



SUMMARISED, AUDITED RESULTS
ANNOUNCEMENT
AND CASH DIVIDEND DECLARATION

for the year ended 30 June 2015

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KEY HIGHLIGHTS

NORMALISED EARNINGS

+5%

to 212.7 cents

ORDINARY DIVIDEND

+7%

to 116.0 cents

HEADLINE EARNINGS

+13%

to 219.8 cents

SHARE PRICE

+30%

to 4 247 cents

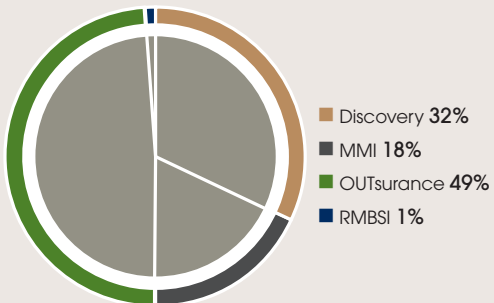
OUR STRUCTURE

EXPANDING THE RMI PORTFOLIO

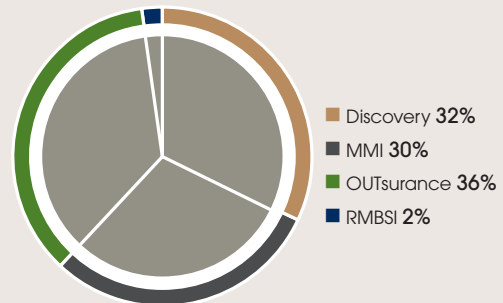


RELATIVE CONTRIBUTION ANALYSIS

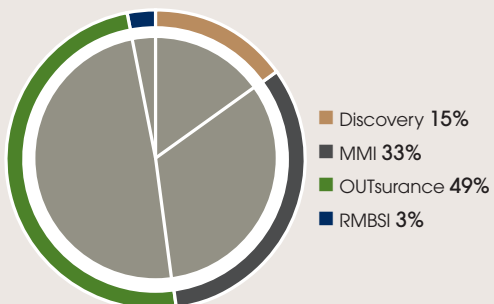
MARKET VALUE (R63.1 billion)



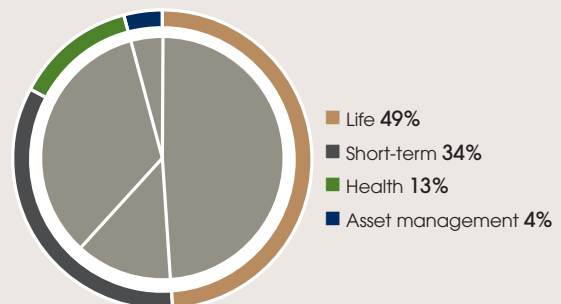
NORMALISED EARNINGS (R3.16 billion)



DIVIDENDS FROM INVESTMENTS (R1.83 billion)



SEGMENTAL EARNINGS (%)



OVERVIEW OF RESULTS

INTRODUCTION

Rand Merchant Insurance Holdings Limited (RMI) is an investment holding company with an investment team of experienced, alternative thinking, financial services specialists who actively partner smart and industry-changing people by being a shareholder of influence.

RMI's investments include Discovery Limited (Discovery), MMI Holdings Limited (MMI), OUTsureance Holdings Limited (OUTsureance) and RMB-SI Investments Proprietary Limited (RMBSI). During the year under review, the existing portfolio of traditional financial services assets was expanded to include an asset management initiative, which will only have an impact on the group's results from the 2016 financial year. Subsequent to year-end, RMI also made its first investment in an early-stage next generation financial services business, Merchant Capital.

This results announcement should be read together with the 2015 results presentation, which is available on RMI's website at www.rmih.co.za.

ECONOMIC ENVIRONMENT

The economic environment for the financial year under review remained challenging and was characterised by:

- equity market performance that was significantly lower than the long-term expected return;
- a subdued domestic growth outlook amid continued electricity supply constraints, weak foreign demand and low business and consumer confidence;
- an increase in debt service costs, high unemployment levels and moderating levels of income growth;
- heightened uncertainty relating to the debt crisis in Greece and a decline in the economic growth prospects of China; and
- a gradual economic recovery in the United States with the prospect of rising interest rates, which resulted in a decline in capital inflows and currency weakness in economies with current account deficits like South Africa's.

The South African central bank increased the repo rate by 25 basis points to 6.0% in July 2015 due to the upside risk to inflation. The South African economy remains vulnerable to a more aggressive hiking cycle should there be a further slowdown or reversal of capital inflows.

Commodity prices are expected to remain well below levels that prevailed in the previous decade and economic performance needs to be driven by structural reform.

SUMMARY OF RESULTS

Notwithstanding the challenging economic environment, the group delivered a pleasing operational, yet mixed financial performance for the year under review.

In what has been an active year across acquisitions and new partnerships/initiatives, **Discovery** delivered excellent growth in normalised earnings. The mature businesses showed strong cash generation and its new initiatives are experiencing exciting growth prospects.

MMI's earnings growth was restricted by significant investments into growth initiatives. The Momentum Employee Benefits business continued its growth trajectory and Metropolitan Retail delivered strong results. The group is well capitalised and the strategic repositioning is progressing well.

