TSOGO SUN

Tsogo Sun Holdings Limited (Incorporated in the Republic of South Africa) (Registration number 1989/002108/06) Share code: TSH ISIN: ZAE000156238 ("Tsogo Sun" or "the company" or "the group")

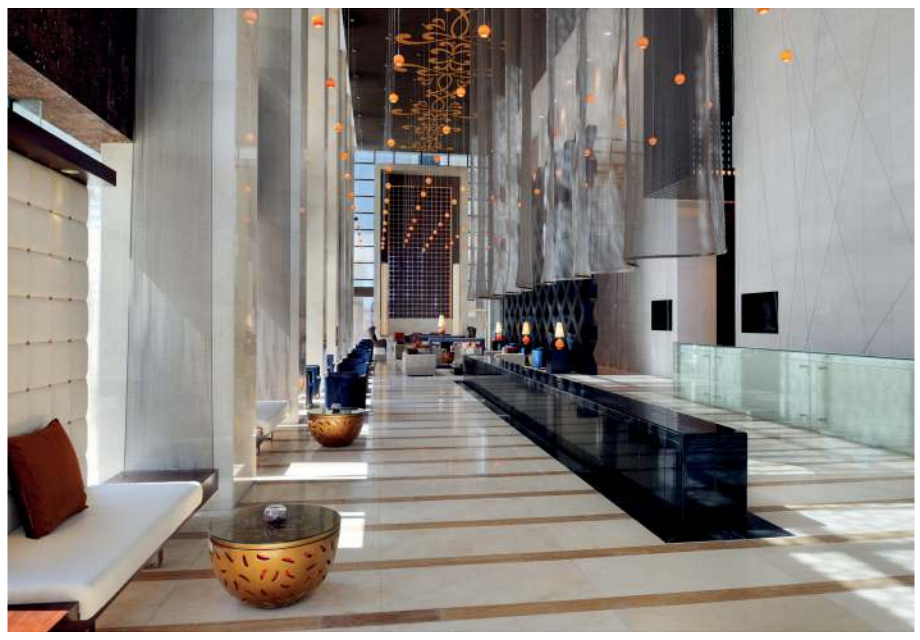
Income R10.8 billion ⬆ **9%**

Ebitdar R4.2 billion ⬆ **8%**

Adjusted earnings R1.9 billion ⬆ **18%**

Adjusted HEPS 176.5 cents ⬆ **18%**

Final dividend per share 60.0 cents ⬆ **18%**



Review of operations

Trading during the financial year was satisfactory in a tough economic environment. Year-on-year growth was achieved in both casino and hotel revenues assisted by the merger and acquisition activity undertaken as part of the group's growth strategy.

Tsogo Sun has continued to allocate capital in terms of this strategy and accordingly has invested R2.4 billion during the year as follows:

– acquired an additional 8.7% effective interest in Tsogo Sun KwaZulu-Natal Proprietary Limited in May 2013 at a cost of R363 million and the remaining 1.3% effective interest in November 2013 for R37 million with the resultant shareholding in Suncoast being 100%;

– completed the R400 million redevelopment of the Hemingways casino in East London;

– spent R154 million during the year on the R206 million expansion of the Emnotweni casino, which included the construction of an expanded casino floor, additional gaming positions, additional covered parking, a conference and eventing area and restaurants. The project will be completed during May 2014;

– commenced construction of the US$30 million expansion of Southern Sun Maputo including the addition of 111 rooms and conference facilities, the expansion of the existing restaurant, lobby and back-of-house facilities and the refurbishment of the existing 158 rooms. The hotel has closed with effect from 1 April 2014 and the project is scheduled for completion during July 2014;

– completed the acquisition of a 75.5% stake in Ikoyi Hotels Limited in Lagos, Nigeria on 29 June 2013 for US$50.6 million and the re-financing of US$19.7 million debt in the business. The property was previously managed by the group on behalf of the third-party owners;

– acquired shares in various properties during the year for an aggregate R73 million;

