







**INTERIM RESULTS PRESENTATION  
FOR THE SIX MONTHS ENDED  
31 DECEMBER 2016**

17 MARCH 2017

# SALIENT FEATURES

		Six months Dec 2016	Restated Six months Dec 2015
<b>Headline earnings measures</b> (cents)			
Headline earnings per share (HEPS)	 25.9%	867.7	689.4
HEPS excl. once-off costs & option remeasurement	 4.3%	744.3	713.8
<b>Interim dividend</b> (cents)	 4.9%	194.0	185.0
		Dec 2016	Jun 2016
<b>Intrinsic net asset value per share</b> (Rand)	 (15.9%)	257.79	306.44

# HEADLINE EARNINGS ANALYSIS

R'million	Six months Dec 2016	Restated Six months Dec 2015	% change
<b>Reported headline earnings</b>	<b>4 690</b>	<b>3 616</b>	<b>29.7</b>
<b>Adjusted for:</b>			
Option remeasurement	(667)	-	
Once-off costs	-	128	
<b>Headline earnings</b> (excl. once-off costs and option remeasurement)	<b>4 023</b>	<b>3 744</b>	<b>7.5</b>
Weighted number of issued shares (million)	540.5	524.5	3.1
<b>HEPS</b> (excl. once-off costs and option remeasurement) (cents)	<b>744.3</b>	<b>713.8</b>	<b>4.3</b>

# RESTATEMENT AND RIGHTS ISSUE

## RESTATEMENT OF DECEMBER 2015 RESULTS

- The adoption of the amendments to *IAS 16: Property, Plant and Equipment* and *IAS 41: Agriculture* resulted in RCL Foods having to:
  - reclassify bearer plants from biological assets to property, plant and equipment; and
  - reallocate the remaining non-current biological assets to current biological assets
- The adjustment of the weighted average number of shares in issue by 9 994 195 shares as a result of the rights issue shares having been issued at a discounted price

## RIGHTS ISSUE

During October 2016 Remgro completed a rights issue, whereby the company issued:

- 48 110 637 new Remgro ordinary shares, and
- 3 550 635 B ordinary shares;
- at a subscription price of R192.50 per share – total consideration: R9 944.8 million
- discount to Remgro share price on the day before the announcement, being R243.29 per share: 20.9%
- Oversubscribed by 110%

# INVESTMENT ACTIVITIES

## COMMUNITY INVESTMENT VENTURES HOLDINGS (PTY) LTD (CIVH)

- During September 2016 Remgro subscribed for an additional 12 353 shares amounting to R329.3 million in terms of CIVH's rights issue
- Remgro's effective interest increased marginally to 51.0% (June 2016: 50.9%)

## INVENFIN (PTY) LTD (INVENFIN)

- On 27 July 2016 Remgro, through its wholly owned subsidiary Invenfin, acquired a 30% stake in Dynamic Commodities for R80 million
- Dynamic Commodities is an export-focused company that produces high quality frozen desserts, snacks and value-added "fresh frozen" fruit
- During August 2017, Invenfin also acquired a 30% stake in Joya Brands, a sweets manufacturer, for R50.2 million

## PEMBANI REMGRO INFRASTRUCTURE FUND (PRIF)

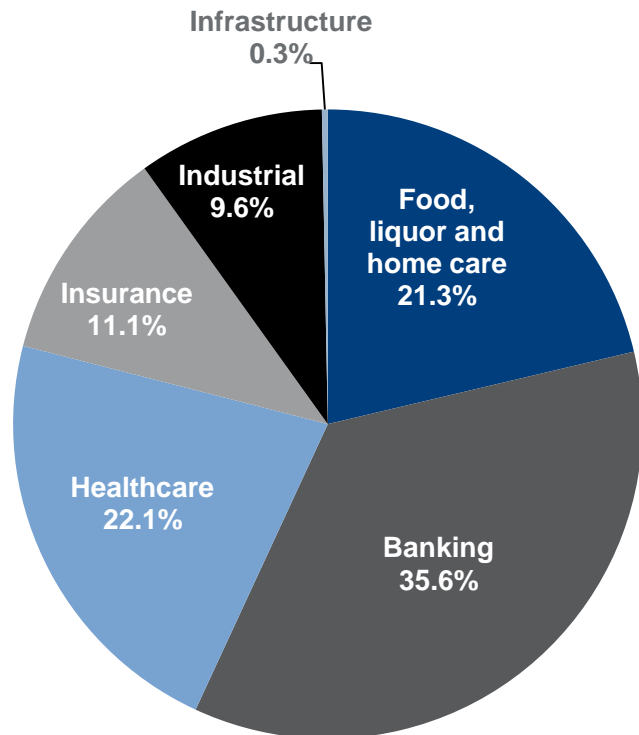
- On 15 August 2016 PRIF had its final close with Remgro receiving:
  - a capital distribution of R14.6 million; and
  - an income distribution of R3.8 million
- Remgro invested a further R5.6 million (cumulative investment in PRIF is R202.9 million)
- Remaining commitment at 31 December 2016 to PRIF amounted to R447.1 million