Australia experienced the worst weather conditions in terms of the frequency of natural catastrophe events in the past decade, which resulted in a significant increase in the claims ratio and a reduction in profit from **OUTsurance's** Australian operation, Youi. However, Youi Australia continued to grow its market share, with a 33% increase in gross premium income. Although the South African operations performed well, the reduction in profit from Australia, together with the start-up losses incurred by Youi New Zealand, contributed to a 4% decline in normalised earnings from OUTsurance.

RMBSI invested in two new initiatives and established risk finance and credit insurance businesses which should contribute to earnings in the next financial year. In the year under review, however, RMBSI experienced a reduction in investment income earned from a large corporate policy.

The total normalised earnings of RMI's investee companies for the year under review are listed in the table below, with further information on each company's performance provided on pages 9 to 12:

Audited <i>R million</i>	2015	2014	% change
Discovery	4 027	3 457	16
MMI	3 836	3 621	6
OUTsurance	1 388	1 448	(4)
RMBSI	82	101	(19)

The consolidated group normalised earnings for the year ended 30 June 2015 amounted to R3.16 billion, an increase of 5% on the comparative year. The table below provides a breakdown of this number:

Audited <i>R million</i>	2015	2014	% change
Discovery	1 012	866	17
MMI	956	899	6
OUTsurance	1 166	1 219	(4)
RMBSI	64	78	(18)
Total normalised earnings from investee companies	3 198	3 062	4
Funding and holding company costs	(38)	(40)	5
NORMALISED EARNINGS	3 160	3 022	5
NORMALISED EARNINGS PER SHARE (CENTS)	212.7	203.4	5

The funding and holding company costs include the funding and operational expenses carried at the RMI centre. This number also includes the underwriting income of R44 million after tax that RMI earned on the Discovery rights issue offer in April 2015. Funding costs increased due to the additional R1.25 billion in cumulative, redeemable preference shares issued to fund the additional shares taken up in Discovery as part of its rights issue offer.

RMI regards normalised earnings as the appropriate basis to evaluate business performance as it eliminates the impact of non-recurring items and accounting anomalies. A reconciliation of the adjustments made to derive normalised earnings is presented in the accompanying schedules.

MARKET VALUE OF INVESTMENTS

During the 2015 financial year, RMI's share price increased by 30%. RMI has delivered a total annual compounded return to shareholders of 43% over the past four years.

The individual investment performances during the year under review are outlined below:

- **Discovery's** share price increased by 30%. This, together with RMI's additional investment of R1.25 billion in Discovery shares as part of the rights issue offer, resulted in a total increase of 42% in the market value of RMI's investment in Discovery;
- **MMI's** market capitalisation increased by 15%, with a dividend yield of 5.2% (based on an assumed share price of R30);
- On a "look-through" basis, the market value attributed to RMI's interests in **OUTsurance** (83.4% held) and **RMBSI** (76.4% held) increased by 32% to R31.9 billion; and
- RMI has not attributed a value to the asset management initiative as at 30 June 2015, as the business is in its infancy.

The market values of RMI's investments are summarised in the table below:

<i>R million</i>	2015	2014	% change
Market value of interest in:			
– Discovery	20 481	14 383	42
– MMI	11 849	10 302	15
Market value of listed investments	32 330	24 685	31
Implied market value of unlisted investments	31 875	24 075	32
Gross market value of portfolio	64 205	48 760	32
Net liabilities of holding company	(1 108)	(59)	>(100)
RMI MARKET CAPITALISATION	63 097	48 701	30
RMI CLOSING SHARE PRICE (CENTS)	4 247	3 278	30

The movement in the net liabilities of the holding company is a combination of raising R1.25 billion additional debt and retaining the R196 million special dividend received from MMI in October 2014.

FINAL DIVIDEND PAYMENT

The policy of paying out all dividends received from underlying investments, after servicing any funding commitments at holding company level and considering RMI's debt capacity and investment pipeline, remains in place.

The board is of the opinion that RMI is adequately capitalised at this stage and that the company will be able to meet its obligations in the foreseeable future after payment of the final dividend declared below.

The board resolved to declare a final dividend of 64.0 cents per ordinary share. The total dividend for the year of 116.0 cents (2014: 108.0 cents) per ordinary share is covered 1.8 times (2014: 1.9 times) by the normalised earnings of 212.7 cents (2014: 203.4 cents) per share.

Shareholders are referred to the dividend declaration forming part of this announcement regarding the applicability of Dividend Withholding Tax to the ordinary dividend.

STRATEGY AND OUTLOOK

EXISTING PORTFOLIO

Growth in new business volumes and profit at RMI's existing investments will be impacted by several factors in the South African economy, including GDP growth, disposable income and employment levels. The 2016 financial year is anticipated to be challenging, with GDP growth expected to remain low due to both demand weakness and supply side constraints, particularly in respect of electricity. If the US recovery emerges as expected, interest rates in South Africa may increase, which will place further pressure on the consumer. Unemployment is trending upwards, with retrenchments already announced in the mining and construction sectors.

However, RMI believes that its investee companies have appropriate strategies in place to produce resilient operational performances against the increasingly difficult economic backdrop.

Discovery is expected to continue on its growth path through a number of exciting local initiatives and global momentum through Vitality and the Discovery Partner Markets.