– acquired additional effective interests from non-controlling interests and in associates in various cinemas and hotels during the year for an aggregate R41 million;

– completed the expansion project at Blackrock casino including an additional 50 slot machines and three tables and an expansion of the Garden Court Blackrock hotel by an additional 40 rooms;

– commenced construction on the R560 million expansion and redevelopment of the Silverstar casino which includes additional dining options, an outdoor events area, cinemas, ten-pin bowling alley, laser tag games, an expanded and enhanced casino floor and parking. R160 million was spent during the year and the project is scheduled for completion by September 2014;

– commenced the R630 million refurbishment and expansion of the Gold Reef City casino and Theme Park which will include an increased casino offering, cinemas and additional restaurants at the casino and additional food and beverage outlets and improved access systems at the Theme Park with an improved linkage to the casino complex and an expansion of the Apartheid Museum. R22 million was spent during the year on the project; and

– in addition to these acquisitions and expansion projects, the group also invested R769 million on maintenance capex group-wide, including gaming system replacements and major hotel refurbishments, ensuring our assets remain best in class.

Total income for the year of R10.8 billion ended 9% above the prior year with a 5% growth in gaming win assisted by a 16% growth in hotel rooms revenue and a 22% growth in food and beverage revenue. Earnings before interest, income tax, depreciation, amortisation, property rentals, long-term incentives and exceptional items ("Ebitdar") at R4.2 billion for the year reflected an 8% increase on the prior year.

The overall group Ebitdar margin of 39.1% is 0.1 percentage points ("pp") down on the prior year. As previously reported, the underlying operations of the group remain highly geared towards the South African consumer (in gaming) and the corporate market (in hotels) with both sectors still experiencing difficult economic conditions and increased administered costs (electricity, water and property rates). The results for the year continue to reflect the growth potential of the group should these sectors of the South African economy improve.

Gaming win for the year grew by 5% on the prior year with growth in slots win at 2% and tables win growth at 14%.

Gauteng recorded provincial growth in gaming win of 3.4% for the year. Gaming win growth of 4.8% was achieved at Montecasino, 7.4% at Gold Reef City and 7.1% at Silverstar.

KwaZulu-Natal provincial gaming win grew by 3.5% for the year. Gaming win growth of 4.4% was achieved at Suncoast Casino and Entertainment World and 2.6% at Blackrock casino with Golden Horse casino 2.1% down on the prior year.

Mpumalanga reported growth in provincial gaming win of 2.8% for the year. Gaming win growth of 2.4% was achieved at The Ridge casino in Emalahleni with Emnotweni casino in Nelspruit 0.2% down on the prior year impacted by the expansion and redevelopment during the year.

The Eastern Cape provincial gaming win grew by 5.6% for the year. Hemingways reported growth in gaming win of 4.8%.

The Western Cape reported growth in provincial gaming win of 4.8% for the year. The Caledon Casino, Hotel and Spa and Garden Route casino in Mossel Bay reported growth of 4.3% and 1.4% respectively while gaming win at Mykonos casino in Langebaan reduced by 1.8%.

The Goldfields casino in Welkom in the Free State experienced difficult conditions with growth in gaming win of 1.3% on the prior year.

Other Gaming division operations consisting of the Sandton Convention Centre, the StayEasy Century City hotel and head office costs reflected a net loss of R196 million, R11 million adverse to the prior year.

Overall revenue for the Gaming division increased 6% on the prior year to R8.1 billion. Ebitdar improved 5% to R3.3 billion at a margin of 40.5%, 0.5pp below the prior year partially due to opening additional profitable lower margin businesses.

The hotel industry in South Africa continues to experience a recovery from the dual impact of depressed demand and oversupply. Overall industry occupancies have improved to 62.0% (2013: 60.9%) for the year. As a result of the strong sales and distribution channels and the superior product and service quality available within the group, Tsogo Sun Hotels continues to achieve an occupancy and rate premium in the segments in which the group operates.