# CONTRIBUTION BY INVESTMENT PLATFORM

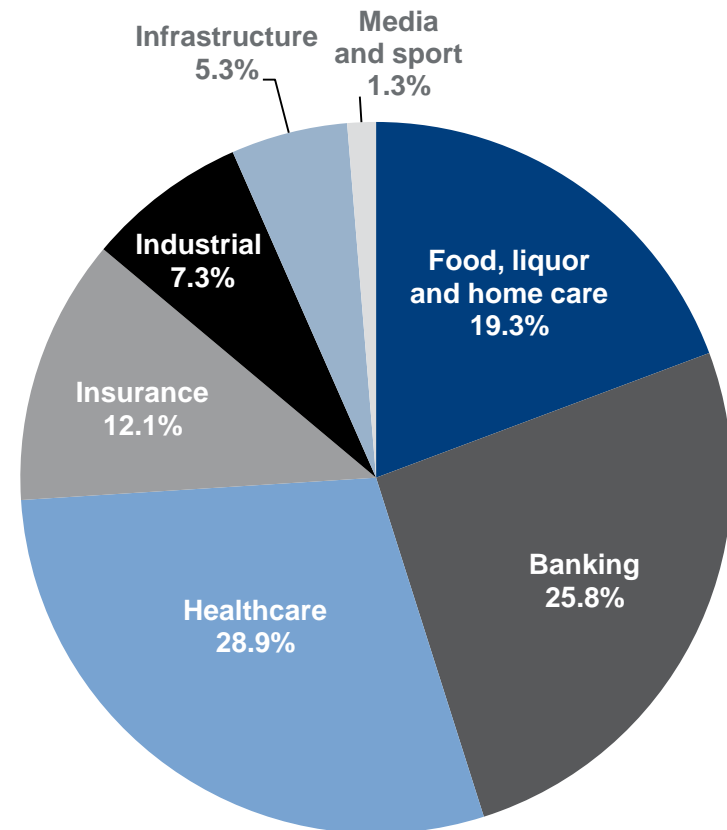
(EXCL. OTHER INVESTMENTS, TREASURY AND CORPORATE COSTS)

## Headline earnings for the period ended 31 Dec 2016

(excl. once-off costs and option remeasurement)



## Intrinsic asset value as at 31 Dec 2016



\* Media and sport contributed a headline loss for the period ended December 2016

# SUMMARY OF HEADLINE EARNINGS BY PLATFORM

R'million	Six months Dec 2016	Restated Six months Dec 2015	% change
Food, liquor and home care	945	1 242	(23.9)
Banking	1 580	1 386	14.0
Healthcare	983	787	24.9
Insurance	492	455	8.1
Industrial	426	5	Nm
Infrastructure	15	74	(79.7)
Media and sport	(25)	(28)	10.7
Other investments	39	31	25.8
Central treasury - Finance income	105	77	36.4
Central treasury - Finance costs	(462)	(91)	Nm
Other net corporate costs	(75)	(194)	61.3
<b>Headline earnings</b> (excl. once-off costs and option remeasurement)	<b>4 023</b>	<b>3 744</b>	<b>7.5</b>

Nm – Not meaningful

# SUMMARY OF HEADLINE EARNINGS

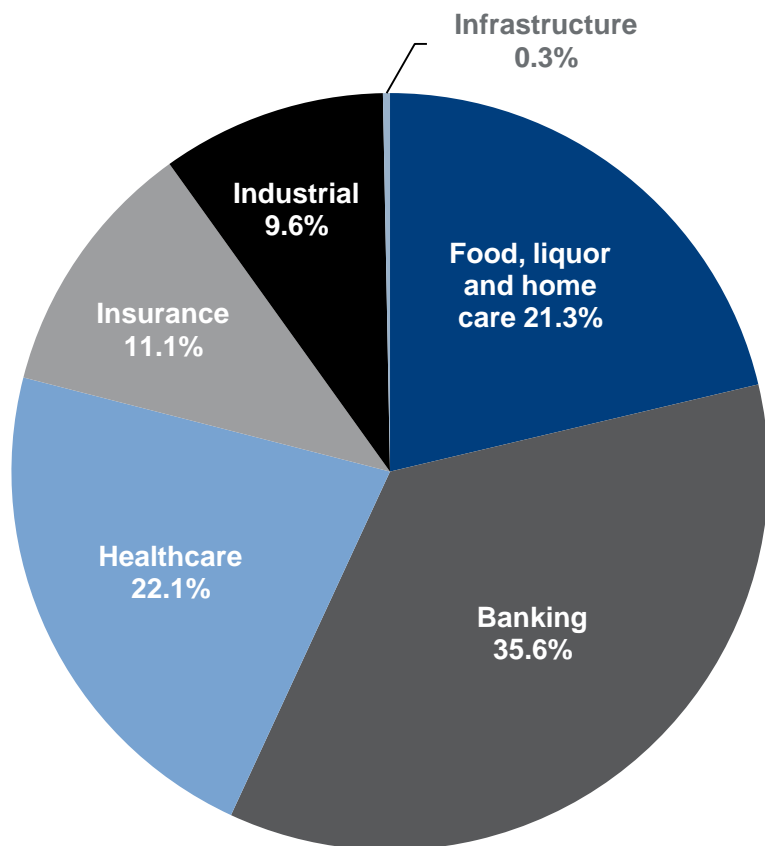
R'million	Six months Dec 2016	Restated Six months Dec 2015	% change	% of total	Cumulative % of total
RMBH and FirstRand	<b>1 580</b>	1 386	14.0	39.3	39.3
Mediclinic	<b>983</b>	787	24.9	24.4	63.7
RMI Holdings	<b>492</b>	455	8.1	12.2	75.9
Distell	<b>364</b>	361	0.8	9.1	85.0
RCL Foods	<b>318</b>	574	(44.6)	7.9	92.9
Unilever	<b>263</b>	307	(14.3)	6.5	99.4
Other investments	<b>23</b>	(126)	118.3	0.6	100.0
<b>Headline earnings</b> (excl. once-off costs and option remeasurement)	<b>4 023</b>	<b>3 744</b>	<b>7.5</b>	<b>100.0</b>	
Weighted average shares in issue (million)	<b>540.5</b>	524.5	3.1		
HEPS (excl. once-off costs and option remeasurement) (cents)	<b>744.3</b>	713.8	4.3		