MMI has increased its focus on efficiencies by identifying specific cost-saving initiatives, while continuing to pursue topline growth. Plans and processes are being executed to optimise structures, distribution channels and solutions, focusing on innovation and collaboration.

OUTsurance believes that the growth opportunities available in the Australasian market present the group with good growth potential over the medium term. In the mature South African personal lines business, OUTsurance will continue to focus on its key strategic imperatives to protect its share of the profitability of the market. Premium inflation is forecast to normalise to general inflationary levels, but remains vulnerable to material currency movements. The main strategic growth driver in the South African market is the expansion of the commercial insurance sales footprint. The incremental roll-out of this strategy will commence in the next financial year. OUTsurance also recognises the potential disruptive impact which the broader use of telematics devices may have on the global vehicle insurance market and is in the process of refining its strategy to respond and be prepared for structural changes in the vehicle insurance market.

RMBSI continues to focus on a diversified business strategy to bolster its retainer base income on the back of the more traditional insurance business. This continues to bear fruit and the business mix is trending in the right direction.

NEW INVESTMENTS

As previously outlined to the market, in addition to its active involvement in the existing portfolio, RMI plans to expand its investment portfolio through opportunities across a wide spectrum of scale and life cycles of financial services businesses.

Traditional financial services

RMI is evaluating the potential of adding a significant "traditional" financial services business, which can create a fifth pillar in the portfolio. Although the investment team has evaluated a number of local and international opportunities, there is no imminent activity in this area of focus.

Asset management

RMI's asset management business is successfully gaining traction. **RMI Investment Managers** will establish, grow and partner with world-class asset managers and investment teams.

RMI Investment Managers will be a strategic, minority investor in independent asset management businesses and is pleased to announce that heads of agreement are in place to be a strategic partner of, and shareholder in, active managers **NorthStar**, **Perpetua** and **Tantalum** and passive manager **CoreShares**. The team will continue to partner with other outstanding independent managers.

Subsequent to year-end, the fixed income team from Cadiz Asset Management was also brought on board. They will focus on building the team's multi-asset fixed income capabilities. RMI Investment Managers will continue to partner with specialist teams in other asset class capabilities, providing an autonomous and entrepreneurial environment in which to work.

Finally, the team also secured important distribution strength through an agreement with its distribution partner, MMI, who will invest alongside RMI Investment Managers and assist the team to raise the market profile and asset gathering capabilities of its partner managers and specialist teams.

Next generation financial services

RMI has recognised that the core business of its underlying portfolio companies is now, more than ever, being influenced by new, disruptive ventures given the rise of shaping forces such as technology, social media and the millennial generation. As a result, RMI is actively seeking to fund and scale new and disruptive business models.

In order to facilitate this, RMI launched its next generation business platform, **AlphaCode**, to help identify and enable investments that could change the landscape of the financial services industry. AlphaCode is a development hub, supported by a physical workspace and virtual platform, which seeks to create a next generation financial services ecosystem by bringing together entrepreneurs, intrapreneurs, industry experts and thought leaders to connect, share knowledge and shape the industry.

Subsequent to year-end, RMI made its first investment in a disruptive, next generation financial services business by taking a 25.1% stake in **Merchant Capital**, a provider of alternative sources of working capital for small and medium enterprises (SMEs) in South Africa. Merchant Capital was founded in 2012 in response to the lack of funding options available to SMEs. Using innovative technology, Merchant Capital's model allows its clients to repay their loans based on the cyclical nature of their businesses.

For and on behalf of the board.

GT Ferreira*Chairman*

Sandton

11 September 2015

HL Bosman*Chief executive officer*

CASH DIVIDEND DECLARATION

FINAL CASH DIVIDEND

Notice is hereby given that a gross final dividend of 64.0 cents per ordinary share, payable out of income reserves, was declared on 11 September 2015 in respect of the year ended 30 June 2015.

The dividend will be subject to Dividend Withholding Tax at a rate of 15%, which will result in a net dividend of 54.4 cents per ordinary share for those shareholders who are not exempt.

The company's tax reference number is 9469/826/16/9. Its issued share capital at the declaration date comprises 1 485 688 346 ordinary shares, 648 001 cumulative, redeemable par value preference shares and 1 250 000 cumulative, redeemable no par value preference shares.

Shareholders' attention is drawn to the following important dates:

- Last day to trade in order to participate in the dividend Friday, 2 October 2015
- Shares commence trading "ex dividend" on Monday, 5 October 2015
- The record date for the dividend payment will be Friday, 9 October 2015
- Dividend payment date Monday, 12 October 2015

No de-materialisation or re-materialisation of share certificates may be done between Monday, 5 October 2015 and Friday, 9 October 2015 (both days inclusive).

By order of the board.

JS Human

Company secretary

Sandton

11 September 2015

REVIEW OF INVESTMENT PERFORMANCE

DISCOVERY

Discovery services the healthcare funding and insurance markets in South Africa, the United Kingdom, China, Singapore, Australia and the United States. It is a pre-eminent developer of integrated financial services products and operates under the **Discovery Health, Discovery Life, Discovery Insure, Discovery Invest, Discovery Vitality, VitalityHealth, VitalityLife** and **Ping An Health** brand names.

