

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")

Reviewed preliminary financial results for the year ended **31 March 2012**

	Notes	Reviewed 31 March 2012 R	Audited 31 March 2011 R
Statement of Financial Position			
Assets			
Non-current assets			
Other financial assets	1	288 052 283	219 875 090
Current assets			
Trade and other receivables		6 148 068	6 217 106
Other financial assets	1	270 542 851	288 509 508
Cash and cash equivalents	2	702 041	883 079
Total assets		565 445 243	515 484 783
Equity and liabilities			
Equity			
Share capital	3	50 000 000	50 000 000
Reserves attributable to ordinary shares	4	3 039 119	86 038
Retained income attributable to ordinary shares	5	2 582 201	1 226 749
		55 621 320	51 312 787
Reserves and retained income attributable to preference shares	6	50 591 878	11 815 084
Reserves	4	27 352 070	774 346
Retained income	5	23 239 808	11 040 738
Total Equity		106 213 198	63 127 871
Liabilities			
Non-current liabilities			
Other financial liabilities	7	450 000 000	450 000 000
Deferred tax		6 966 433	140 062
Current liabilities			
Trade and other payables		1 003 978	678 359
Current tax payable		1 261 634	1 538 491

Total equity and liabilities

565 445 243

515 484 783

**Reviewed
31 March 2012****Audited 31
March 2011****Statement of Comprehensive Income**

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Revenue	25 925 159	24 041 715
Operating expenses	(7 613 484)	(6 376 434)
Operating Profit	18 311 675	17 665 281
Finance costs	(866)	(113)
Profit before taxation	18 310 809	17 665 168
Taxation	(4 756 287)	(5 053 413)
Profit after taxation	13 554 522	12 611 755
Available-for-sale financial assets adjustments	36 357 085	1 000 446
Taxation related to components of other comprehensive income	(6 826 280)	(140 062)
	29 530 805	860 384
Total comprehensive income	43 085 328	13 472 139
<i>Total comprehensive income attributable to:</i>		
Ordinary shareholders	4 308 533	1 347 214
Preference shareholders	38 776 794	12 124 925
	43 085 327	13 472 139

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	-	-	-	860 384	12 611 755	13 472 139
Issue of ordinary shares	49 930	49 950 000	49 999 930	-	-	49 999 930
Balance 31 March 2011	50 000	49 950 000	50 000 000	860 384	12 267 487	63 127 871
<i>Changes in equity</i>						
Total comprehensive income	-	-	-	29 530 805	13 554 522	43 085 327
Balance 31 March 2012	50 000	49 950 000	50 000 000	30 391 189	25 822 009	106 213 198

Reviewed
31 March 2012

Audited
31 March 2011

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Statement of Cash Flows

Cash flows from operating activities

Cash utilised in operations	(7 218 827)	(11 920 757)
Interest income	24 050 488	23 452 240
Dividends received	1 874 671	589 475
Finance costs	(866)	(113)
Tax paid	(5 033 144)	(3 514 922)
	<u>13 672 322</u>	<u>8 605 923</u>

Cash flows from investing activities

Purchase of financial assets	(13 853 360)	(507 384 152)
	<u>(13 853 360)</u>	<u>(507 384 152)</u>

Cash flows from financing activities

Proceeds on share issue	-	49 999 930
Proceeds from other financial liabilities	-	450 000 000
Net movement on shareholders' loans	-	(338 622)
	<u>-</u>	<u>499 661 308</u>

Total cash movement for the period	(181 038)	883 079
Cash at beginning of period	883 079	-
	<u>702 041</u>	<u>883 079</u>

Notes to the annual financial results for the year ended 31 March 2012

1 Other financial assets

Available-for-sale

Listed and unlisted shares - Quoted	47 641 225	17 631 034
Unlisted - Unquoted	280 000	280 000
Unit trusts	<u>240 131 058</u>	<u>201 964 056</u>
	288 052 283	219 875 090

Money market funds

<u>270 542 851</u>	288 509 508
<u>558 595 134</u>	<u>508 384 598</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 Cash and cash equivalents