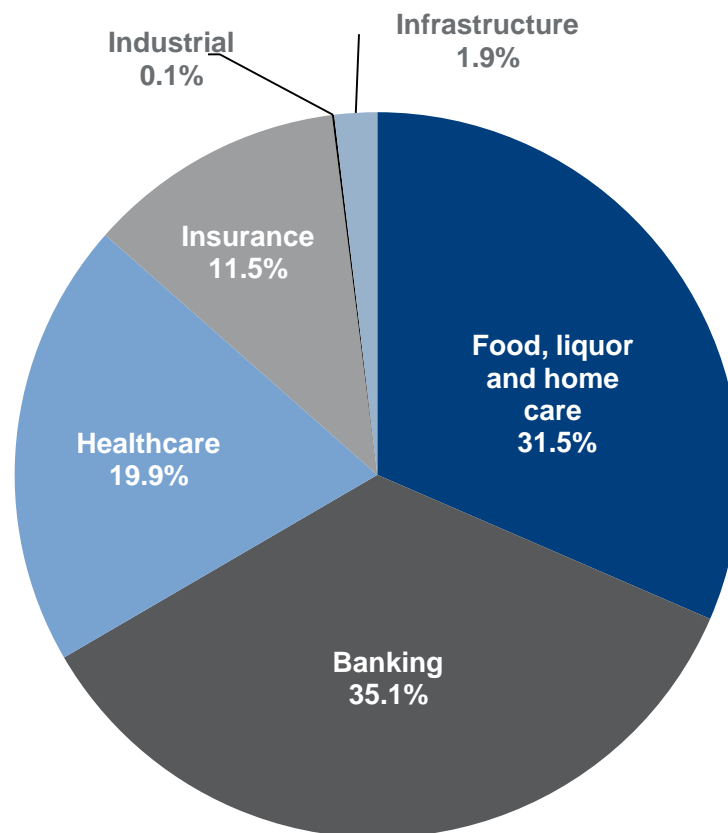
# CONTRIBUTION TO HEADLINE EARNINGS

(EXCL. OTHER INVESTMENTS, TREASURY AND CORPORATE COSTS)

December 2016



December 2015



Excluded Media and sport as it contributed a headline loss for the periods ended December 2016 and December 2015

R'million	Headline earnings			Intrinsic value		
	Six months Dec 2016	Restated Six months Dec 2015	% change	As at 31/12/2016	As at 30/06/2016	% change
Unilever SA	263	307	(14.3)	10 232	10 650	(3.9)
Distell	364	361	0.8	9 782	10 723	(8.8)
RCL Foods	318	574	(44.6)	8 477	9 278	(8.6)
<b>Total</b>	<b>945</b>	<b>1 242</b>	<b>(23.9)</b>	<b>28 491</b>	<b>30 651</b>	<b>(7.0)</b>

## DISTELL (30.9% effective interest)

- The results were negatively impacted by:
  - › a stronger rand, particularly against the British pound;
  - › intense competition; and
  - › pressure on consumers

## UNILEVER SA (25.8% effective interest)

R'million	Six months Dec 2016	Six months Dec 2015	% change
Headline earnings	1 020	1 191	(14.4)

- The main reasons for the decrease in headline earnings were due to:
  - › a higher effective tax rate resulting from lower tax allowances following the completion of manufacturing investments; and
  - › a tough competitive environment experienced in the consumer market

## RCL FOODS (77.3% effective interest)

- RCL Foods' comparative results were positively impacted by the release of a R163 million provision raised for uncertain tax disputes as part of the Foodcorp acquisition
- Excluding this, RCL Foods' contribution to headline earnings would have decreased by 29.0%, mainly due to:
  - › lower contribution from the Chicken business as a result of massive oversupply in the local market caused by high levels of local production and dumping of chicken imports; offset by
  - › a strong Sugar business performance which benefitted from price increases that countered reduced volumes

R'million	Headline earnings			Intrinsic value		
	Six months Dec 2016	Six months Dec 2015	% change	As at 31/12/2016	As at 30/06/2016	% change
RMBH	1 115	979	13.9	26 391	22 356	18.0
FirstRand	465	407	14.3	11 688	9 857	18.6
<b>Total</b>	<b>1 580</b>	<b>1 386</b>	<b>14.0</b>	<b>38 079</b>	<b>32 213</b>	<b>18.2</b>

- FirstRand and RMBH reported normalised earnings growth of 6.7% and 6.4%, respectively, mainly due to:
  - › growth in both net interest income and non-interest revenue from FNB, RMB and Wesbank; partly offset by
  - › an increase in credit impairment charges
- Remgro's effective interest in FirstRand is 13.5% (June 2016: 13.5%)

R'million	Headline earnings			Intrinsic value		
	Six months Dec 2016	Six months Dec 2015	% change	As at 31/12/2016	As at 30/06/2016	% change
Mediclinic	983	787	24.9	42 690	69 691	(38.7)

- The increase in Mediclinic's contribution to headline earnings is mainly due to:
  - › Remgro's increased interest in Mediclinic from 42.1% to 44.6%;
  - › inclusion of the results of Al Noor and Spire Healthcare Group;
  - › a strong performance in Switzerland; and
  - › good organic growth in Southern Africa
- This is partly offset by the underperforming Middle East business, which was impacted by operational and regulatory factors
- The decrease in intrinsic value is due to a decrease in the Mediclinic share price on:
  - › the JSE from R211.53 on 30 June 2016 to R130.00 on 31 December 2016
  - › the LSE from £10.95 on 30 June 2016 to £7.71 on 31 December 2016

R'million	Headline earnings			Intrinsic value		
	Six months Dec 2016	Six months Dec 2015	% change	As at 31/12/2016	As at 30/06/2016	% change
RMI Holdings	492	455	8.1	17 897	18 526	(3.4)

- On a normalised basis, earnings increased by 11.2%
- OUTsurance and Discovery achieved earnings growth of 24.1% and 2.4% respectively, offset by lower earnings from MMI Holdings (lower by 3.8%)

R'million	Headline earnings/(loss)			Intrinsic value		
	Six months Dec 2016	Six months Dec 2015	% change	As at 31/12/2016	As at 30/06/2016	% change
Air Products	151	142	6.3	4 445	4 241	4.8
KTH	58	(260)	122.3	2 576	2 723	(5.4)
Total SA	102	51	100.0	1 956	1 879	4.1
Wispeco	90	54	66.7	1 138	1 055	7.9
PGSI	25	18	38.9	681	734	(7.2)
<b>Total</b>	<b>426</b>	<b>5</b>	<b>Nm</b>	<b>10 796</b>	<b>10 632</b>	<b>1.5</b>

Nm – Not meaningful

## AIR PRODUCTS (50% effective interest)

R'million	Six months Sep 2016	Six months Sep 2015	% change
Revenue	1 447	1 363	6.2
Operating profit	436	426	2.3

