–	**1**	–
Total assets		**18 877**	19 319	**2 708**	2 594
Interest-free debt		**1 040**	1 847	**159**	2
Deferred liabilities	8	**42**	38	**–**	–
Creditors		**661**	1 432	**2**	2
Provisions		**139**	223	**–**	–
Provision for special dividend		**157**	–	**157**	–
Taxation		**41**	154	**–**	–
		17 837	17 472	**2 549**	2 592

INCOME STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2000

	Notes	CONSOLIDATED 2000 R mio	CONSOLIDATED 1999 R mio	THE COMPANY 2000 R mio	THE COMPANY 1999 R mio
Revenue	9	**6 044**	10 861	**742**	922
Operating income	10 & 12	**604**	710	**740**	920
Interest paid		**36**	65	**–**	–
Net operating income before taxation	10	**568**	645	**740**	920
Taxation	11	**139**	205	**–**	–
Net operating income after taxation		**429**	440	**740**	920
Equity adjustment: Share of net income of associated companies	13	**2 767**	2 489	**–**	–
Net income before exceptional items and amortisation		**3 196**	2 929	**740**	920
Amortisation of goodwill by associated companies		**(45)**	–	**–**	–
Exceptional items	14	**(332)**	(35)	**–**	–
Net income		**2 819**	2 894	**740**	920
Attributable to outside shareholders	15	**94**	101	**–**	–
Attributable net income		**2 725**	2 793	**740**	920

	2000 R mio	1999 R mio
Reconciliation of headline earnings:		
Attributable net income	**2 725**	2 793
Plus/(minus) – attributable to own members:		
– Exceptional items	**338**	37
– Amortisation of goodwill by associated companies	**45**	–
– Net surplus, after taxation, on disposal of fixed assets	**(28)**	(21)
Headline earnings	**3 080**	2 809

	Cents	Cents
Headline earnings per share	**590.0**	538.1
Earnings per share	**522.0**	535.1
Dividends per share		
– ordinary	**120.00**	104.35
– special	**30.00**	100.00

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2000

CONSOLIDATED

	Share capital and share premium R mio	Non-distributable reserves R mio	Distributable reserves R mio	2000 Total R mio	1999 Total R mio
Balances at 1 April – previously reported	**31**	**7 867**	**7 276**	**15 174**	12 870
Prior year adjustments				**–**	(6)
Restatement of Dorbyl Limited's results			**(11)**	**(11)**	(1)
Adjusted balances at 1 April	**31**	**7 867**	**7 265**	**15 163**	12 863
Attributable net income			**2 725**	**2 725**	2 793
Dividends paid			**(626)**	**(626)**	(1 067)
Provision for special dividend			**(157)**	**(157)**	–
Exchange rate adjustments		**288**	**86**	**374**	1 159
Change in interests in subsidiary companies, associated companies and joint ventures		**(52)**		**(52)**	43
Net goodwill in respect of associated companies written off				**–**	(357)
Change in reserves of associated companies		**(796)**		**(796)**	(267)
Reversal of revaluation reserve		**(1)**		**(1)**	(4)
Income of associated companies retained		**1 468**	**(1 468)**	**–**	–
Transfer of funds		**27**	**(27)**	**–**	–
Balances at 31 March	**31**	**8 801**	**7 798**	**16 630**	15 163

THE COMPANY

	2000	1999
Balances at 1 April	**2 592**	2 739
Share capital and share premium	**31**	31
Non-distributable reserves	**21**	21
Distributable reserves	**2 540**	2 687
Attributable net income	**740**	920
Dividends paid	**(626)**	(1 067)
Provision for special dividend	**(157)**	–
Balances at 31 March	**2 549**	2 592

	2000 R mio	1999 R mio

1. SHARE CAPITAL

	2000 R mio	1999 R mio
Authorised		
522 000 000 Ordinary shares of 1 cent each	**5.2**	5.2
100 000 6% Redeemable preference shares of R2 each	**0.2**	0.2
	5.4	5.4
Issued		
522 000 000 Ordinary shares of 1 cent each	**5.2**	5.2

2. RESERVES

	2000 R mio	1999 R mio
2.1 The Company		
Non-distributable reserves	**21**	21
Distributable reserves:		
Unappropriated income	**2 497**	2 540
	2 518	2 561

2.2 Consolidated	***General capital reserves*** **R mio**	***Equity accounted reserves*** **R mio**	***Net negative goodwill*** **R mio**	**2000** ***Total non-distributable reserves*** **R mio**	1999 *Total non-distributable reserves* R mio
Non-distributable reserves:					
Balances at 1 April	**273**	**7 594**	**–**	**7 867**	6 223
Exchange rate adjustments	**33**	**255**		**288**	1 006
Change in interests in subsidiary companies, associated companies and joint ventures	**(121)**	**119**	**(50)**	**(52)**	43
Net goodwill in respect of associated companies				**–**	(357)
Net goodwill written off	**(50)**		**50**	**–**	–
Reversal of revaluation reserve	**(1)**			**(1)**	(4)
Equity adjustment		**672**		**672**	1 043
Income retained		**1 468**		**1 468**	1 310
Changes in reserves of associated companies		**(796)**		**(796)**	(267)
Transfer from/(to) unappropriated income	**27**			**27**	(87)
Balances at 31 March	**161**	**8 640**	**–**	**8 801**	7 867
Distributable reserves:					
Unappropriated income				**7 798**	7 265
Total reserves				**16 599**	15 132
Included in general capital reserves are:					
Statutory non-distributable reserves				**46**	44