Trading for the group's South African hotels for the year has been more buoyant recording a system-wide revenue per available room ("RevPar") growth of 10% on the prior year due mainly to an increase in average room rates by 11% to R900, with occupancies below the prior year at 63.9% (2013: 64.1%) impacted by the non-repeat of the BRICS conference in Durban and with no Easter public holidays in the 2014 financial year. Overall revenue for the South African Hotel division increased 11% on the prior year to R2.2 billion assisted by the inclusion of 54 on Bath and Southern Sun Hyde Park offset by the closure of Garden Court Sandton. Ebitdar improved 20% to R737 million at a margin of 34.2% (2013: 31.6%).

The Offshore division of hotels achieved total revenue of R550 million representing a 52% improvement on the prior year, driven by the acquisition of Southern Sun Ikoyi, effective from 29 June 2013, and the weakening of the Rand against both the US$ and the Euro. Ebitdar (pre-foreign exchange gains) improved 65% to R153 million. The Rand weakness resulted in a R33 million (2013: R37 million) foreign exchange gain on the translation of offshore monetary items.

Combined South African and offshore hotel trading statistics, reflecting the Tsogo Sun group owned hotels and excluding hotels managed on behalf of third parties, are as follows:

for the year ended 31 March	**2014**	2013
Occupancy (%)	**63.6**	64.7
Average room rate (R)	**897**	782
RevPar (R)	**570**	506
Rooms available ('000)	**3 892**	3 780
Rooms sold ('000)	**2 476**	2 445
Rooms revenue (Rm)	**2 221**	1 914

The increase in average room rate is positively impacted by the inclusion of Southern Sun Ikoyi from 29 June 2013 and the effect of the Rand weakness on the offshore portfolio.

Operating expenses including gaming levies and VAT and employee costs but excluding exceptional items and long-term incentives increased by 9% on the prior year mainly due to non-organic growth in the business and increased offshore overheads as a result of the weakening of the Rand against both the US$ and the Euro offset by savings initiatives.

Property rentals at R221 million are 15% up on the prior year mainly due to contractual increases and straight line lease provision adjustments. Amortisation and depreciation at R648 million is 7% up on the prior year due mainly to the capital spend during the year and the acquisition of Southern Sun Ikoyi.

The long-term incentive expense at R150 million is R84 million below the prior year charge and reflects the effect of the increased long-term incentive liability (including dividend adjustments) at 31 March 2014.

Exceptional losses for the year of R73 million relate mainly to property, plant and equipment and loan impairments, fair value adjustment to the value of a previously held interest in an associate and transaction and retrenchments costs on the restructure of various departments in the business offset by a lease termination recovery. Exceptional losses for the prior year of R19 million relate mainly to goodwill, property, plant and equipment and loan impairments, hotel pre-opening costs and transaction and restructure costs offset by the settlement fees on termination of the Dubai hotel management contracts.

Net finance costs of R373 million are 3% below the prior year due to lower average SA debt balances and reduced preference share interest than the prior year offset by reduced average SA cash balances and increased offshore debt at lower interest rates.

The effective tax rate for the year at 28.2% is impacted by non-deductible expenditure such as casino building depreciation offset by the tax holiday at Southern Sun Ikoyi and non-taxable foreign exchange gains. The comparative effective tax rate of 28.6% is due to the non-taxable gains referred to above in addition to preference share dividends.

Profit attributable to non-controlling interests of R96 million is 23% below the prior year mainly due to the acquisition of the additional 10% of Suncoast offset by the Southern Sun Ikoyi non-controlling interests.

Group adjusted headline earnings for the year ended 31 March 2014 at R1.9 billion are 18% above the prior year. The number of shares in issue is largely unchanged year-on-year and thus adjusted headline earnings per share increased by 18% to 176.5 cents per share.

Cash generated from operations for the year reduced 1% on the prior year at R3.8 billion. Cash flows utilised for investment activities of R2.4 billion consisted mainly of maintenance capital expenditure and the acquisitions and investments described above.