- Difficult trading conditions with depressed demand for the company's products in most sectors, especially in the packaged gases division

## KTH (34.9% effective interest)

R'million	Six months Dec 2016	Six months Dec 2015	% change
Profit/(loss) attributable to equity holders	383	(1 023)	137.4

- The increase in earnings was mainly as a result of positive fair value adjustments on its investment in Exxaro (R320 million), AECl (R64 million) and Aveng (R43 million), versus negative fair value adjustments on Exxaro and MMI preference shares in the comparative period
- Income from equity accounted investments decreased to R57 million (2015: R245 million) partly due to the disposal of Idwala as well as significantly lower contributions from other associates due to difficult macro-economic conditions
- Net finance costs amounted to R219 million (2015: R209 million)



**TOTAL SA (24.9% effective interest)**

R'million	Six months Dec 2016	Six months Dec 2015	% change
Revenue	26 747	26 195	2.1
Operating profit	474	189	150.8
Headline earnings	409	205	99.5

- The increase in revenue was mainly due to sales to other oil companies affected by the transport strike
- The results were positively impacted by lower stock revaluation losses of R156 million (2015: loss of R802 million) due to a decrease in the average basic fuel price during the period under review
- NATREF (in which Total SA has a 36.4% interest) experienced lower refining margins due to:
  - › less favourable economic environment and
  - › a major planned shutdown during October and November 2016

## WISPECO (100% effective interest)

R'million	Six months Dec 2016	Six months Dec 2015	% change
Revenue	1 162	1 064	9.2
Operating profit	128	97	32.0

- Revenue growth resulted from slightly higher selling prices as well as higher sales volumes
- Sales margins were higher than expected due to the volatility in raw material costs – this situation was recently reversed as world-wide primary aluminium prices rose
- Pressure Die Castings, a subsidiary, benefitted from growing exports

## PGSI (37.7% effective interest)

R'million	Six months Dec 2016	Six months Dec 2015	% change
Revenue	2 105	1 975	6.6
Operating profit (normalised)	159	135	17.8

- The results were positively impacted by:
  - › positive growth in the building and automotive industries, despite the difficult economic climate; and
  - › profitable growth in “Rest of Africa” markets

R'million	Headline earnings/(loss)			Intrinsic value		
	Six months Dec 2016	Six months Dec 2015	% change	As at 31/12/2016	As at 30/06/2016	% change
CIV Holdings	44	35	25.7	3 895	3 166	23.0
Grindrod	(18)	43	(141.9)	2 329	1 986	17.3
SEACOM	(18)	(28)	35.7	1 050	1 043	0.7
Other (incl. PRIF)	7	24	(70.8)	483	540	(10.6)
<b>Total</b>	<b>15</b>	<b>74</b>	<b>(79.7)</b>	<b>7 757</b>	<b>6 735</b>	<b>15.2</b>

## GRINDROD (23.1% effective interest)

- The headline loss is the result of the continuation of weak commodity markets and low dry-bulk shipping rates

## SEACOM (30.0% effective interest)

- In terms of the agreement between SEACOM's shareholders, limited financial disclosure is allowed
- The headline loss of R18 million (2015: headline loss of R28 million) is mainly due to a change in the estimated useful life of the network assets in 2015 and the resulting normalisation of the depreciation charge in 2016

## CIV HOLDINGS (51.0% effective interest)

DFA R'million	Six months Sep 2016	Six months Sep 2015	% change
Revenue	734	529	38.8
EBITDA	495	347	42.7

- The improved results were mainly as a result of the solid growth in annuity income of 29.0%
- Annuity income in excess of R101 million per month
- Current book value of the fibre optic network is in excess of R7.4 billion
- The future value of the current annuity contract base is in excess of R18 billion
- At 30 Sep 2016 a total distance of 9 503km of fibre network was completed in major metropolitan areas and on long-haul routes

R'million	Headline earnings/(loss)			Intrinsic value		
	Six months Dec 2016	Six months Dec 2015	% change	As at 31/12/2016	As at 30/06/2016	% change
eMedia	33	11	200.0	1 573	1 342	17.2
Other	(58)	(39)	(48.7)	341	328	4.0
<b>Total</b>	<b>(25)</b>	<b>(28)</b>	<b>10.7</b>	<b>1 914</b>	<b>1 670</b>	<b>14.6</b>

## eMEDIA (32.3% effective interest)

- The increase in contribution to Remgro's headline earnings is due to higher advertising revenue as a result of an improvement in market share
- Offset partly by:
  - › higher business development costs; as well as
  - › continued investment into the multi-channel business

# OTHER INVESTMENTS, TREASURY AND CORPORATE COSTS

R'million	Headline earnings/(loss)			Intrinsic value		
	Six months Dec 2016	Restated Six months Dec 2015	% change	As at 31/12/2016	As at 30/06/2016	% change
Other investments	39	31	25.8	3 869	3 717	4.1
Central treasury - Finance inc/Cash	105	77	36.4	12 293	3 778	225.4
Central treasury - Finance costs/Debt	(462)	(91)	<i>Nm</i>	(13 826)	(16 452)	16.0
Other net corporate costs	(75)	(194)	61.3	2 909	3 149	(7.6)
<b>Total</b>	<b>(393)</b>	<b>(177)</b>	<b>(122.0)</b>	<b>5 245</b>	<b>(5 808)</b>	<b>190.3</b>

Nm – Not meaningful

- Business Partners' contribution to headline earnings, included in "Other investments", amounted to R23 million (2015: R21 million)
- The increase in central treasury's finance income is mainly as a result of higher average cash balances as a result of the Remgro rights issue
- Finance costs mainly consist of funding costs of R458 million (2015: R91 million)
- For other net corporate costs, the prior period includes transaction and funding costs amounting to R115 million relating to Remgro's acquisition of Spire, which was recouped from Mediclinic as part of the Spire disposal