Included in the respective reserves above are reserves arising on exchange rate translation. (Refer 2.3)

2. RESERVES *(continued)*

2.3 Composition of foreign currency translation reserves

	General capital reserves R mio	Equity accounted reserves R mio	Un-appropriated income R mio	2000 Total R mio	1999 Total R mio
Balances at 1 April	**160**	**1 300**	**176**	**1 636**	477
Exchange rate adjustments during the year	**33**	**255**	**86**	**374**	1 159
Transfer of equity adjustment	**–**	**68**	**(68)**	**–**	–
Balances at 31 March	**193**	**1 623**	**194**	**2 010**	1 636

2.4 Composition of reserves

	2000 R mio	1999 R mio
The Company	**2 518**	2 561
Non-distributable reserves	**21**	21
Distributable reserves	**2 497**	2 540
Subsidiary companies and joint ventures	**5 441**	4 977
Non-distributable reserves	**140**	252
Distributable reserves	**5 301**	4 725
Associated companies:		
Non-distributable reserves	**8 640**	7 594
	16 599	15 132

3. LONG-TERM DEBT

	2000 R mio	1999 R mio
Convertible debentures and loan accounts	**–**	41
25 year redeemable debentures bearing an effective interest rate of 14.96% (1999: 14.67%) per annum. The net liability, after deduction of an investment of R59 million (1999: R48 million) in related financial instruments, amounts to	**87**	98
Net liabilities, after deduction of an investment of R75 million (1999: R63 million) in related financial instruments, resulting from various capitalised finance leases and instalment sale agreements payable in monthly, six monthly and annual instalments at effective interest rates of between 6.56% and 20.0% per annum, amount to	**160**	146
These liabilities are secured by machinery and equipment with net book value of R489 million (1999: R512 million).		
USA dollar loan. Interest was payable at an effective interest rate of 7.90% per annum	**–**	283
Sundry loans with varying interest rates and terms	**16**	44
	263	612
Instalments payable within one year transferred to short-term debt	**9**	22
	254	590

	2000 R mio	1999 R mio

4. SHORT-TERM DEBT

	2000 R mio	1999 R mio
Short-term loans	**3**	74
Long-term debt payable within one year	**9**	22
Bank overdrafts	**140**	227
	152	323

5. FIXED ASSETS

	2000			1999		
	***Cost or valuation* R mio**	***Accumulated depreciation* R mio**	***Net value* R mio**	*Cost or valuation* R mio	*Accumulated depreciation* R mio	*Net value* R mio
Land and buildings	**1 050**	**142**	**908**	1 261	140	1 121
Capital expansion in progress	**95**	**4**	**91**	146	1	145
Machinery and equipment	**1 893**	**798**	**1 095**	2 330	1 043	1 287
Vehicles	**175**	**97**	**78**	223	125	98
Office equipment	**22**	**10**	**12**	187	83	104
Trade marks and user rights	**142**	**62**	**80**	142	55	87
Crops	**92**	**–**	**92**	90	–	90
	3 469	**1 113**	**2 356**	4 379	1 447	2 932

Depreciation rates are as follows:	**2000 %**	1999 %
Specialised buildings	**2 – 10**	2 – 10
Machinery and equipment	**4 – 33$^1/_3$**	4 – 33$^1/_3$
Vehicles	**7$^1/_2$ – 33$^1/_3$**	7$^1/_2$ – 33$^1/_3$
Office equipment	**8$^1/_3$ – 33$^1/_3$**	10 – 33$^1/_3$
Trade marks and user rights	**4 – 10**	4 – 10

Reconciliation of carrying value at the beginning and end of the year	***Land and buildings* R mio**	***Machinery and equipment* R mio**	***Trade marks and user rights* R mio**	***Crops* R mio**	**2000 R mio**	1999 R mio
Balances at the beginning of the year	**1 266**	**1 489**	**87**	**90**	**2 932**	2 404
Additions	**34**	**148**	**–**	**3**	**185**	646
Disposals	**(7)**	**(9)**	**–**	**–**	**(16)**	(54)
Depreciation	**(27)**	**(142)**	**(7)**	**–**	**(176)**	(238)
Business acquired	**–**	**–**	**–**	**–**	**–**	156
Business disposed	**–**	**–**	**–**	**–**	**–**	(19)
Dorbyl Limited until 31 March 1999	**(209)**	**(367)**	**–**	**–**	**(576)**	(2)
Other	**(58)**	**66**	**–**	**(1)**	**7**	39
Balances at the end of the year	**999**	**1 185**	**80**	**92**	**2 356**	2 932

Liabilities resulting from mortgage loans, finance leases and instalment sale agreements are secured by fixed assets with a book value of R489 million (1999: R527 million).

The registers containing details of land and buildings are available for inspection by members or their proxies at the registered offices of the companies to which the relevant properties belong. The directors are of the opinion that the market value of buildings which are not depreciated exceeds the book value.