In November 2014, Discovery acquired the remaining 25% shareholding in Prudential Health Holdings Limited from Prudential Assurance Company (Prudential) for GBP155 million (R2 790 million). Following this acquisition, PruHealth and PruProtect have been rebranded as VitalityHealth and VitalityLife respectively. Discovery also paid USD5 million (R54 million) to acquire Humana's 25% shareholding in The Vitality Group LLC.

Both of these acquisitions were concluded based on put options granted to Prudential and Humana during the 2011 financial year, which entitled them to sell their remaining interests in these entities at fair value to Discovery at contracted dates. Since 2011, Discovery carried the present value of the estimated purchase price as a financial liability in its statement of financial position. The difference between the carrying value of this financial liability and the purchase price paid by Discovery resulted in a fair value profit of R1 661 million, which was included in Discovery's earnings attributable to ordinary shareholders and headline earnings for the year ended 30 June 2015, but was excluded from normalised headline earnings.

Discovery produced strong results for the year to 30 June 2015 and some of the financial highlights include:

- Normalised headline earnings increased by 16% to R4 billion, with diluted normalised headline earnings per share increasing by 14%;
- New business grew by 51% to R17.5 billion, which includes R4.2 billion in respect of the Bankmed Medical Scheme;
- Gross inflows under management increased by 15% to R89.5 billion;
- Discovery achieved growth in embedded value of 21% to R52.3 billion, with a return on embedded value of 12.4%; and
- The total dividend for the year increased by 16% to 174.5 cents per share.

Discovery Health's operating profit before tax increased by 10% to R2 billion after continued efficiencies were passed on to the medical scheme through a planned, scale-related discount, which assisted the medical scheme to reach a solvency ratio of 25.8% as at 30 June 2015. New business grew by 92% to R9.6 billion including Bankmed and by 8% to R5.4 billion excluding Bankmed.

Discovery Life achieved growth in operating profit before tax of 15% to R3 billion over the year, driven by new business growth of 11% to R2.2 billion and better than expected claims and lapse experience.

Operating profit before tax at **Discovery Invest** increased by 39% to R460 million, driven by 18% growth in new business volumes to R1.6 billion and an annual growth rate of 26% in assets under management over the past three years, which amounted to R50 billion as at 30 June 2015.

The combined **VitalityHealth** and **VitalityLife** businesses grew earnings before tax by 22% to R765 million. The rebranding of these businesses, following the acquisition of the remaining 25% shareholding, was successful and well received in the UK, with lower than expected claims and lapses.

Discovery Insure continued to grow with new business annualised premium income increasing by 25% to R789 million and thereby attracting between 12% to 15% of new business volumes in South Africa.

RMI included R1 012 million of Discovery's earnings in its normalised earnings (2014: R866 million).

For an in-depth review of Discovery's performance, RMI's shareholders are referred to www.discovery.co.za.

MMI HOLDINGS

MMI is a South African financial services group that provides life insurance, employee benefits, investment and savings, healthcare solutions and short-term insurance to individual clients, small and medium businesses, large companies, organisations and public enterprises in South Africa, the rest of Africa and selected international countries. It covers the lower, middle and upper income markets, principally under the **Momentum** and **Metropolitan** brand names.

In the year under review, the net realised and fair value losses on shareholders' assets amounted to R6 million, compared to net realised and fair value gains of R544 million in the prior year. This significant movement resulted in earnings attributable to ordinary shareholders and headline earnings decreasing by 11%. However, it had no impact on the growth in core headline earnings as these net realised and fair value losses and gains were excluded from core headline earnings.

MMI delivered a satisfactory financial performance for the year under review:

- New business premiums increased by 21% to R50.4 billion;
- The value of new business grew by 22% to R954 million, with the new business margin retained at 1.9%;
- The embedded value amounted to R40.3 billion, reflecting a return on embedded value of 9.6%;
- Diluted core headline earnings increased by 6% to R3.8 billion;
- The operating divisions achieved growth in core headline earnings of 17% to R3.5 billion. All the existing businesses, with the exception of Momentum Investments, increased their profits with Momentum Employee benefits (up 28% to R660 million), Metropolitan Retail (up 26% to R738 million) and International (up 25% to R152 million) recording the highest growth;
- Overall earnings growth was restricted by investments into new initiatives that are being pursued in line with the group's strategy of growth, client-centricity and excellence;
- Positive experience variations were recorded in total, driven mainly by better than expected mortality and morbidity experience;
- Good expense management contributed positively to value creation; and
- The total dividend for the year increased by 9% to 155 cents per share.

MMI reported a strong capital buffer of R4.3 billion as at 30 June 2015 after allowing for capital requirements, strategic growth initiatives and the final dividend. MMI is satisfied that this capital level is appropriate, taking into account the many growth initiatives and the imminent change to a new capital regime (Solvency Assessment and Management (SAM)). MMI also successfully raised R750 million of subordinated debt and redeemed R500 million of maturing subordinated debt in December 2014. Another R1 billion of debt due in September 2015 has been replaced with a new issue of R1.25 billion in August 2015.

RMI included R956 million of MMI's earnings in its normalised earnings (2014: R899 million).

For an in-depth review of MMI's performance, RMI's shareholders are referred to www.mmiholdings.co.za.

OUTSURANCE

OUTsurance provides short and long-term insurance products in South Africa, and short-term insurance products in Australia, New Zealand and Namibia, with a client centric ethos of providing value for money insurance solutions, backed by awesome client service.