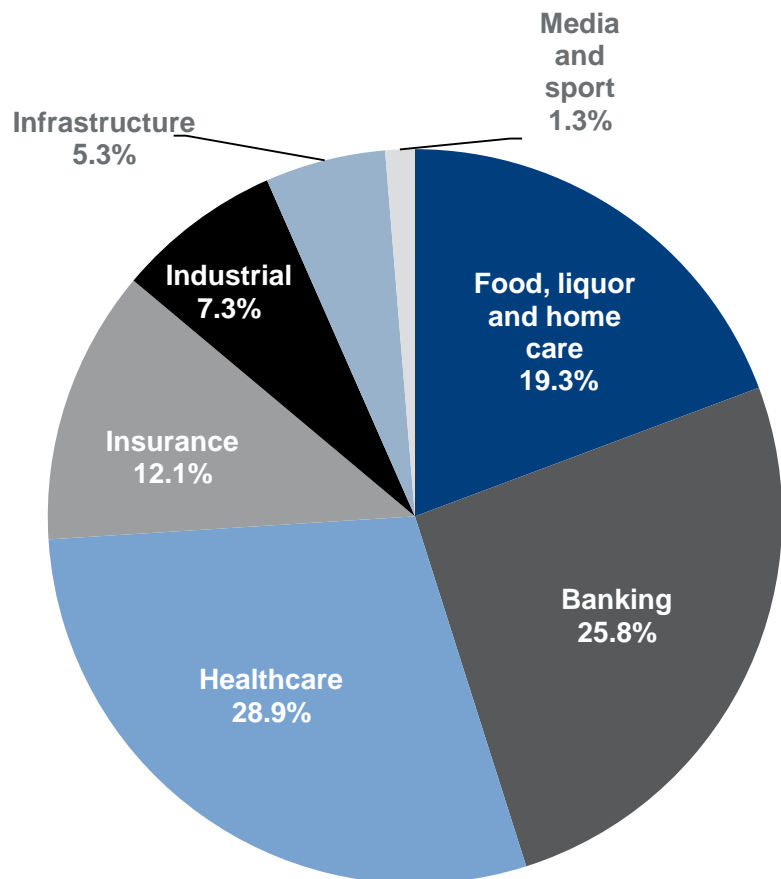
# SUMMARY OF INTRINSIC NET ASSET VALUE

R'million	As at 31 Dec 2016	As at 30 Jun 2016	% change	% of total
Mediclinic	42 690	69 691	(38.7)	27.6
RMBH and FirstRand	38 079	32 213	18.2	24.7
RMI Holdings	17 897	18 526	(3.4)	11.6
Unilever	10 232	10 650	(3.9)	6.6
Distell	9 782	10 723	(8.8)	6.3
RCL Foods	8 477	9 278	(8.6)	5.5
Other investments	27 245	25 903	5.2	17.7
<b>Net asset value before net debt</b>	<b>154 402</b>	<b>176 984</b>	<b>(12.8)</b>	<b>100.0</b>
Cash at the centre	12 293	3 778	225.4	
Debt at the centre	(13 826)	(16 452)	16.0	
<b>Intrinsic NAV before CGT</b>	<b>152 869</b>	<b>164 310</b>	<b>(7.0)</b>	
Potential CGT liability	(6 828)	(6 526)	(4.6)	
<b>Intrinsic NAV after tax</b>	<b>146 041</b>	<b>157 784</b>	<b>(7.4)</b>	
Shares in issue (million)	566.5	514.9	10.0	
Intrinsic NAV per share (Rand)	257.79	306.44	(15.9)	

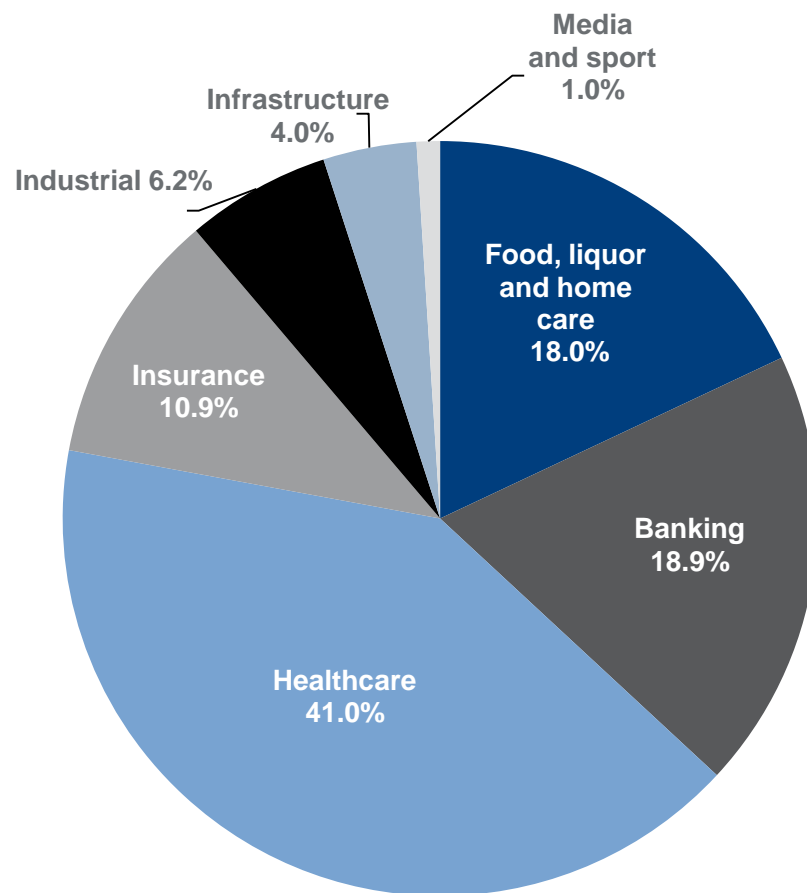
# CONTRIBUTION TO INTRINSIC VALUE BY PLATFORM

(EXCL. OTHER INVESTMENTS, TREASURY, CORPORATE COSTS AND POTENTIAL CGT)

