

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 2012

	Notes	Six months ended 30 September 2012	Twelve Months ended 31 March 2012	Six Months ended 30 September 2011
		R	R	R
Statement of Financial Position				
Assets				
Non-current assets				
Other financial assets	1	363 553 765	288 052 283	236 629 884
Current assets				
Trade and other receivables		208 657 001	277 392 960	287 477 345
Cash and Money Market funds		-	6 148 068	-
		208 657 001	271 244 892	287 477 345
Total assets		572 210 766	565 445 243	524 107 229
Equity and liabilities				
Equity				
Share capital	2	50 000 000	50 000 000	50 000 000
Ordinary shareholders interest	3	6 280 862	5 621 320	2 229 642
		56 280 862	55 621 320	52 229 642
Preference shareholders interest	3	56 527 756	50 591 878	20 066 770
Total Equity		112 808 618	106 213 198	72 296 412
Liabilities				
Non-current liabilities				
Other financial liabilities	4	456 869 334	456 966 433	451 059 135
Deferred tax	5	450 000 000	450 000 000	450 000 000
		6 869 334	6 966 433	1 059 135
Current liabilities				
Trade and other payables		2 532 814	2 265 612	751 682
Current tax payable		827 913	1 003 978	630 978
		1 704 901	1 261 634	120 704
Total equity and liabilities		572 210 766	565 445 243	524 107 229

Statement of Comprehensive Income
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	Six months ended 30 September 2012	Twelve Months ended 31 March 2012	Six Months ended 30 September 2011
	R	R	R
Revenue	11 681 766	25 925 159	8 335 709
Operating expenses	(3 987 566)	7 613 484	(3 499 443)
Operating Profit	7 694 200	18 311 675	4 836 266
Finance costs	-	(866)	-
Realised gain on the sale of investment	1 520 604	-	-
Option Income	332 200	-	-
Profit before taxation	9 547 004	18 310 809	4 836 266
Taxation	(2 472 102)	(4 756 287)	(1 313 459)
Profit after taxation	7 074 902	13 554 522	3 522 807
Other comprehensive income	(479 482)	29 530 805	5 645 733
Available-for-sale financial assets adjustment	(576 490)	36 357 085	6 564 806
Taxation related to components of other comprehensive income	97 008	(6 826 280)	(919 073)
Total comprehensive income	6 595 420	43 085 327	9 168 540
<i>Total comprehensive income attributable to:</i>			
Ordinary shareholders	659 542	4 308 533	916 854
Preference shareholders	5 935 878	38 776 794	8 251 686
	6 595 420	43 085 327	9 168 540

Statement of Changes in Equity

	Share capital	Share premium	Total share capital	Fair value adjustment assets - available-for-sale reserve	Retained income	Total Equity
	R	R	R	R	R	R
Balance at 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	-	-	-	5 645 733	3 522 807	9 168 540
Balance 30 September 2011	50 000	49 950 000	50 000 000	6 506 117	15 790 294	72 296 411
<i>Changes in equity</i>						
Total comprehensive income	-	-	-	23 885 072	10 031 715	33 916 787
Balance 31 March 2012	50 000	49 950 000	50 000 000	30 391 189	25 822 009	106 213 198
<i>Changes in equity</i>						
Total comprehensive (loss)/income	-	-	-	(479 482)	7 074 902	6 595 420
Balance 30 September 2012	50 000	49 950 000	50 000 000	29 911 707	32 896 911	112 808 618
	(note 2)	(Note 2)	(Note 2)	(Note 3)	(Note 3)	

Six months ended 30 September 2012	Twelve Months ended 31 March 2012	Six Months ended 30 September 2011
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R	R	R
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Statement of Cash Flows

Cash flows from operating activities

Cash utilised in/(received from) operations	2 336 566	(7 218 827)	2 670 282
Interest income	10 256 969	24 050 488	8 087 763
Dividends received	1 424 797	1 874 671	247 946
Finance costs	-	(866)	-
Tax paid	(2 049 335)	(5 033 144)	(2 731 246)
	11 968 997	13 672 322	8 274 745

Cash flows from investing activities

Proceeds from sale of non-current assets	1 520 604	-	-
Purchase of financial assets	(14 164 908)	(13 853 360)	(9 047 587)
	(12 644 304)	(13 853 360)	(9 047 587)

Total cash movement for the period	(675 307)	(181 038)	(772 842)
Cash at beginning of period	702 041	883 079	883 079
Total cash and cash equivalents end of period	26 734	702 041	110 237

