

RECM and Calibre Limited  
(Incorporated in the Republic of South Africa)  
(Registration number 2009/012403/06)  
Preference share code: RACP  
ISIN: ZAE000145041  
("RAC" or the "Company")

**Unaudited Interim financial results for the six months ended 30 September 2011**

	Notes	Six months ended 30 September 2011 R	Audited Twelve Months ended 31 March 2011 R	Six Months ended 30 September 2010 R
<b>Statement of Financial Position</b>				
<b>Assets</b>				
<b>Non-current assets</b>				
Other financial assets	1	236 629 884	219 875 090	106 556 669
<b>Current assets</b>				
Trade and other receivables		287 477 345	295 609 693	400 085 715
Other financial assets	1	-	6 217 106	138 000
Cash and cash equivalents	2	287 367 108	288 509 508	399 790 680
		110 237	883 079	157 035
<b>Total assets</b>		<b>524 107 229</b>	<b>515 484 783</b>	<b>506 642 384</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Share capital	3	50 000 000	50 000 000	50 000 000
Reserves attributable to ordinary shares	4	650 612	86 038	108 159
Retained income/(loss) attributable to ordinary shares	5	1 579 030	1 226 749	329 734
		52 229 642	51 312 787	50 437 893
Reserves and retained income attributable to preference shares	6	20 066 770	11 815 084	3 941 046
Reserves	4	5 855 505	774 346	973 430
Retained income	5	14 211 265	11 040 738	2 967 616
<b>Total Equity</b>		<b>72 296 412</b>	<b>63 127 871</b>	<b>54 378 939</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Other financial liabilities	7	451 059 135	450 140 062	450 176 073
Deferred tax		450 000 000	450 000 000	450 000 000
		1 059 135	140 062	176 073
<b>Current liabilities</b>				
Trade and other payables		751 682	2 216 850	2 087 372
Current tax payable		630 978	678 359	1 399 726
		120 704	1 538 491	687 646
<b>Total equity and liabilities</b>		<b>524 107 229</b>	<b>515 484 783</b>	<b>506 642 384</b>
<b>Statement of Comprehensive Income</b>				
		<b>R</b>	<b>R</b>	<b>R</b>
Revenue		8 335 709	24 041 715	8 567 804
Operating expenses		(3 499 443)	(6 376 434)	(3 146 347)
Operating Profit		4 836 266	17 665 281	5 421 457
Finance costs		-	(113)	(113)
Profit before taxation		4 836 266	17 665 168	5 421 344
Taxation		(1 313 459)	(5 053 413)	(1 779 726)
Profit after taxation		3 522 807	12 611 755	3 641 618
Other comprehensive income		-	-	-
Available-for-sale financial assets adjustments		6 564 806	1 000 446	1 257 662
Taxation related to components of other comprehensive income		(919 073)	(140 062)	(176 073)
<b>Total comprehensive income</b>		<b>9 168 540</b>	<b>13 472 139</b>	<b>4 723 207</b>
<i>Total comprehensive income attributable to:</i>				
Ordinary shareholders		916 854	1 347 214	472 321
Preference shareholders		8 251 686	12 124 925	4 250 886
		<b>9 168 540</b>	<b>13 472 139</b>	<b>4 723 207</b>

**Statement of Changes in Equity**

	Share capital	Share premium	Total share capital	Fair value adjustment assets – available-for-sale reserve	Retained income/(Loss)	Total Equity
	R	R	R	R	R	R
Balance at 31 March 2010	70	-	70	-	(344 268)	(344 198)
<i>Changes in equity</i>						
Total comprehensive income	-	-	-	1 081 589	3 641 618	4 723 207
Issue of ordinary shares	49 930	49 950 000	49 999 930	-	-	49 999 930
<b>Balance 30 September 2010</b>	50 000	49 950 000	50 000 000	1 081 589	3 297 350	54 378 939
<i>Changes in equity</i>	-	-	-	-	-	-
Total comprehensive income/(loss)	-	-	-	(221 205)	8 970 137	8 748 932
<b>Balance 31 March 2011</b>	50 000	49 950 000	50 000 000	860 384	12 267 487	63 127 871
<i>Changes in equity</i>						
Total comprehensive income	-	-	-	5 645 733	3 522 807	9 168 540
<b>Balance 30 September 2011</b>	50 000	49 950 000	50 000 000	6 506 117	15 790 294	72 296 412