December 2016



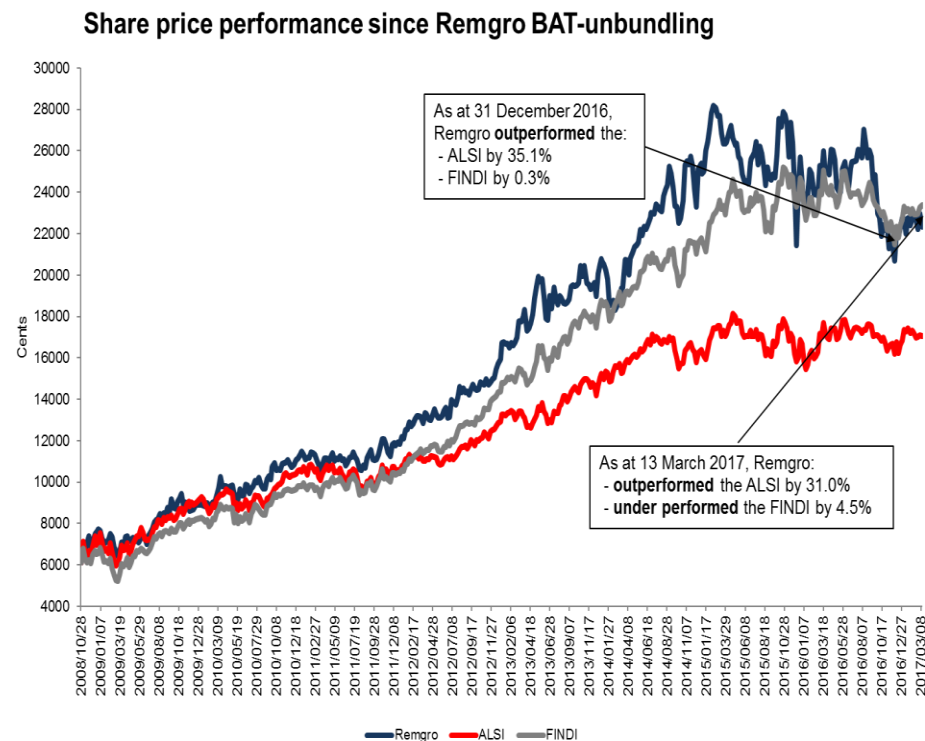
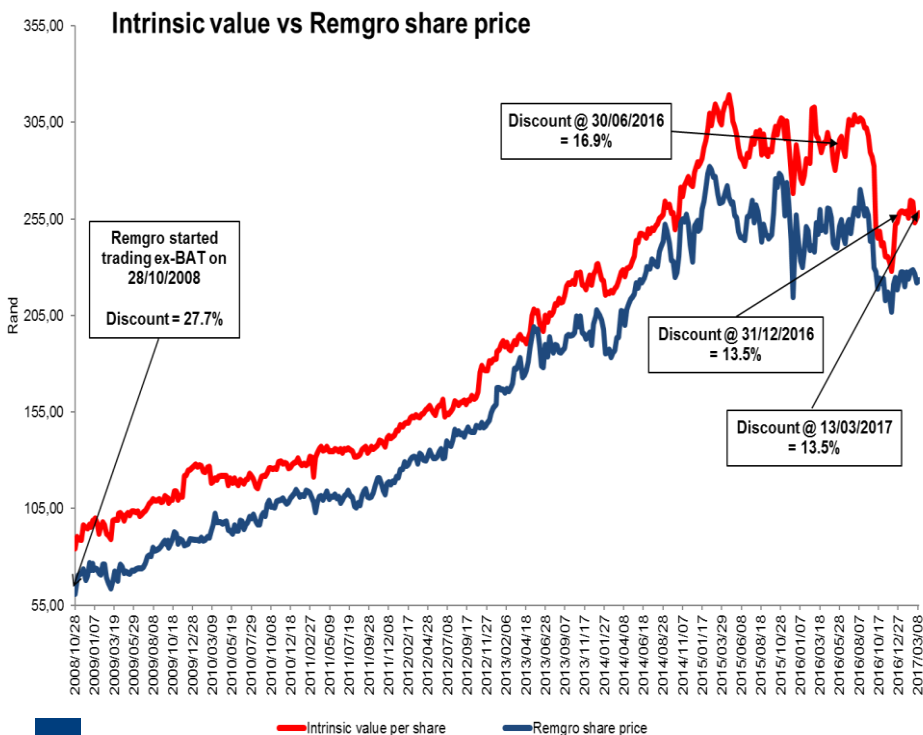
June 2016





# INTRINSIC VALUE

R'million	As at 13 Mar 2017	As at 31 Dec 2016	As at 30 Jun 2016	% change
<b>Discount to Intrinsic value</b>	<b>13.5%</b>	<b>13.5%</b>	<b>16.9%</b>	<b>-340 bps</b>
Intrinsic value – after CGT (Rand)	258.20	257.79	306.44	(15.9)
Closing share price (Rand)	223.39	223.05	254.66	(12.4)