Youi New Zealand was launched in August 2014 as an extension of Youi's Australian operation. It provides personal lines insurance cover directly to the New Zealand public.

The OUTsurance group delivered a satisfactory operational but mixed financial performance during the year under review:

- The South African short-term insurance operations recorded an increase in normalised earnings of 19%, but the impact of the natural catastrophes in Australia and start-up losses in New Zealand resulted in group normalised earnings decreasing by 4% to R1 388 million;
- Gross premium revenue grew by 20% to R12.5 billion, of which Youi Australia contributed 44% or R5.4 billion. Youi New Zealand recorded gross premium revenue of R163 million in the period since its launch;
- The OUTsurance group recorded growth in annualised new business volumes of 12% to R3.9 billion, with Youi Australia being the largest contributor to the growth;
- The claims ratio increased from 51.9% to 55.5% as a result of the significant increase in claims at Youi Australia following multiple natural catastrophe events;
- The cost to income ratio increased from 27.1% to 28.2%, largely attributable to the new business strain incurred with the launch of the New Zealand business, an increase in marketing expenses and the non-recurrence of administration fees earned in respect of the group's former subsidiary, Momentum Short-term Insurance; and
- The total dividend for the year increased by 11% to 30.5 cents per share.

The claims ratio in OUTsurance's South African short-term operations decreased from 52.8% to 50.5% as a result of lower weather-related claims. This claims ratio is below the long-term target range and is expected to trend upward going forward.

OUTsurance Life generated normalised earnings of R38 million for the year under review, compared to R2 million in the prior year. Premium income increased by 33% and the underwriting experience remained satisfactory.

Youi Australia generated normalised earnings of R51 million for the year under review, compared to R255 million in the comparative year. The claims ratio increased from a record low of 52.2% in the prior year to 64.6% as a result of the severe weather events. Youi Australia incurred total claims of R963 million in respect of these catastrophes. After accounting for reinsurance recoveries and premiums to reinstate reinsurance cover, the net impact of the catastrophe events was R405 million. This compares to the prior year, which experienced limited severe weather events, with claims amounting to R90 million.

The performance of **Youi New Zealand** to date is satisfactory and in line with expectations. The start-up loss amounted to R130 million for the year under review, compared to a R22 million loss in the prior year.

Based on the current calibration and interpretation of the standard formula, the introduction of the new SAM regulatory regime with effect from 1 April 2016 (previously 1 January 2016) is expected to improve the capital adequacy ratios of OUTsurance and OUTsurance Life.

RMI included R1 166 million of OUTsurance's earnings in its normalised earnings (2014: R1 219 million).

For an in-depth review of OUTsurance's performance, RMI's shareholders are referred to www.outsurance.co.za.

RMB STRUCTURED INSURANCE

RMBSI holds both short-term and life insurance licenses. It creates bespoke insurance and financial risk solutions for South Africa's large corporations by using sophisticated risk techniques and innovative financial structures. In addition, it partly owns a portfolio of underwriting management agencies.

Normalised earnings for the year to 30 June 2015 amounted to R82 million (2014: R101 million). The decrease in earnings relates to lower investment income on a large corporate policy. The total dividend for the year amounted to R67 million, compared to R50 million in the prior year.

RMI included R64 million of RMBSI's earnings in its normalised earnings (2014: R78 million).

BASIS OF PREPARATION OF RESULTS

These summarised, audited financial results for the year ended 30 June 2015 have been prepared in accordance with:

- International Financial Reporting Standards (IFRS), including IAS 34: Interim financial reporting;
- the requirements of the South African Companies Act, Act 71 of 2008, as amended;
- the SAICA Financial Reporting Guide as issued by the Accounting Practices Committee; and
- the Financial Reporting Pronouncements as issued by Financial Reporting Standards Council.

The accounting policies applied are consistent with those applied in the previous financial year, except for changes required by the mandatory adoption of new and revised IFRS. None of the new accounting standards becoming effective in the current financial year had a significant impact on the group's results.

Schalk Human (MCom(Acc), CA(SA)) prepared these consolidated financial results under the supervision of Herman Bosman (LLM, CFA). The board of directors takes full responsibility for the preparation of this results announcement and for correctly extracting the financial information for inclusion in the announcement.

The entire announcement is not audited, but is extracted from the audited group financial statements. The independent auditor's report does not necessarily encompass all the information contained in this announcement. Unless the information is specifically stated as audited, it should be assumed that it is unaudited. The auditor has issued a separate opinion on this announcement in terms of ISA 810.

The auditor expressed an unmodified opinion dated 11 September 2015 on the group financial statements from which this announcement was derived. A copy of the auditor's report on the group financial statements and the ISA 810 report are available at RMI's registered office.

The forward-looking information provided in this announcement is not an earnings forecast and has not been reviewed and reported on by the company's external auditor.

EFFECTIVE INTEREST

RMI's effective interest in the group entities is different from the actual holdings as a result of the following consolidation adjustments:

- treasury shares held by group entities;
- shares held by consolidated share incentive trusts;
- "deemed" treasury shares arising from BEE transactions entered into; and
- "deemed" treasury shares held by policyholders and mutual funds managed by them.