	Six months ended 30 September 2011	Audited Twelve Months ended 31 March 2011	Six Months ended 30 September 2010
	R	R	R
<b>Statement of Cash Flows</b>			
<b>Cash flows from operating activities</b>			
Cash utilised in operations	2 670 282	(11 920 757)	(2 602 276)
Interest income	8 087 763	23 452 240	8 567 804
Dividends received	247 946	589 475	-
Finance costs	-	(113)	(113)
Tax paid	(2 731 246)	(3 514 922)	(380 000)
	<u>8 274 745</u>	<u>8 605 923</u>	<u>5 585 415</u>
<b>Cash flows from investing activities</b>			
Purchase of financial assets	(9 047 587)	(507 384 152)	(505 089 687)
	<u>(9 047 587)</u>	<u>(507 384 152)</u>	<u>(505 089 687)</u>
<b>Cash flows from financing activities</b>			
Proceeds on share issue	-	49 999 930	49 999 930
Proceeds from other financial liabilities	-	450 000 000	450 000 000
Net movement on shareholders' loans	-	(338 622)	(338 693)
	<u>-</u>	<u>499 661 308</u>	<u>499 661 237</u>
Total cash movement for the period	(772 842)	883 079	156 965
Cash at beginning of period	883 079	-	70
Total cash and cash equivalents end of period	<u>110 237</u>	<u>883 079</u>	<u>157 035</u>

**Notes to the interim results for the period ended 30 September 2011**

1	<b>Other financial assets</b>			
	Available-for-sale			
	Listed and unlisted shares - Quoted	23 217 134	17 631 034	5 175 360
	Unlisted - Unquoted	280 000	280 000	280 000
	Unit trusts	213 132 750	201 964 056	101 101 309
	Money market funds	287 367 108	288 509 508	399 790 680
		<u>523 996 992</u>	<u>508 384 598</u>	<u>506 347 349</u>

The fair values of the financial assets were determined as follows: Listed and unlisted quoted investments are based on the quoted market price and unlisted securities on the last available traded price.

2	<b>Cash and cash equivalents</b>			
	Bank balances	110 237	883 079	157 035

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	Six months ended 30 September 2011	Audited Twelve Months ended 31 March 2011	Six Months ended 30 September 2010
	R	R	R
<b>Share capital</b>			
<b>Authorised</b>			
5 000 000 Ordinary shares of R0.01 each	50 000	50 000	50 000
100 000 000 Redeemable, participating, non-cumulative Preference shares of R0.01 each	1 000 000	1 000 000	1 000 000
<b>Issued</b>			
5 000 000 Ordinary shares of R0.01 each	50 000	50 000	50 000
Share premium	49 950 000	49 950 000	49 950 000
	<u>50 000 000</u>	<u>50 000 000</u>	<u>50 000 000</u>

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**Reserves**

The fair value adjustment assets available-for-sale reserve comprises all fair value adjustments on available-for-sale financial instruments. When an asset or liability is derecognised, the fair value adjustment relating to that asset or liability is transferred to profit or loss.

Available-for-sale financial instruments	7 565 252	1 000 446	1 257 662
Deferred tax on available-for-sale financial instruments	(1 059 135)	(140 062)	(176 073)
	<u>6 506 117</u>	<u>860 384</u>	<u>1 081 589</u>

*The reserves are attributable to the following classes of shareholders:*

5 000 000 Ordinary shares	650 612	86 038	108 159
45 000 000 Redeemable, participating, non-cumulative preference shares	5 855 505	774 346	973 430
	<u>6 506 117</u>	<u>860 384</u>	<u>1 081 589</u>

The reserves are divided between the ordinary and preference shares according to Article 4.5.3.2 of the Articles of the Company. On the occurrence of a redemption event, each preference shareholder shall be entitled to be paid, on the relevant redemption date, in redemption of the preference shares held by it - in reference and in priority to the holders of all other classes of shares in the share capital of the Company, as a redemption amount in respect of each preference share held by it, an amount equal to the designated percentage of all payments to be made to shareholders, whether in cash or in specie, divided by the number of preference shares in issue at the relevant date. The designated percentage means, at any relevant time, the percentage which all the preference shares in the aggregate constitute of the entire issued share capital of the Company.