Interest-bearing debt net of cash at 31 March 2014 totalled R4.4 billion, which is R0.8 billion above the 31 March 2013 balance of R3.6 billion, with R897 million paid in dividends to group and non-controlling shareholders in addition to the investment activities during the year. Additional banking facilities of R4.2 billion are under negotiation to fund the group's growth strategy and the tenure of the loans have been extended to between 2020 and 2021. A R2.0 billion preference share issue is in the planning stage to provide additional capital flexibility.

PROSPECTS

The continued improvement in trading performance across the group's operations during the year remains encouraging. However, the sustainability of this growth is uncertain due to the weaker second half trading, ongoing macroeconomic pressure and weak consumer sentiment. Nevertheless, the group remains highly cash generative and continues to pursue significant opportunities to invest capital in its growth strategy.

The Mpumalanga Gaming board withdrew the previous request for proposal ("RFP") for the fourth licence in the province and restarted the project with a new RFP. The group submitted a revised bid and have been subsequently advised that the board has again withdrawn the RFP. The group will be pursuing a legal challenge in this regard.

The potential to bid for the relocation of one of the smaller casinos in the Western Cape to the Cape Metropole remains an opportunity for the group, although the increase in provincial taxes in the Western Cape has made this a less attractive opportunity than before.

The group is also exploring a variety of projects, including the expansion of the Suncoast casino and related entertainment facilities, as well as a number of potential acquisitions which are at various stages. The group has closed a number of acquisitions subsequent to year end as follows:

– As announced on the Stock Exchange News Service of the JSE Limited ("SENS") on 3 April 2014 Southern Sun Hotel Interests Proprietary Limited ("SSHI"), a group subsidiary, concluded agreements with Liberty Group Limited ("Liberty") for a 10% increase in the group's equity interest in The Cullinan Hotel Proprietary Limited ("Cullinan") to 60% and the acquisition by Cullinan of various hotel assets from SSHI and Liberty. The net investment by the group is R762 million and the effective date of the transaction was 30 April 2014.

– The group acquired a 25% interest in RedefineBDL Hotel Group Limited for R145 million, a leading independent hotel management company in the United Kingdom with approximately 60 hotels under management, with effect from 1 May 2014. This acquisition provides the company with access to additional management expertise, exposure to new markets and the potential for opportunities to deploy capital in attractive investments in the European market in the future.

– As announced on SENS on 13 May 2014 the group has entered into a transaction with Sun International Limited and Grand Parade Investments Limited for the acquisition of a 40% equity interest in each of SunWest International Proprietary Limited and Worcester Casino Proprietary Limited for an aggregate R2 185 million. The acquisition is subject to the fulfilment of conditions precedent which includes the approvals of the provincial Gambling and the Competition Authorities.

The group opened the 353-roomed Southern Sun Abu Dhabi under management contract in the United Arab Emirates on 30 April 2014.

The ability to continue to pursue the group's investment strategy will depend on the final outcome and impact of the variety of proposed regulatory and tax changes considered by government and will require the successful interaction with various regulatory bodies including gaming boards, city councils, provincial authorities and national departments. The group continues to constructively engage with the various spheres of government in this regard.

The group continues to assist SABMiller plc with its review of its strategic options in relation to its effective 39.6% shareholding and further announcements will be made to shareholders in due course.

DIVIDEND

The board of directors has declared a final gross cash dividend in respect of the year ended 31 March 2014 of 60.0 (sixty) cents per share. The dividend has been declared in South African currency and is payable to shareholders recorded in the register of the company at close of business Friday, 13 June 2014. There are no STC credits to be utilised. The number of ordinary shares in issue at the date of this declaration is 1 098 158 501 (excluding treasury shares). The dividend will be subject to a local dividend tax rate of 15%, which will result in a net dividend of 51.0 cents per share to those shareholders who are not exempt from paying dividend tax. The company's tax reference number is 9250039717.