As at 30 June 2015, the effective interest held by RMI can be compared to the actual interest in the statutory issued share capital of the companies as follows:

Audited	30 June 2015		30 June 2014	
	Effective	Actual	Effective	Actual
Discovery	25.7%	25.0%	25.8%	25.0%
MMI	25.2%	25.0%	25.2%	25.0%
OUTsurance	84.2%	83.4%	84.7%	83.4%
RMBSI	78.3%	76.4%	78.6%	76.4%

SUMMARISED CONSOLIDATED INCOME STATEMENT

Audited	for the year ended 30 June		% change
	2015	2014	
<i>R million</i>			
Earned premiums net of reinsurance	11 738	10 020	17
Fee income	312	138	>100
Investment income	563	625	(10)
Net fair value gains on financial assets	128	804	(84)
Income	12 741	11 587	10
Net claims paid	(6 109)	(4 938)	24
Fair value adjustment to investment contracts and insurance contract provisions	(438)	(880)	(50)
Fair value adjustment to financial liabilities	(201)	(191)	5
Acquisition, marketing and administration expenses	(3 840)	(3 096)	24
Profit before finance costs, share of after-tax results of associates and taxation	2 153	2 482	(13)
Net finance costs	(162)	(79)	>100
Share of after-tax results of associates	2 146	1 776	21
Profit before taxation	4 137	4 179	(1)
Taxation	(624)	(870)	(28)
PROFIT FOR THE YEAR	3 513	3 309	6
Attributable to:			
Equity holders of RMI	3 292	3 053	8
Non-controlling interests	221	256	(14)
PROFIT FOR THE YEAR	3 513	3 309	6

COMPUTATION OF HEADLINE EARNINGS

Audited	for the year ended 30 June		% change
	2015	2014	
<i>R million</i>			
Earnings attributable to equity holders	3 292	3 053	8
Adjustment for:			
Realised profit on sale of available-for-sale financial assets	(40)	(49)	
Impairment of available-for-sale financial assets	35	-	
Profit on dilution of shareholding	(22)	(135)	
Profit on sale of associate	(11)	-	
Intangible asset impairments	4	8	
Loss on disposal of property and equipment	-	2	
HEADLINE EARNINGS ATTRIBUTABLE TO EQUITY HOLDERS	3 258	2 879	13

SOURCES OF HEADLINE EARNINGS

Audited <i>R million</i>	for the year ended 30 June		% change
	2015	2014	
Headline earnings from:			
Discovery	1 362	802	70
MMI	699	807	(13)
OUTsurance	1 171	1 229	(5)
RMBSI	64	81	(21)
Total headline earnings from investee companies	3 296	2 919	13
Funding and holding company costs	(38)	(40)	5
HEADLINE EARNINGS	3 258	2 879	13

COMPUTATION OF NORMALISED EARNINGS

Audited <i>R million</i>	for the year ended 30 June		% change
	2015	2014	
Headline earnings attributable to equity holders	3 258	2 879	13
RMI's share of normalised adjustments made by associates:	(87)	189	
Fair value adjustment to puttable non-controlling interest financial liability	(415)	50	
Amortisation of intangible assets relating to business combinations	218	173	
Rebranding and business acquisition expenses	105	-	
Deferred tax raised on assessed losses	(74)	-	
Basis and other changes and investment variances	37	40	
Non-recurring and restructuring expenses	35	43	
Finance costs raised on puttable non-controlling interest financial liability	16	39	
Non-controlling interest adjustment if no put options	(11)	(20)	
Net realised and fair value losses/(gains) on shareholders' assets	2	(136)	
Group treasury shares	(11)	(46)	
NORMALISED EARNINGS ATTRIBUTABLE TO EQUITY HOLDERS	3 160	3 022	5

COMPUTATION OF EARNINGS PER SHARE

Audited <i>R million</i>	for the year ended 30 June		% change
	2015	2014	
Earnings attributable to equity holders	3 292	3 053	8
Headline earnings attributable to equity holders	3 258	2 879	13
Normalised earnings attributable to equity holders	3 160	3 022	5
Number of shares in issue (millions)	1 486	1 486	-
Weighted average number of shares in issue (millions)	1 483	1 484	-
Earnings per share (cents)	222.0	205.8	8
Diluted earnings per share (cents)	220.0	203.6	8
Headline earnings per share (cents)	219.8	194.0	13
Diluted headline earnings per share (cents)	217.8	191.9	13
Normalised earnings per share (cents)	212.7	203.4	5
Diluted normalised earnings per share (cents)	211.1	201.3	5
Dividend per share (cents)			
Interim dividend	52.0	46.0	13
Final dividend	64.0	62.0	3
TOTAL DIVIDEND	116.0	108.0	7

SUMMARISED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Audited <i>R million</i>	for the year ended 30 June		% change
	2015	2014	
Profit for the year	3 513	3 309	6
Other comprehensive income for the year			
Items that may subsequently be reclassified to income			
Currency translation differences	(142)	125	>(100)
Fair value movement on available-for-sale financial assets	17	41	(59)
Deferred taxation relating to fair value movement on available-for-sale financial assets	(3)	(16)	(81)
Share of other comprehensive income of associates	152	108	41
Items that may subsequently be reclassified to income, after taxation	136	74	84
Items that will not be reclassified to income, after taxation	16	34	(53)
OTHER COMPREHENSIVE INCOME FOR THE YEAR	24	258	(91)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	3 537	3 567	(1)
Total comprehensive income attributable to:			
Equity holders of RMI	3 336	3 288	1
Non-controlling interests	201	279	(28)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	3 537	3 567	(1)

SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Audited	as at 30 June	
<i>R million</i>	2015	2014
ASSETS		
Property and equipment	546	520
Goodwill and other intangible assets	68	110
Investments in associates	14 063	11 582
Financial assets	8 288	6 861
Loans and receivables including insurance receivables	2 318	3 078
Deferred acquisition cost	362	357
Reinsurance contracts	832	301
Taxation	3	-
Deferred taxation	216	232
Cash and cash equivalents	5 633	4 725
TOTAL ASSETS	32 329	27 766
EQUITY		
Share capital and premium	13 526	13 592
Reserves	3 579	1 886
Capital and reserves attributable to equity holders of the company	17 105	15 478
Non-controlling interests	978	899
TOTAL EQUITY	18 083	16 377
LIABILITIES		
Insurance contracts	7 469	5 948
Share-based payment liability	182	145
Financial liabilities	5 140	3 704
Payables and provisions	1 329	1 189
Deferred taxation	80	379
Taxation	46	24
TOTAL LIABILITIES	14 246	11 389
TOTAL EQUITY AND LIABILITIES	32 329	27 766

STATEMENT OF CHANGES IN EQUITY

Audited	Share capital and premium	Equity accounted reserves	Transactions with non-controlling interests	Other reserves	Retained earnings	Non-controlling interests	Total equity
<i>R million</i>							
Balance as at 1 July 2013	13 632	935	(2 071)	172	1 059	614	14 341
Income statement	-	-	-	-	3 053	256	3 309
Other comprehensive income	-	108	-	127	-	23	258
Dividend paid	-	-	-	-	(1 500)	(149)	(1 649)
Income of associates retained	-	1 043	-	-	(1 043)	-	-
BEE cost	-	1	-	-	-	-	1
Movement in treasury shares	(40)	7	-	-	-	-	(33)
Transactions with non-controlling interests	-	-	(5)	-	-	(2)	(7)
Issue of share capital to non-controlling interests by a subsidiary	-	-	-	-	-	122	122
Change in reserves due to a change in holding	-	-	-	44	(44)	35	35
Balance as at 30 June 2014	13 592	2 094	(2 076)	343	1 525	899	16 377
Income statement	-	-	-	-	3 292	221	3 513
Other comprehensive income	-	152	-	(108)	-	(20)	24
Dividend paid	-	-	-	-	(1 694)	(178)	(1 872)
Income of associates retained	-	1 119	-	-	(1 119)	-	-
BEE cost	-	1	-	-	-	-	1
Puttable non-controlling interests	-	(5)	-	-	-	-	(5)
Movement in treasury shares	(66)	11	-	-	-	-	(55)
Transactions with non-controlling interests	-	(4)	59	(55)	45	38	83
Issue of share capital to non-controlling interests by a subsidiary	-	-	-	-	-	18	18
Share-based payment reserve	-	-	-	2	(3)	-	(1)
BALANCE AS AT 30 JUNE 2015	13 526	3 368	(2 017)	182	2 046	978	18 083

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

Audited	for the year ended 30 June	
<i>R million</i>	2015	2014
Cash available from operating activities	4 505	2 214
Dividends paid	(1 694)	(1 500)
Investment activities	(2 703)	1 471
Financing activities	981	(307)
Net increase in cash and cash equivalents	1 089	1 878
Unrealised foreign currency translation adjustments	(181)	183
Cash and cash equivalents at the beginning of the year	4 725	2 664
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	5 633	4 725

SEGMENTAL REPORT

The segmental analysis is based on the management accounts prepared for the group.

Audited <i>R million</i>	Discovery	MMI	OUTsurance	RMBSI	Other ¹	RMI group
Year ended 30 June 2015						
Operating profit	-	-	1 956	135	62	2 153
Finance costs	-	-	-	(88)	(74)	(162)
Share of after-tax results of associates	1 434	695	15	2	-	2 146
Profit/(loss) before taxation	1 434	695	1 971	49	(12)	4 137
Taxation	-	-	(632)	33	(25)	(624)
PROFIT/(LOSS) FOR THE YEAR	1 434	695	1 339	82	(37)	3 513
NORMALISED EARNINGS	1 012	956	1 388	82	(278)	3 160
Assets	-	-	11 750	5 544	904	18 198
Associates	7 869	6 107	33	54	-	14 063
Intangible assets	-	-	64	2	2	68
TOTAL ASSETS	7 869	6 107	11 847	5 600	906	32 329
TOTAL LIABILITIES	-	-	7 136	5 084	2 026	14 246
Year ended 30 June 2014						
Operating profit	-	-	2 080	358	44	2 482
Finance costs	-	-	(1)	(15)	(63)	(79)
Share of after-tax results of associates	971	793	10	2	-	1 776
Profit/(loss) before taxation	971	793	2 089	345	(19)	4 179
Taxation	-	-	(623)	(244)	(3)	(870)
PROFIT/(LOSS) FOR THE YEAR	971	793	1 466	101	(22)	3 309
NORMALISED EARNINGS	866	899	1 448	101	(292)	3 022
Assets	-	-	9 765	5 667	642	16 074
Associates	5 291	6 212	26	53	-	11 582
Intangible assets	-	-	107	1	2	110
TOTAL ASSETS	5 291	6 212	9 898	5 721	644	27 766
TOTAL LIABILITIES	-	-	5 445	5 239	705	11 389

¹ "Other" includes RMI and consolidation entries.