Bank balances	<u>702 041</u>	<u>883 079</u>
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	Reviewed 31 March 2012 R	Audited 31 March 2011 R
3 Share capital		
Authorised		
5 000 000 Ordinary shares of R0.01 each	50 000	50 000
100 000 000 Redeemable, participating, non-cumulative Preference shares of R0.01 each	1 000 000	1 000 000
Issued		
5 000 000 Ordinary shares of R0.01 each	50 000	50 000
Share premium	49 950 000	49 950 000
	50 000 000	50 000 000
4 Reserves		
The 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	37 357 622	1 000 446
Deferred tax on available-for-sale financial instruments	(6 966 433)	(140 062)
	30 391 189	860 384
<i>The reserves are attributable to the following classes of shareholders:</i>		
5 000 000 Ordinary shares	3 039 119	86 038
45 000 000 Redeemable, participating, non-cumulative preference shares	27 352 070	774 346
	30 391 189	860 384
5 Retained income		
The retained income is attributable to the following classes of shareholders:		
5 000 000 Ordinary shares	2 582 201	1 226 749
45 000 000 Redeemable, participating, non-cumulative preference shares	23 239 808	11 040 738
	25 822 009	12 267 487
6 Preference shareholders' Interest		
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	27 352 070	774 346
Retained income	23 239 808	11 040 738
	50 591 878	11 815 084

7 **Other financial liabilities**

Held at amortised cost
45 000 000 Redeemable,
participating. Non-cumulative
preference shares

450 000 000

450 000 000

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 JSE Limited. 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 financial year.

Basis of accounting preparation

The accounting policies applied for the year 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.

These condensed financial results were prepared under the review of Mr Michael Arbuthnot CA(SA) in his capacity as financial manager.

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

Segmental analysis

The directors considered the implications of IFRS 8 Operating Segments and are of the opinion that the operations of the company are substantially similar and that the risks and returns of these operations are likewise similar. Resource allocation and the management of the operation are performed on an aggregated basis, and as such the company is considered to be a singly aggregated business and therefore is no additional reporting requirements in terms of IFRS 8.

Commentary

RAC's net asset value per share (for both the unlisted ordinary and the listed preference shares) increased from R10.26 to R11.12 over the past year. This reflects the fact that the bulk of the company's assets were still in the form of cash and money market investments for most of the year. The book value of all RAC's equity investments stands at R123.3 million while the market value of these investments at year-end was R162.1 million. At 8.4% (after tax), the increase in net asset value per share compares respectably to that delivered by the major asset class indices in South Africa of 7.5% for equities (FTSE/JSE All Share), 13.1% for bonds (South Africa All Bond Index) and 5.3% for cash (Short Term Fixed Income - SteFI - Call) over the same period.

By year end, on a see-through basis, 28.3% (2011: 9.3%) of RAC's assets were invested in listed and unlisted equities, with the balance held in cash and money market investments. Included in the cash and money market investments is a balance of R91.2 million earmarked for the funding of RAC's interest in the Namaqualand Mines transaction, on which we have commented before. If this balance were included as an equity investment, it would raise the percentage of the portfolio invested in equity to 44.6%.

As the percentages above suggest, we managed to deploy capital into a select number of attractive publicly traded equity opportunities during the year. As mentioned before, and in an effort to protect our investment opportunity set from competition, we generally refrain from disclosing details about our activities in publicly traded equities until such time as we have completed an ownership cycle (i.e. buy, hold and sell). But it is worth noting that many of the shares we own and were researching as potential investments experienced substantial share price increases during the last six months. This triggered a

limited amount of selling activity on our part, but we have not completed a full ownership cycle with any of the investments owned by RAC yet.

It is now almost a year since the bid of the Emerald Panther consortium (of which RAC is a member) for Namaqualand Mines was accepted. However, negotiations to finalise the exact terms of the investment continue. We will report progress in this matter when possible and appropriate.

At year end, the publicly traded equities in RAC's portfolio were in aggregate priced at about 68% of our estimate of fair value. This is attractive, but a notable contraction in the margin of safety from the 58% of fair value that the portfolio was priced at when we last disclosed this number with the interim results of 30 September 2011.

We continue to investigate potential investments, both publicly traded and private, but the pace at which we deploy capital into opportunities will always depend on the value we find: the more plentiful the value, the more rapid will our pace of capital deployment be. We are selective in committing capital, and continue to pass on many opportunities that are presented to us. We would like to be able to invest meaningful amounts of capital in the year to come, but there is no guarantee that this will be possible.

Net asset value (NAV)

Net Asset Value of preference shares as at 31 March 2012
(cents per share)

1 112.42

1 026.26

Headline earning per share (cents per share)

27.11

25.22

The preliminary financial results for the year ended 31 March 2012 were reviewed by the company's auditors, BDO South Africa Incorporated, who provided an unqualified opinion. The review was conducted in accordance with IRSE 2410: Review of Interim Financial Information performed by the Independent Auditor of the entity.

Signed on behalf of the board

P Viljoen

Cape Town,
24 April 2012

Directors: P Viljoen (Chairman), V Davis,
T de Bruyn, L Potgieter, G Pretorius, W Stals,
J G Swiegers

Company Secretary: G Simpson

Sponsor: Deloitte & Touche Sponsor Services (Pty) Ltd

Transfer Secretaries: Link Market Services South Africa (Pty) Limited