	2000 R mio	1999 R mio

6. INVESTMENTS

(Annexures A, B & C)

6.1 The Company

	2000 R mio	1999 R mio
Unlisted subsidiary companies:		
Shares – at cost	**11**	11
Advances and loans	**2 696**	2 583
	2 707	2 594

6.2 Consolidated

	2000			1999		
	***Listed* R mio**	***Unlisted* R mio**	***Total* R mio**	*Listed* R mio	*Unlisted* R mio	*Total* R mio
Long-term investments						
Associated companies:						
Shares – at cost after writedown of goodwill	**1 269**	**1 751**	**3 020**	1 125	1 669	2 794
Equity adjustment	**4 052**	**4 870**	**8 922**	3 405	4 271	7 676
Carrying value	**5 321**	**6 621**	**11 942**	4 530	5 940	10 470
Debentures and long-term loans	**–**	**215**	**215**	–	221	221
	5 321	**6 836**	**12 157**	4 530	6 161	10 691
Other long-term investments:						
Shares – at cost/carrying value*	**1 103**	**192**	**1 295**	579	167	746
Debentures	**–**	**–**	**–**	–	6	6
	6 424	**7 028**	**13 452**	5 109	6 334	11 443
Portfolio investments						
Marketable securities – at cost less amounts written off	**80**	**–**	**80**	3	–	3
	6 504	**7 028**	**13 532**	5 112	6 334	11 446
Market value of listed investments						
Associated companies	**9 080**		**9 080**	5 040		5 040
Other long-term investments	**1 769**		**1 769**	735		735
Portfolio investments	**81**		**81**	3		3
Directors' valuation of unlisted investments						
Associated companies		**24 233**	**24 233**		21 211	21 211
Other long-term investments		**202**	**202**		174	174
Market value and directors' valuation	**10 930**	**24 435**	**35 365**	5 778	21 385	27 163
Excess of market value and directors' valuation over the book value of investments:						
– attributable to own members			**21 832**			15 699
– attributable to outside shareholders			**1**			18
			21 833			15 717

* *Carrying value represents cost, plus past equity adjustments of investments which are no longer classified as associated companies, less amounts written off.*

	2000 R mio	1999 R mio

7. INVENTORIES

	2000 R mio	1999 R mio
Raw materials	**278**	480
Finished products	**129**	613
Work in progress	**11**	68
Consumable stores	**53**	62
	471	1 223

The value of inventory that has attracted a writedown to net realisable value which is included in total inventory above amounts to R23 million (1999: R41 million).

8. DEFERRED LIABILITIES

	2000 R mio	1999 R mio
Deferred taxation in respect of	**42**	35
Fixed assets	**77**	107
Inventories	**32**	27
Other	**(30)**	(36)
Tax losses utilised	**(37)**	(63)
Liability in respect of last-in-first-out taxation reserve	**–**	6
	42	41
Instalments payable within one year transferred to creditors	**–**	3
	42	38

9. REVENUE

Revenue of the Company and its subsidiary companies consists of net sales of products, completed contracts and identifiable portions of contracts delivered to customers, fees, rentals, as well as dividends and interest. Intergroup transactions are eliminated.

Due to the nature and composition of the Group, financial ratios based on revenue are not considered to be meaningful.

Revenue is not directly comparable with that of the previous year:

	2000 R mio	1999 R mio
Revenue of Dorbyl Limited until 31 March 1999	**–**	4 635
Comparable revenue of other subsidiaries	**5 030**	4 664
Dividends and interest	**1 014**	1 562
Total revenue	**6 044**	10 861

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2000 R mio	1999 R mio
10. NET OPERATING INCOME		
Net operating income before taxation is stated after taking the following into account:		
Income		
Interest received – unlisted investments and deposits	**249**	277
Surplus on sale of fixed assets	**26**	7
Foreign exchange profit	**19**	14
Expenses		
Cost of sales	**3 561**	6 797
Cost of sales of Dorbyl Limited until 31 March 1999	**–**	3 575
Comparable cost of sales of other subsidiaries	**3 561**	3 222
Interest paid	**36**	65
Foreign exchange loss	**2**	9
Depreciation	**176**	238
Buildings	**24**	25
Capital projects under construction	**3**	1
Machinery and equipment	**119**	153
Vehicles	**20**	28
Office equipment	**3**	24
Trade marks and user rights	**7**	7
Rental	**63**	123
Land and buildings	**27**	69
Machinery and equipment	**4**	6
Vehicles	**27**	37
Office equipment	**5**	11
Auditors' remuneration – audit fees	**6**	11
– other services	**1**	1
Professional fees	**12**	22
Administration and management fees	**2**	5
Research and development costs written off	**3**	6
Provision for deferred maintenance	**–**	(1)
Provision for post-retirement medical benefits	**(12)**	6
11. TAXATION		
11.1 Taxation in income statement		
Current	**116**	219
– current year – South African normal taxation	**94**	202
– Foreign taxation	**28**	20
	122	222
– previous year – South African normal taxation	**(2)**	(3)
– Foreign taxation	**(4)**	–
Secondary taxation on companies	**8**	12
Deferred – current year	**13**	(18)
– previous year	**2**	8
– rate change	**–**	(16)
	139	205

	2000	1999

11. TAXATION *(continued)*

11.2 Reconciliation of effective tax rate with standard rate	**%**	%
Taxation as a percentage of net operating income before taxation:		
Effective tax rate	**25.6**	32.5
Reduction/(increase) in standard rate as a result of:		
Permanent differences and foreign taxation	**–**	(2.1)
Timing differences not provided for	**4.2**	–
Taxation in respect of previous years	**0.6**	(0.8)
Tax losses of prior years utilised	**3.4**	8.7
Tax losses that can be utilised in future years	**(2.3)**	(3.9)
Effect of rate change on deferred taxation	**–**	2.4
Secondary taxation on companies	**(1.5)**	(1.8)
Standard rate	**30.0**	35.0

11.3 Tax losses	**R mio**	R mio
Estimated tax losses available for set-off against future taxable income	**984**	1 117
Tax losses utilised during the year to reduce deferred taxation	**117**	174