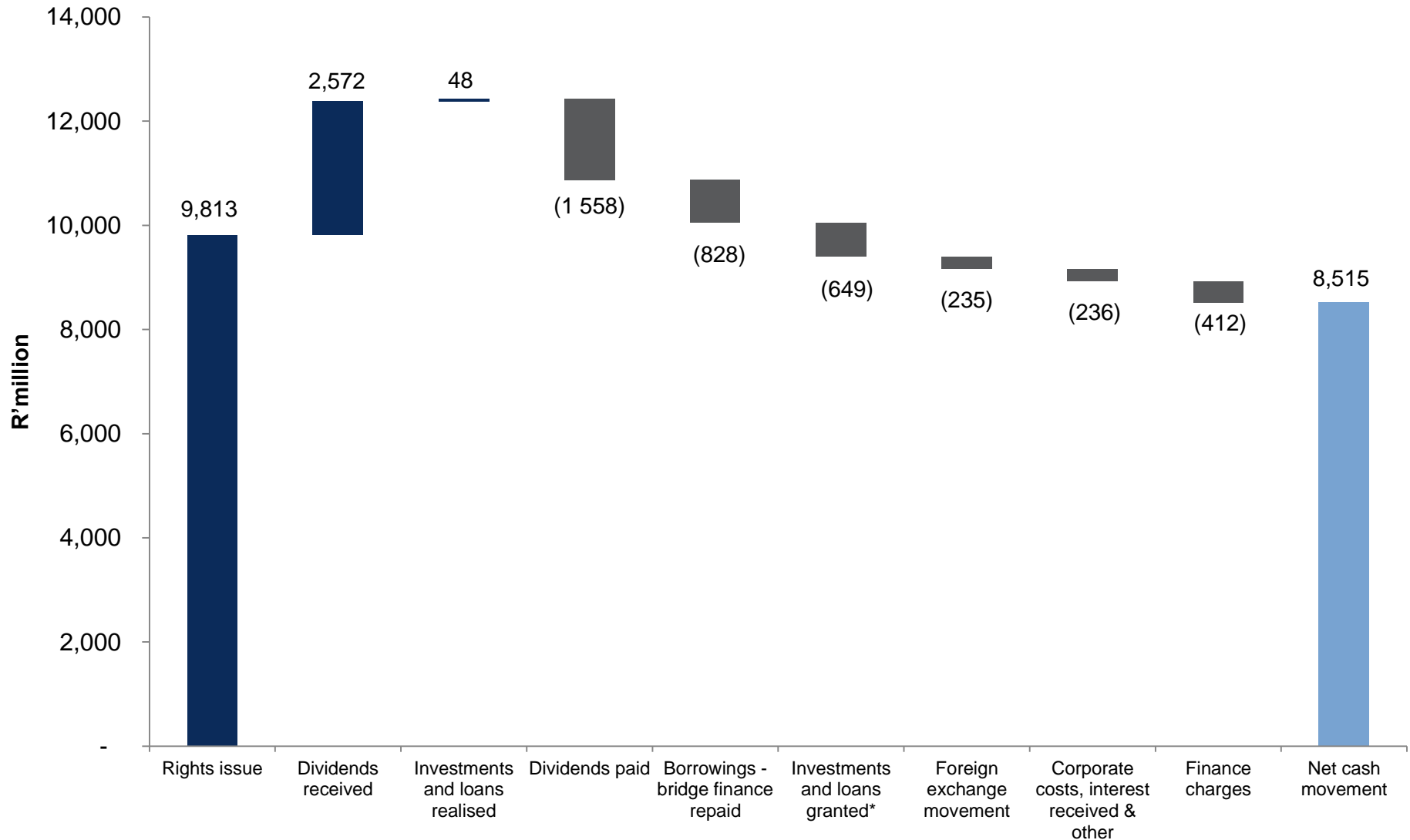


# TOTAL CASH AT THE CENTRE

R'million	As at 31 December 2016		
	Local	Offshore	Total
Per statement of financial position	7 151	2 307	9 458
Investment in money market funds	1 335	2 234	3 569
Less: Cash of operating subsidiaries	(732)	(2)	(734)
<b>Cash at the centre</b>	<b>7 754</b>	<b>4 539</b>	<b>12 293</b>

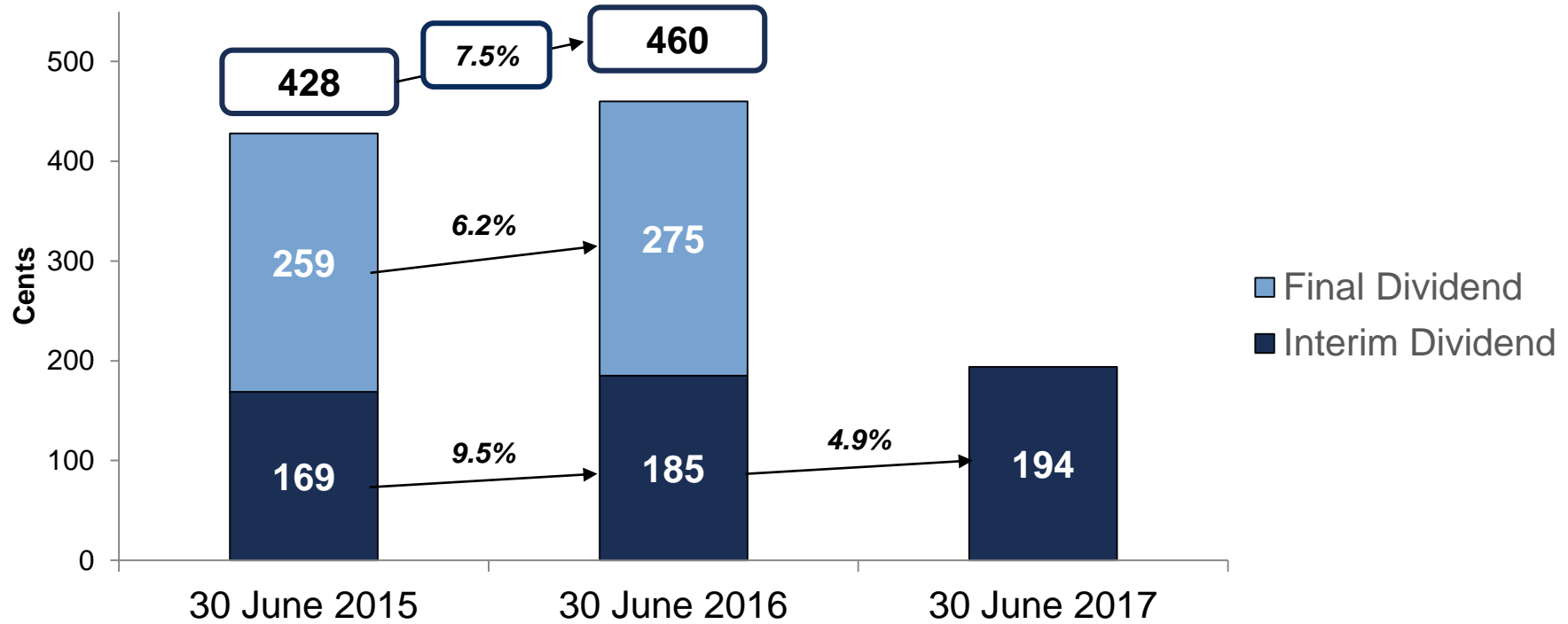
Cash at the centre is held in the following currencies:	% of total	R'million
South African rand	63.5	7 803
USA dollar (\$293.1 million)	32.7	4 019
British pound (£27.7 million)	3.8	466
Other	0.0	5
<b>Cash at the centre</b>	<b>100.0</b>	<b>12 293</b>