GEOGRAPHICAL SEGMENTS

Audited <i>R million</i>	South Africa	Australia	New Zealand	UK	Total
Year ended 30 June 2015					
Profit/(loss)	2 046	75	(130)	-	1 991
Share of after-tax results of associates	2 018	-	-	128	2 146
Profit/(loss) before taxation	4 064	75	(130)	128	4 137
Taxation	(600)	(24)	-	-	(624)
PROFIT/(LOSS) FOR THE YEAR	3 464	51	(130)	128	3 513
TOTAL ASSETS	25 550	6 186	593	-	32 329
TOTAL LIABILITIES	9 200	4 834	212	-	14 246
Year ended 30 June 2014					
Profit/(loss)	2 068	357	(22)	-	2 403
Share of after-tax results of associates	1 656	-	-	120	1 776
Profit/(loss) before taxation	3 724	357	(22)	120	4 179
Taxation	(766)	(104)	-	-	(870)
PROFIT/(LOSS) FOR THE YEAR	2 958	253	(22)	120	3 309
TOTAL ASSETS	22 509	4 672	585	-	27 766
TOTAL LIABILITIES	7 760	3 608	21	-	11 389

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

The group's activities expose it to a variety of financial risks. The table below analyses financial instruments carried at fair value by level in the fair value hierarchy. The different levels are based on the extent to which quoted prices are used in the calculation of the fair value of the financial instruments. These levels are defined as follows:

Level 1 – fair value is based on quoted market prices (unadjusted) in active markets for identical instruments as measured on the reporting date.

Level 2 – fair value is determined from inputs other than quoted prices that are observable for the asset or liability, either directly (for example prices) or indirectly (for example derived from prices).

Level 3 – fair value is determined from inputs for the asset or liability that are not based on observable market data.

Audited				Total carrying amount
<i>R million</i>	Level 1	Level 2	Level 3	
30 June 2015				
Financial assets				
Equity securities				
– available-for-sale	746	–	–	746
– at fair value through profit or loss	2 143	29	–	2 172
Debt securities				
– available-for-sale	–	560	–	560
– at fair value through profit or loss	1 084	3 216	386	4 686
Derivative asset	–	46	–	46
TOTAL FINANCIAL ASSETS RECOGNISED AT FAIR VALUE	3 973	3 851	386	8 210
Financial liabilities				
Convertible debentures	–	15	–	15
Financial liabilities at fair value through profit or loss	–	–	107	107
Derivative liability	–	36	–	36
Investment contracts ¹	–	1 417	–	1 417
TOTAL FINANCIAL LIABILITIES RECOGNISED AT FAIR VALUE	–	1 468	107	1 575

1. During the year under review, a portion of the investment contract liability was transferred from level 1 to level 2. This liability is calculated with reference to the value of financial assets which trade in active markets with quoted market prices.

Audited	for the year ended 30 June	
<i>R million</i>	2015	2014
Reconciliation of movement in level 3 assets		
Balance at the beginning of the year	415	441
Redemptions in the current year	-	(5)
Investment income accrued	32	33
Dividends received from the OUTsurance Investment Trust	(61)	(54)
BALANCE AT THE END OF THE YEAR	386	415
Reconciliation of movement in level 3 liabilities		
Balance at the beginning of the year	105	110
Preference dividends charged to the income statement	201	191
Preference dividends paid	(199)	(196)
BALANCE AT THE END OF THE YEAR	107	105

Audited				Total carrying amount
<i>R million</i>	Level 1	Level 2	Level 3	
30 June 2014				
Equity securities				
- available-for-sale	725	-	-	725
- at fair value through profit or loss	2 070	34	-	2 104
Debt securities				
- available-for-sale	-	540	-	540
- at fair value through profit or loss	126	2 855	415	3 396
Derivative asset	-	17	-	17
TOTAL FINANCIAL ASSETS RECOGNISED AT FAIR VALUE	2 921	3 446	415	6 782
Financial liabilities				
Convertible debentures	-	15	-	15
Financial liabilities at fair value through profit or loss	-	-	105	105
Derivative liability	-	20	-	20
Investment contracts	979	402	-	1 381
TOTAL FINANCIAL LIABILITIES RECOGNISED AT FAIR VALUE	979	437	105	1 521

ADMINISTRATION

RAND MERCHANT INSURANCE HOLDINGS LIMITED

(RMI)

Registration number: 2010/005770/06

JSE ordinary share code: RMI

ISIN code: ZAE000153102

DIRECTORS

GT Ferreira (Chairman), HL Bosman (CEO & FD), JP Burger, P Cooper (appointed as non-executive director on 11 September 2014), (Ms) SEN De Bruyn Sebotsa, LL Dippenaar, JW Dreyer, JJ Durand, PM Goss, PK Harris, P Lagerström, MM Morobe (appointed 1 August 2014), O Phetwe and KC Shubane.

Alternates: L Crouse and (Ms) A Kekana

SECRETARY AND REGISTERED OFFICE

JS Human

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SPONSOR

(in terms of JSE Limited Listings Requirements)

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(a division of FirstRand Bank Limited)

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