11.4 Secondary taxation on companies (STC)	**R mio**	R mio
The STC credits on 31 March, which could be set-off against future dividend payments (before provision for special dividend), amount to	**1 154**	888
– The Company	**205**	91
– Subsidiary companies	**949**	797

12. DIVIDEND INCOME

	THE COMPANY		CONSOLIDATED	
	2000	1999	**2000**	1999
	R mio	R mio	**R mio**	R mio
– Included in operating income				
Listed	**–**	–	**16**	18
Unlisted – Subsidiary companies	**740**	920	**–**	–
– Other	**–**	–	**8**	–
	740	920	**24**	18
– Dividends from associated companies set-off against investments			**740**	1 220

	2000 R mio	1999 R mio

13. EQUITY ADJUSTMENT

	2000 R mio	1999 R mio
Share of net income of associated companies	**2 767**	2 489
Portion included under exceptional items	**(575)**	5
Portion included under amortisation of goodwill	**(45)**	–
Share of net income of associated companies after exceptional items and amortisation	**2 147**	2 494
Dividends received from associated companies	**(740)**	(1 220)
Share of net income retained by associated companies	**1 407**	1 274
Attributable to outside shareholders	**(7)**	(1)
	1 400	1 273
Exchange rate differences on translation between average rates and year-end rates	**68**	33
Share of losses of associated companies set-off against distributable reserves	**–**	4
Equity adjustment transferred to non-distributable reserves (Note 2.2)	**1 468**	1 310
Amount of the share of net income, after exceptional items and amortisation, retained by associated companies, that has been accounted for from unaudited interim reports and management accounts	**222**	181

14. EXCEPTIONAL ITEMS

	2000 R mio	1999 R mio
Exceptional items of subsidiary companies consist of the following:		
Costs of restructuring and discontinuance of operations	**(2)**	(21)
Amounts previously provided against fixed assets and investments – written back	**34**	44
Net capital surplus/(loss) on the sale of long-term investments and businesses	**238**	(58)
Net capital surplus/(loss) on the sale of fixed assets	**–**	(4)
Donation to The Business Trust	**(30)**	–
Other	**–**	(5)
	240	(44)
Taxation	**3**	4
	243	(40)
Share of exceptional items of associated companies	**(575)**	5
Cost of restructuring of British American Tobacco Plc.	**(423)**	–
Impairment of mining assets of Gold Fields Limited	**(205)**	–
Other	**53**	5
Total	**(332)**	(35)
Attributable to outside shareholders	**6**	2
Attributable to own members	**(338)**	(37)
	(332)	(35)

15. ATTRIBUTABLE TO OUTSIDE SHAREHOLDERS

	2000 R mio	1999 R mio
Subsidiaries and joint ventures	**84**	100
Associated companies	**10**	1
	94	101

16. DIRECTORS' EMOLUMENTS

	2000			1999		
	Executive	***Non-Executive***	***Total***	*Executive*	*Non-Executive*	*Total*
	R mio	**R mio**	**R mio**	R mio	R mio	R mio
Fees	**0.3**	**0.1**	**0.4**	0.2	0.1	0.3
Salaries	**7.2**	**0.1**	**7.3**	6.5	0.1	6.6
Benefits	**2.3**	**–**	**2.3**	2.0	–	2.0
Bonuses	**0.6**	**–**	**0.6**	0.7	–	0.7
	10.4	**0.2**	**10.6**	9.4	0.2	9.6
Paid by:						
The Company	**–**	**0.2**	**0.2**	–	0.2	0.2
Subsidiary companies	**10.4**	**–**	**10.4**	9.4	–	9.4
	10.4	**0.2**	**10.6**	9.4	0.2	9.6

The cost of the Group's long-term management incentive scheme is disclosed in note 17.

17. LONG-TERM MANAGEMENT INCENTIVE SCHEME

	2000	1999
	R mio	R mio
After-tax cost of the long-term management incentive scheme charged against income in respect of:		
Directors of the Company (Executive)	**10.3**	1.6
Other participants	**0.8**	0.1
	11.1	1.7

18. COMMITMENTS

Capital commitments:		
Uncompleted contracts for capital expenditure	**47**	193
Capital expenditure authorised but not yet contracted for	**76**	152
	123	345

Above-mentioned commitments will be financed from internal sources and borrowed funds.

19. BORROWING POWERS

The borrowing powers of the Company and its subsidiaries in respect of loans and guaranteed debts are limited to	**17 588**	15 152

20. FINANCIAL INSTRUMENTS

20.1 Credit risk

Financial assets which are subject to credit risk consist mainly of cash resources and debtors. Cash resources are placed with various financial institutions subject to approved limits. All these institutions are of a high standing. Debtors are disclosed net of a provision for doubtful debt.

20.2 Interest rate risk

Subsidiary companies generally adopt a policy of ensuring that their borrowings are at market related rates to address their interest rate risk.

20.3 Forward exchange contracts

Subsidiary companies undertake transactions denominated in foreign currency and hence exposures to exchange rate fluctuations arise. If deemed necessary, this exposure is hedged through the use of forward exchange contracts.

The following forward exchange contract commitments which existed at 31 March 2000 have not been reflected in the balance sheet:

Foreign currency	*Foreign currency* mio	*Average forward rate*	*Rand amount* R mio
US dollar (USD)	12	6.47	79
Other			4

20.4 Fair value

At 31 March 2000 and 1999 the fair value of financial instruments reported in the financial statements equals their carrying value.