# CASH AT THE CENTRE MOVEMENT



\* Investments and loans made to CIVH (R329 million), Dynamic Commodities (R80 million) and Joya Brands (R50 million)

# CASH DIVIDEND



- The interim dividend of 194 cents represents an increase of 4.9% from the December 2015 interim dividend

**THANK YOU**

**FOR MORE INFORMATION VISIT OUR WEBSITE**

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

Criteria	Descriptions
Geography	<ul style="list-style-type: none"> <li>• South Africa and other African countries through investee companies</li> </ul>
Investment size	<ul style="list-style-type: none"> <li>• Make a meaningful impact</li> </ul>
Investment stake	<ul style="list-style-type: none"> <li>• Sufficient to exercise influence (&gt;20%)</li> </ul>
Listed vs. unlisted	<ul style="list-style-type: none"> <li>• Unlisted is preferable</li> </ul>
Disposals	<ul style="list-style-type: none"> <li>• Ex cash flow growth business</li> <li>• No value to be added</li> <li>• Risk profile has changed</li> <li>• Strategic reasons</li> </ul>

Platform focus	Platform characteristics	Platform culture
<ul style="list-style-type: none"> <li>• 7 Platforms</li> <li>• Additions to Platforms</li> <li>• New opportunities within Platform</li> </ul>	<ul style="list-style-type: none"> <li>• Right sector</li> <li>• Management</li> <li>• Robust and transparent investment process</li> <li>• Good governance</li> </ul>	<ul style="list-style-type: none"> <li>• Integrity and trust</li> <li>• Long-term partnership</li> <li>• Deep rooted relationships</li> <li>• Track record</li> </ul>

# VALUATION OF UNLISTED INVESTMENTS

## Factors taken into consideration in determining the directors' valuation:

- Growth potential and risk;
- Underlying NAV;
- Profit history; and
- Cash flow projections

Unlisted investment	Valuation method	Tradeability discount
Unilever SA	Discounted cash flow	No
Total SA	Discounted cash flow	Yes
Air Products	Discounted cash flow	No
KTH	Sum-of-the-parts	Yes
Business Partners	Net asset value	Yes
Wispeco	Discounted cash flow	No
PGSI	Discounted cash flow	Yes
CIV Holdings	Discounted cash flow	Yes
eMedia	Market price	No
SEACOM	Discounted cash flow	Yes

# INFORMATION ON UNLISTED INVESTMENTS

Business	Profile
<b>Food, liquor and home care</b>	
<b>Unilever SA</b>	Unilever manufactures and markets an extensive range of food and home and personal care products, while enjoying market leadership in most of its major categories. Well-known brands include <i>Robertsons, Rama, Flora, Lipton, Joko, Sunlight, Omo, Surf, Vaseline and Lux</i> .
<b>Industrial</b>	
<b>Air Products</b>	Air Products produces oxygen, nitrogen, argon, hydrogen and carbon dioxide for sale in gaseous form by pipeline under long-term contracts to major industrial users, as well as the distribution of industrial gases and chemicals for sale, together with ancillary equipment, to the merchant market. The other 50% of the ordinary shares is held by Air Products and Chemicals Incorporated, a USA company.
<b>Total SA</b>	Total SA is a subsidiary of Total (France). Total's business is the refining and marketing of petroleum and petroleum products in South Africa. It distributes to neighbouring countries. It has a 36% interest in Natref.



# INFORMATION ON UNLISTED INVESTMENTS

Business	Profile
<b>Industrial</b>	
<b>KTH</b>	KTH is a leading black-owned investment company and has a strong and diversified asset portfolio covering the resources, industrial, media, power, financial services, healthcare, property and information technology sectors. Largest investments include Kagiso Media, MMI Holdings, Exxaro Resources, Servest, Fidelity Bank, Actom and AECI.
<b>PGSI</b>	PGSI holds an interest of 90% in PG Group. The PG Group is South Africa's leading integrated flat glass business that manufactures, distributes and installs high-performance automotive and building glass products. Its brands include PG Glass, Shatterprufe, PFG Building Glass, Primador, Smartglass, Widney, Safevue and Lumar.
<b>Wispeco</b>	Wispeco's main business is the manufacturing and distribution of extruded aluminium profiles used in the building, engineering and durable goods sectors. Brands include CREALCO and Sheerline.

# INFORMATION ON UNLISTED INVESTMENTS

Business	Profile
<b>Media and sport</b>	
<b>eMedia</b>	eMedia has a range of media interests, which includes e.tv, eNews Channel Africa (eNCA), Gauteng-based radio station, Yfm and various studio and facilities businesses. It also owns the free-to-air satellite platform Open-View HD.
<b>Infrastructure</b>	
<b>CIV Holdings</b>	DFA, the biggest asset in the CIV group, constructs and owns fibre optic networks.
<b>SEACOM</b>	SEACOM provides high-capacity international fibre-optic bandwidth on the African continent. The company started a new line of business where it sells directly to Enterprise customers called SEACOM Business.

# INFORMATION ON UNLISTED INVESTMENTS

Business	Profile
Other investments	
<b>Business Partners</b>	Business Partners is a specialist investment company providing risk finance, mentorship, property accommodation, as well as management services to small and medium enterprises mainly in South Africa.
<b>Pembani Remgro Infrastructure Fund (PRIF)</b>	<p>An infrastructure fund focused on infrastructure across the African continent. PRIF has interests in the following investments:</p> <ul style="list-style-type: none"> <li>• Export Trading Group (ETG), which owns and manages a vertically integrated agricultural infrastructure supply chain in sub-Saharan Africa.</li> <li>• GPR Leasing Africa, a rail rolling-stock leasing joint venture between the Fund and Grindrod Rail.</li> <li>• Octotel RSAWeb, a supplier of fibre-to-the-home and internet service provider in the Western Cape</li> <li>• Lumos Global, a supplier of off-grid solar power systems</li> </ul>