Notes to the interim results for the period ended 30 September 2012

	Six months ended 30 September 2012	Twelve Months ended 31 March 2012	Six Months ended 30 September 2011
	R	R	R
1 Other financial assets			
Available-for-sale financial instruments			
Non-current assets			
Listed - Quoted	78 386 979	34 373 878	19 486 070
Unlisted - Quoted	12 358 301	13 267 347	3 731 064
Unlisted - Unquoted	29 129 101	280 000	280 000
Unit trusts	243 679 384	240 131 058	213 132 750
	363 553 765	288 052 283	236 629 884

2 Ordinary Share Capital

Authorised

5 000 000 Ordinary shares of R0.01 each 50 000 50 000 50 000

Issued

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

50 000 000 50 000 000 50 000 000

3 Reserves and Retained Income

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 36 781 041 37 357 622 7 565 252
Deferred tax on available-for-sale financial instruments (6 869 334) (6 966 433) (1 059 135)

Reserves 29 911 707 30 391 189 6 506 117

Retained income 32 896 911 25 822 009 15 790 295

Total Reserves and Retained Income 62 808 618 56 213 198 22 296 412

Reserves and Retained Income attributable to:

Ordinary shareholders:

Reserves: Fair value adjustments of assets-available-for-sale reserve 2 991 171 3 039 119 650 612

Retained income 3 289 691 2 582 201 1 579 030

	6 280 862	5 621 320	2 229 642
Preference shareholders:			
Reserves: Fair value adjustments of assets-available-for-sale reserve	26 920 536	27 352 070	5 855 505
Retained income	29 607 220	23 239 808	14 211 265
	56 527 756	50 591 878	20 066 770
Total Reserves and Retained Income	62 808 618	56 213 198	22 296 412

4 Other financial liabilities

Preference Shares

Authorised: 100 000 000 Redeemable, participating, non-cumulative Preference shares of R0.01 each

1 000 000	1 000 000	1 000 000
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Held at amortised cost:

Issued: 45 000 000 Redeemable, participating, non-cumulative preference shares

450 000 000	450 000 000	450 000 000
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5 Deferred Tax

Recognised in other comprehensive income

6 869 334	6 966 433	919 073
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Reconciliation of deferred tax liability

At beginning of year
Temporary difference on available-for-sale instruments adjustment

6 966 433	140 062	140 062
(97 099)	6 826 371	779 011
6 869 334	6 966 433	919 073

6 Net asset value (NAV)

Net Asset Value per preference shares as at 30 September 2012 (cents per share)

1 126	1 112	1 045
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Headline/basic and diluted earnings per ordinary and preference share (cents per share)

14	27	7
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7 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 recognized 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 Listing 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 at the time of the preparation of the information. As these standards and interpretations are the subject of ongoing review, they may be amended between the date of this report and the finalization of the annual financial statements for the year ending 31 March 2013. The financial results have been prepared under the supervision of Mr Lonn Potgeiter CA(SA).

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

The most notable investment made during the past six months has been our investment in The American Home Investors Fund Ltd. This is an investment partnership that invests in single family residential units in the south eastern states of the USA. We are of the opinion that this represents one of those rare opportunities when all the elements of a good investment come together: sellers motivated by non-economic reasons, a lack of buying due to regulatory constraints and good underlying fundamentals.

Our commitment to purchase Namaqualand Mines from De Beers Consolidated Mines Limited as part of a consortium led by Trans Hex Group Limited is still in place, but has not been consummated yet, due to one outstanding precedent condition. This condition relates to government action and we feel it is important to resolve it appropriately before finalizing the transaction. We still expect to commit about R100 million to this investment.

We continue to make steady progress in deploying capital to listed shares and shares that trade over the counter, but we are struggling to find many new opportunities. The prices of smaller companies have rallied strongly over the past 6 months, and, with few exceptions, the price to value relationship is no longer as juicy as it once was.

On a 'see-through' basis, 43.6% of RAC's assets were invested at 30 September 2012. 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 investments owned by RAC at 30 September 2012 were in aggregate priced at about 63% of fair value.

Signed on behalf of the board

P Viljoen

Cape Town, 8 November, 2012

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

Company Secretary: G Simpson

Registered Office:

7th Floor Claremont
Central
8 Vineyard Road
Claremont
7700
South Africa

Transfer Secretaries:

Sponsor:

Link Market Services South
Africa (Pty) Limited,
13th Floor, Rennie House
19 Ameshoff Street
Braamfontein, 2001

Deloitte & Touche Sponsor Services
(Pty) Ltd
Building 6, The Woodlands
20 Woodlands Drive
Woodmead, Sandton,
2196
South Africa