21. GUARANTEES

	2000 **R mio**	1999 R mio
The Company guarantees:		
Debentures and other loan facilities for the amount of R7 million (1999: R7 million) of certain subsidiary companies which are already accounted for as liabilities in the consolidated balance sheet.		
Guarantees by subsidiary companies	**49**	34

22. RETIREMENT BENEFITS

The Company and its subsidiaries have four defined benefit pension funds, three defined contribution pension funds and six defined contribution provident funds which are administered by insurance companies independently of the finances of the Group. All the funds are governed by the Pension Funds Act, 1956. All employees are obliged to accept membership of one of the funds.

Two of the defined benefit pension funds are actuarially valued every three years by independent actuaries according to the projected benefit method. The other two funds are actuarially valued on a triennial basis according to the projected unit credit method. At the most recent valuations of these defined benefit pension funds, during 1998 and 1999, the total present value of the accrued liabilities amounted to R528 million. The total fair value of the funds' assets amounted to R775 million, which reflected funding levels of between 126% and 174%.

22. RETIREMENT BENEFITS *(continued)*

The actuarial valuations were based on the following principal assumptions:

– investment returns	11.5% – 15.0%
– salary increases	5.0% – 13.5%
– discount factor	12.0% – 15.0%
– dividend growth rate	8.5% – 11.8%

Normally members contribute between 5.0% and 7.5% and employers between 1.0% and 18.5% of pensionable salaries to the funds. The companies' contributions are charged against income.

For the year under review some subsidiary companies enjoyed a total contribution holiday of R2 million (1999: R33 million).

Membership of, and company contributions to the funds at 31 March 2000 were:

	Members	*Company contribution* R mio
Defined benefit funds	1 470	0.6
Defined contribution funds	9 171	20.0
	10 641	20.6

23. POST-RETIREMENT MEDICAL BENEFITS

The present value of the liabilities of subsidiary companies regarding future contributions to medical aid schemes in respect of retirees, is determined annually by independent actuaries and pre-funded as follows:

23.1 In respect of members who, in the case of certain subsidiary companies, retired prior to 1 April 1993 and, in the case of other subsidiary companies, prior to 1 April 1998, the liabilities at 31 March 2000 amounted to R19 million (1999: R19 million). These liabilities have been fully provided for against income.

23.2 In respect of members who were employees of the respective subsidiaries on 1 April 1993 and 1 April 1998, the past service liabilities at those dates are being amortised over twenty years by annual contributions to suitable benefit funds. In respect of service after the aforementioned dates, annual contributions are also made to the benefit funds which, in the case of certain subsidiary companies, are equal to the value of the liabilities arising in respect of that year. In the case of other subsidiary companies they are based on a fixed percentage of payroll. Contributions to the benefit funds are charged against income. The net liabilities in respect of accumulated past service at 31 March 2000 amounted to R33 million (1999: R77 million).

24. RELATED PARTIES

Transactions
Related party transactions are concluded on an arms-length basis.

Subsidiaries
Details of investments in and income from subsidiaries are disclosed in notes 6 and 12 respectively, and in Annexure A.

Associated companies
Details of investments in and income from associated companies are disclosed in notes 6 and 13 respectively, as well as in Annexures B and C. Interest income from associated companies amounted to R61 million (1999: R40 million) and is included in interest received.

Directors
Details relating to directors' emoluments and shareholdings in the Company are disclosed in notes 16 and 17 and in the Directors' Report.

Shareholders
Details of the major shareholder appear in the Directors' Report. A detail analysis of shareholders appears on page 45 of the Annual Report.

ANNEXURE A

PRINCIPAL SUBSIDIARY COMPANIES AT 31 MARCH 2000

NAME OF COMPANY Incorporated in South Africa unless otherwise stated		ISSUED SHARE CAPITAL R (unless other-wise stated)	EFFECTIVE INTEREST 2000 %	EFFECTIVE INTEREST 1999 %	HELD BY THE COMPANY SHARES 2000 R	HELD BY THE COMPANY SHARES 1999 R	HELD BY THE COMPANY LOAN 2000 R mio	HELD BY THE COMPANY LOAN 1999 R mio
Trade mark interests								
Rembrandt S.A. Limited		2	**100.0**	100.0	**2**	2		
Remgro Investments Limited – Jersey	(GBP)	1 509 000 000	**100.0**	100.0				
Mining interests								
Tegniese Mynbeleggings Limited		2	**100.0**	100.0				
Industrial interests								
Partnership in Industry & Mining S.A. Limited		100	**100.0**	100.0	**100**	100		
Industrial Partnership Investments Limited		125 000	**100.0**	100.0				
Hunt Leuchars & Hepburn Holdings Limited	* (1)	586 845 000	**72.6**	70.3				
– held by Hunt Leuchars & Hepburn Holdings Limited:								
– Robertsons Holdings (Pty) Limited (100%)			**72.6**	70.3				
– Transvaal Sugar Limited (100%)			**72.6**	70.3				
Rainbow Chicken Limited	*	1 082 852 684	**55.9**	55.9				
Wispeco Holdings Limited		5 000 000	**100.0**	75.7				
Financial services								
Financial Securities Limited		250 000	**100.0**	100.0				
Corporate finance and other interests								
Entek Investments Limited		810 630	**60.5**	59.8				
Falconair Limited		250 000	**100.0**	100.0				
Historical Homes of South Africa Limited		555 000	**51.4**	51.4				
M.F.I. Investments (Pty) Limited		2	**100.0**	100.0				
M & I Management Services (Pty) Limited		90 000	**98.8**	98.8				
Rembrandt Finance Corporation Limited		300 000	**100.0**	100.0				
Rembrandt Group Finance Corporation Limited		700	**100.0**	100.0	**700**	700	**2 346**	2 233
RGH Holdings Soc.An. – Luxembourg	(USD)	61 760 000	**100.0**	100.0				
Rupert International Finance and Services (Pty) Limited		200	**100.0**	100.0				
Rupert International Services Limited		100	**100.0**	100.0	**1**	1	**350**	350
Rupert Partnership in Industry Limited		8 600 000	**100.0**	100.0	**10 831 572**	10 831 572		
Stellenryck Trust Limited		700	**100.0**	100.0				
Van Rijn Beleggingskorporasie Limited		500 000	**100.0**	100.0				
Venfin (Pty) Limited		100	**82.0**	82.0				
				Note 6.1:	**10 832 375**	10 832 375	**2 696**	2 583