Each of the following events set out in Article 4.5 of the Company's Articles of Association constitutes a redemption event, namely:

- > A final order of competent court is made for the winding-up of the Company ("the liquidation event");
- > A resolution by the board of directors of the Company to redeem the Preference shares before the liquidation event (which the board of directors of the Company shall be entitled to so resolve at any time after the Preference shares issue date);
- > A resolution is passed by the ordinary shareholders or all the shareholders, for the voluntary winding-up of the Company; and or
- > A resolution is passed by the directors of the Company, for the Company to cease the conduct of its business.

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**Retained income**

The retained income is attributable to the following classes of shareholders:

5 000 000 Ordinary shares	1 579 030	1 226 749	329 734
45 000 000 Redeemable, participating, non-cumulative preference shares	14 211 265	11 040 738	2 967 616
	<u>15 790 295</u>	<u>12 267 487</u>	<u>3 297 350</u>

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- > A final order of competent court is made for the winding-up of the Company ("the liquidation event");
- > A resolution by the board of directors of the Company to redeem the Preference shares before the liquidation event (which the board of directors of the Company shall be entitled to so resolve at any time after the Preference shares issue date);
- > A resolution is passed by the ordinary shareholders of all the shareholders, for the voluntary winding-up of the Company; and or
- > A resolution is passed by the directors of the Company, for the Company to cease the conduct of its business.

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**Preference shareholders' Interest**

These reserves and retained income are divided between the ordinary and preference shareholders according to Article 4.5.3.2 of the Articles of Association of the Company. Refer to notes 4 and 5 for the various allocations.

Reserves: Fair value adjustments of assets-available-for-sale reserve	5 855 505	774 346	973 430 2 967 616
Retained income	14 211 265	11 040 738	
	<u>20 066 770</u>	<u>11 815 084</u>	<u>3 941 046</u>
<b>Other financial liabilities</b>			
Held at amortised cost			
45 000 000 Redeemable, participating.			
Non-cumulative preference shares	<u>450 000 000</u>	<u>450 000 000</u>	<u>450 000 000</u>

The other financial liabilities consists of 45 000 000 redeemable, participating, non-cumulative preference shares of R0.01 each and a share premium of R9.99 each, which shares are listed on the Johannesburg Stock Exchange. These redeemable, participating, non-cumulative preference shares share in the reserves and the retained income of the Company as per note 4 and 5.

#### 8 Events after balance sheet date

The directors are not aware of any matter or circumstance arising since the end of the period.

#### Basis of accounting preparation

The accounting policies applied for the six months are consistent, in all material respects, with those used in the Annual Financial Statements of the prior period in accordance with the recognised and measurements criteria of International Reporting Standards (IFRS) and the presentation and disclosure requirements of International Accounting Standards 34, Interim Financial Reporting, as well as AC 500 standards as issued by the Accounting Practices Board, the Listings Requirements of the JSE and the Companies Act 71 of 2008.

The interim results have been prepared in accordance with the IFRS and IFRIC interpretations as adopted for use in South Africa the time of the preparation of the information. As these standards and interpretations are subject of ongoing review, they may be amended between the date of this report and the finalisation of the annual financial statements for the year ending 31 March 2012.

#### Commentary

The most notable investment made during the past six months has been our commitment to purchase Namaqualand Mines from De Beers Consolidated Mines Limited as part of a consortium led by Trans Hex Group Limited. We commented on this transaction in the recent RECM and Calibre Limited ("RAC") annual report. The final details of the transaction are still being negotiated, but we expect to commit about R100 million to this investment.

We are making steady progress in deploying capital to listed shares and shares that trade over the counter, and we are finding new opportunities on this front on a regular basis. We have not concluded any new private market investments since agreeing to invest in the Namaqualand Mines transaction, but we are constantly evaluating investment opportunities.

On a 'see-through' basis, about 14.7% of RAC's assets were invested in equities at 30 September 2011. This excludes the Namaqualand Mines commitment referred to above. The remainder of RAC's assets consists of cash and money market investments. According to our estimates, the equities owned by RAC at 30 September 2011 were in aggregate priced at about 58% of fair value.

#### Net asset value (NAV)

Net Asset Value of preference shares as at 30 September 2011 (cents per share)	<u>1 044.59</u>	<u>1 026.26</u>	<u>1 008.76</u>
Headline earning per share (cents per share)	<u>7.05</u>	<u>25.22</u>	<u>7.28</u>

Signed on behalf of the board

#### P Viljoen

Cape Town  
18 October 2011

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Company Secretary: L Potgieter

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