* *Listed companies*

(1) *Issued share capital includes both ordinary shares and compulsorily convertible preference shares. Effective interest is calculated on a fully diluted basis.*

Details of sundry subsidiary companies which are not material to the evaluation of the business of the Group, are not shown.

(GBP) British pound; (USD) USA dollar.

ANNEXURE B

PRINCIPAL INVESTMENTS AT 31 MARCH 2000

NAME OF COMPANY Incorporated in South Africa unless otherwise stated		LISTED **2000** SHARES HELD	LISTED **2000** EFFECTIVE INTEREST %	LISTED 1999 SHARES HELD	LISTED 1999 EFFECTIVE INTEREST %	UNLISTED **2000** SHARES HELD	UNLISTED **2000** EFFECTIVE INTEREST %	UNLISTED 1999 SHARES HELD	UNLISTED 1999 EFFECTIVE INTEREST %
Trade mark interests									
R&R Holdings Soc.An.	(1)								
– ordinary shares						**316 000**	**33.3**	316 000	33.3
– debentures						**1 173 000**	**33.3**	1 173 000	33.3
– held by R&R Holdings Soc.An.:									
– British American Tobacco Plc.	(1)		**11.7**		–				
Compagnie Financière Richemont AG	#								
– A units (Switzerland)		**47 293**	**0.8**	47 293	0.8				
– depository receipts (Johannesburg)		**5 670 000**	**1.0**	–	–				
Rembrandt-KWV Beleggings Limited	(2)					**50**	**50.0**	50	50.0
– held by Rembrandt-KWV Beleggings Limited:									
– Distillers Corporation (SA) Limited (60%)			**30.0**		30.0				
– Stellenbosch Farmers' Winery Group Limited (60%)			**30.0**		30.0				
W & A Gilbey (South Africa) (Pty) Limited	#								
– ordinary shares						**13 263 823**	**49.0**	13 263 823	49.0
– preference shares						**490**	**49.0**	490	49.0
Luna Corporation Limited						**27 000 000**	**13.6**	–	–
– held by Luna Corporation Limited:									
– Southern African Investments Limited (63.3%)			**8.6**		–				
Mining interests									
Billiton Plc	(2)	**189 975 198**	**8.9**	189 975 198	8.9				
Gencor Limited	(2)	**37 995 039**	**10.9**	37 995 039	11.0				
– held by Gencor Limited:									
– Gold Fields Limited (15.8%)	(3)		**1.7**		2.1				
GFSA Holdings Limited	(2)					**4 800 000**	**40.0**	4 800 000	40.0
– held by GFSA Holdings Limited:									
– Gold Fields Limited (23.2%)			**9.3**		11.0				
– Gold Fields of South Africa Limited (38.4%)			**15.3**		15.3				
Trans Hex Group Limited	(1)	**35 215 000**	**42.9**	7 533 750	50.0				
Industrial interests									
Total South Africa (Pty) Limited	(2)					**15 500 000**	**34.4**	15 500 000	34.4
Henkel South Africa (Pty) Limited	(2)								
– ordinary shares						**4 812 500**	**50.0**	4 812 500	50.0
– preferred ordinary shares						**12 550 000**	**50.0**	12 550 000	50.0
Lenco Holdings Limited	(1)		**32.7**		32.7				
– held by Lenco Holdings Limited:									
– Malbak Limited (12.8%)			**3.9**		4.7				
Malbak Limited	(1)	**233 454 540**	**44.0**	226 807 840	42.8				
Air Products South Africa (Pty) Limited	(1)					**4 500 000**	**50.0**		37.9
Dorbyl Limited	* (1)	**13 967 946**	**41.1**	13 937 827	41.1				
Financial services									
Sage Group Limited	(1)	**10 724 315**	**7.5**	10 078 936	7.3				
Sagecor (Pty) Limited	(1)					**2 992**	**50.0**	2 992	50.0
– held by Sagecor (Pty) Limited:									
– Sage Group Limited (18.1%)			**9.1**		9.1				
Universa (Pty) Limited	(1)								
– ordinary shares						**7 875**	**39.4**	7 875	39.4
– preference shares						**2 705 643**	**35.5**	2 145 390	32.9
– held by Universa (Pty) Limited:									
– ABSA Limited (23.2%)			**9.5**		9.5				
Other interests									
Medi-Clinic Corporation Limited	** (1)	**178 577 982**	**51.2**	175 901 482	50.4				
Vodacom Group (Pty) Limited	(1)					**1 350**	**13.5**	1 350	13.5
Tracker Investment Holdings (Pty) Limited	(1)					**23 415**	**42.9**	23 333	48.8
Business Partners Limited	#					**25 464 442**	**14.2**	25 464 442	14.2

Accounting period:
(1) Twelve months to 31 March 2000
(2) Twelve months to 31 December 1999
(3) Six months to 31 December 1999

 # Not associated companies and/or their results are not accounted for according to the equity method.
* Previously a subsidiary company ** Medi-Clinic: Temporarily over 50%.
Details of investments which are not material to the evaluation of the business of the Group, are not shown.

ANNEXURE C

SIGNIFICANT ASSOCIATED COMPANIES – ADDITIONAL INFORMATION

	R&R (TOBACCO INTERESTS)		BILLITON PLC (MINING HOUSE)		ABSA GROUP LIMITED (FINANCIAL SERVICES)	
	2000	1999	**2000**	1999	**2000**	1999
Effective interest	**33$^1/_3$%**	33$^1/_3$%	**8.9%**	8.9%	**9.5%**	9.5%
	R mio	R mio	**R mio**	R mio	**R mio**	R mio
Carrying value of investments after writedown of goodwill	**2 579**	2 248	**2 797**	2 576	**1 196**	1 087
Share of retained equity income						
– Current year	**331**	835	**221**	666	**73**	153
Normal income	**1 023**	690	**130**	87	**164**	129
Exceptional items and goodwill amortisation	**(403)**	–	**–**	–	**(37)**	(6)
Other changes in reserves and exchange rates	**(289)**	145	**91**	579	**(54)**	30
– Cumulative	**2 579**	2 248	**2 591**	2 370	**920**	847

Summarised financial information:	Per Annual Report		Per Interim Report		Per Annual Report	
	31/12/99 ***Note 1***	31/03/99	**31/12/99**	31/12/98	**31/03/2000**	31/03/99
BALANCE SHEET						
Capital employed						
Shareholders' funds and long-term debt	**114 339**	16 975	**33 889**	31 173	**14 424**	13 413
Employment of capital						
Net advances, loans and bank related securities	**–**	–	**–**	–	**5 544**	5 878
Intangible assets	**55 729**	–	**(505)**	(786)	**–**	–
Fixed assets	**25 641**	5 026	**39 533**	33 594	**5 400**	4 838
Investments and loans	**8 832**	1 166	**3 068**	3 047	**3 480**	2 697
Net current assets	**24 137**	10 783	**(8 207)**	(4 682)	**–**	–
	114 339	16 975	**33 889**	31 173	**14 424**	13 413

INCOME STATEMENT	**12 months ended 31/03/2000** ***Note 2***	12 months ended 31/03/99	**12 months ended 31/12/99**	12 months ended 31/12/98	**12 months ended 31/03/2000**	12 months ended 31/03/99
Headline earnings	**4 257**	4 382	**2 790**	2 163	**1 988**	1 968
Attributable net income	**3 048**	4 382	**2 790**	2 163	**1 593**	1 905
Dividends paid	**1 194**	2 314	**1 329**	1 393	**638**	333

There are no loans to these associated companies.

Note 1: In the audited balance sheet of R&R Holdings Soc.An. (R&R), its interest in British American Tobacco Plc. (BAT) is only shown as a single item representing the carrying value thereof as an equity accounted associated company. To disclose more meaningful information, BAT's abridged balance sheet is presented here instead. This balance sheet is at 31 December 1999 as BAT has not included a balance sheet in its quarterly report to 31 March 2000.

Note 2: This information relates to the income statement of R&R which includes its share of the net income of BAT, after elimination of the amortisation of goodwill relating to the merger.

CASH FLOW STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2000

		CONSOLIDATED		THE COMPANY	
		2000	1999	**2000**	1999
	Notes	**R mio**	R mio	**R mio**	R mio
Cash flows – operating activities					
Net income before taxation		**568**	661	**–**	–
Adjustments	A	**(82)**	(80)	**–**	–
Operating income before working capital changes		**486**	581	**–**	–
Working capital changes	B	**5**	83	**–**	–
Cash generated from operations		**491**	664	**–**	–
Interest received		**249**	277	**–**	–
Interest paid		**(36)**	(65)	**–**	–
Dividends received	C	**775**	1 231	**740**	920
Dividends paid	D	**(656)**	(1 114)	**(626)**	(1 067)
Taxation paid	E	**(201)**	(198)	**(1)**	–
Net cash inflow/(outflow) from operating activities		**622**	795	**113**	(147)
Cash flows – investing activities		**(789)**	(465)	**–**	–
Proceeds on disposal of fixed assets		**24**	56	**–**	–
Additions to fixed assets		**(148)**	(461)	**–**	–
Replacement of fixed assets		**(37)**	(186)	**–**	–
Additions to investments		**(1 038)**	(249)	**–**	–
Proceeds on disposal of investments		**379**	487	**–**	–
Businesses acquired		**–**	(223)	**–**	–
Proceeds on disposal of interest in joint venture and businesses		**–**	92	**–**	–
Loans (to)/redeemed by associated companies		**31**	(3)	**–**	–
Other loans redeemed		**–**	22	**–**	–
Cash flows – financing activities		**(132)**	141	**(113)**	147
(Increase)/decrease in loans to subsidiary companies				**(113)**	147
Increase/(decrease) in interest-bearing debt		**(127)**	139	**–**	–
Increase/(decrease) in deferred liabilities		**(6)**	(14)	**–**	–
Share capital from outside shareholders		**1**	16	**–**	–
Net increase/(decrease) in cash resources		**(299)**	471	**–**	–
Cash resources at the beginning of the year		**2 102**	1 631	**–**	–
Adjustments in respect of Dorbyl Limited		**(90)**	–	**–**	–
Cash resources at the end of the year		**1 713**	2 102	**Nil**	Nil

NOTES TO THE CASH FLOW STATEMENTS

FOR THE YEAR ENDED 31 MARCH

		CONSOLIDATED		THE COMPANY	
		2000	1999	**2000**	1999
		R mio	R mio	**R mio**	R mio
A.	**Adjustments**				
	Depreciation	**176**	238	**–**	–
	Surplus on sale of fixed assets	**(26)**	(7)	**–**	–
	Interest received	**(249)**	(277)	**–**	–
	Interest paid	**36**	65	**–**	–
	Other	**(19)**	(99)	**–**	–
		(82)	(80)	**–**	–
B.	**Decrease/(increase) in working capital**				
	Decrease/(increase) in inventories	**23**	111	**–**	–
	Decrease/(increase) in debtors	**6**	(117)	**–**	–
	(Decrease)/increase in creditors	**(24)**	89	**–**	–
		5	83	**–**	–
C.	**Reconciliation of dividends received**				
	Receivable at the beginning of the year	**128**	86		
	Per income statement	**24**	18	**740**	920
	Dividends from associated companies set-off against investments	**740**	1 267		
	Dividends not received in cash	**(49)**	(12)		
	Receivable at the end of the year	**(68)**	(128)		
	Cash received	**775**	1 231	**740**	920
D.	**Reconciliation of dividends paid**				
	Per statement of changes in equity	**(626)**	(1 067)	**(626)**	(1 067)
	Paid by subsidiary companies to outside shareholders	**(30)**	(47)		
	Cash paid	**(656)**	(1 114)	**(626)**	(1 067)
E.	**Taxation paid is reconciled with the amount disclosed in the income statement as follows**				
	Paid in advance at the beginning of the year	**4**	4	**–**	–
	Unpaid at the beginning of the year	**(154)**	(125)	**–**	–
	Adjustments in respect of Dorbyl Limited	**48**	–	**–**	–
	Per income statement	**(121)**	(227)	**–**	–
	– normal income	**(124)**	(230)	**–**	–
	– exceptional items	**3**	3	**–**	–
	Unpaid at the end of the year	**41**	154	**–**	–
	Paid in advance at the end of the year	**(19)**	(4)	**(1)**	–
	Cash paid	**(201)**	(198)	**(1)**	–

ANALYSIS OF SHAREHOLDERS

AT 31 MARCH 2000

	Number of share-holders	% of share-holders	Number of shares	% of shares issued
Distribution of shareholders				
Rembrandt Controlling Investments Limited	1	0.02	266 586 200	51.07
Nominees	99	2.40	223 369 710	42.79
Individuals	3 857	93.46	15 967 454	3.06
Insurance companies	15	0.36	11 439 075	2.19
Pension and provident funds	36	0.87	342 917	0.07
Other companies	119	2.89	4 294 644	0.82
	4 127	100.00	522 000 000	100.00

Nominee shareholding

The following nominee companies held interests of more than 5% in your Company as on 31 March 2000:

Standard Bank Nominees (Transvaal) (Pty) Limited	21.90%
Nedcor Bank Nominees Limited	5.77%

In terms of the principles of disclosure in accordance with section 140A(8)(a) of the Companies Act 61 of 1973, as amended, no other individual held an interest of more than 5% in your Company on 31 March 2000.

Shareholding	Number of share-holders	% of share-holders	Number of shares	% of shares issued
1 – 5 000	3 524	85.39	3 090 921	0.59
5 001 – 10 000	248	6.01	1 960 205	0.38
10 001 – 100 000	298	7.22	7 818 563	1.50
100 001 – 500 000	36	0.87	7 170 286	1.37
500 001 – 1 000 000	8	0.19	5 569 951	1.07
1 000 001 – and over	13	0.32	496 390 074	95.09
	4 127	100.00	522 000 000	100.00

Johannesburg Stock Exchange	2000	1999	1998	1997	1996	1995	1994
Market capitalisation at 31 March (R million)	30 276	23 125	17 043	24 665	18 922	14 995	14 094
Price (cents per share)							
– 31 March	5 800	4 430	4 160	4 725	3 625	2 865	2 700
– Highest	6 600	5 040	4 975	4 955	4 075	3 450	3 675
– Lowest	4 155	2 700	3 100	3 350	2 425	2 350	2 350
Number of shares traded (000's)	164 041	129 172	92 723	54 796	42 068	38 843	25 022

NOTICE TO SHAREHOLDERS

Full details of the fifty-second Annual General Meeting of the Company will be included in a separate document sent to shareholders. Also included will be information about the proposed restructuring of the Group and resolutions relating thereto which will be submitted to the meeting for consideration.

By order of the Board of Directors.

J C Engelbrecht
Secretary

Stellenbosch
30 June 2000

DATES OF IMPORTANCE TO SHAREHOLDERS

Financial year-end	31 March
Annual General Meeting	To be advised
Financial reports	
Announcement of interim results	November
Interim report	December
Announcement of annual results	June
Annual financial statements	July
Ordinary dividends	
Interim dividend	
– declared	November
– paid	January
Final dividend	
– declared	June
– paid	August

ADMINISTRATION

SECRETARY
J C Engelbrecht

BUSINESS ADDRESS AND REGISTERED OFFICE
Coetzier Street
Stellenbosch
7600

PO Box 456
Stellenbosch
7599

AUDITORS
PricewaterhouseCoopers Inc.

LISTING
Johannesburg Stock Exchange
Sector: Diversified Industrial

TRANSFER SECRETARIES
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