In compliance with the requirements of Strate, the electronic and custody system used by the JSE, the following dates are applicable in 2014:

Last date to trade cum dividend	Friday, 6 June
Shares trade ex dividend	Monday, 9 June
Record date	Friday, 13 June
Payment date	Tuesday, 17 June

Share certificates may not be dematerialised or rematerialised during the period Monday, 9 June 2014 and Friday, 13 June 2014, both days inclusive. On Tuesday, 17 June 2014 the cash dividend will be electronically transferred to the bank accounts of all certificated shareholders where this facility is available. Where electronic fund transfer is not available or desired, cheques dated 17 June 2014 will be posted on that date. Shareholders who have dematerialised their share certificates will have their accounts at their CSDP or broker credited on Tuesday, 17 June 2014.

SUBSEQUENT EVENTS

The directors are not aware of any matter or circumstance arising since the end of the financial year, not otherwise dealt with within the financial statements, that would affect the operations or results of the group significantly.

PRESENTATION

Shareholders are advised that a presentation to various analysts and investors which provides additional analysis and information will be available on the group's website at www.tsogosun.com.

MN von Aulock
Chief Executive Officer

RB Huddy
Chief Financial Officer

22 May 2014

NOTES TO THE REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1 BASIS OF PREPARATION

The reviewed condensed consolidated financial statements for the year ended 31 March 2014 have been prepared in accordance with the framework concepts and the recognition and measurement criteria of *International Financial Reporting Standards* ("IFRS") as issued by the International Accounting Standards Board ("IASB"), the preparation and disclosure requirements of IAS 34 *Interim Financial Reporting*, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by Financial Reporting Standards Council, the Listings Requirements of the JSE Limited and the requirements of the Companies Act of South Africa. CFO, RB Huddy CA(SA), supervised the preparation of the condensed consolidated financial statements. The accounting policies are consistent with IFRS as well as those applied in the most recent audited annual financial statements as at 31 March 2013 other than as mentioned below. The reviewed condensed consolidated financial statements should be read in conjunction with the annual financial statements for the year ended 31 March 2013, which have been prepared in accordance with IFRS. This report has been reviewed by the group's auditors, PricewaterhouseCoopers Inc. This review has been conducted in accordance with International Standards on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", and their unmodified review opinion is available for inspection at the company's registered office.

2 CHANGES IN ACCOUNTING POLICIES

An amendment to IAS 19 *Employee Benefits* requires service costs and net interest to be allocated to profit or loss, while all remeasurements are to be allocated to other comprehensive income. Previously the group allocated the adjustment to profit or loss by applying the corridor method allowed in IAS 19 which has subsequently been withdrawn. The 31 March 2013 comparative numbers in the income statement, statement of other comprehensive income and cash flow statement, and 31 March 2012 comparative numbers in the balance sheet and statement of changes in equity have accordingly been restated.

Previously IAS 16 *Property, Plant and Equipment* permitted spare parts and servicing equipment to be classified as inventory and the group previously classified all of its operating equipment as inventory. The impact of the amendment to IAS 16 required the group to perform an assessment on all operating equipment used by the casino and hotel operations to determine which items are used for more than one period and met the definition of property, plant and equipment.

The abovementioned changes in accounting policies have been applied retrospectively and have reduced earnings per share by 0.2 cents from 148.5 cents per share to 148.3 cents per share for the year ended 31 March 2013. Other than the abovementioned changes in accounting policies, the accounting policies have been consistently applied with those of the annual financial statements for the year ended 31 March 2013, as described in those annual financial statements.

The monetary effects have been disclosed as footnotes to the condensed statements.

3 BUSINESS COMBINATIONS

The following were the major business combinations concluded during the year under review in line with the group's strategy of owning its hotel properties:

Acquisition of Ikoyi hotel

With effect from 29 June 2013, the acquisition of 75.5% of the shares of Ikoyi Hotels Limited, the company which owns the Southern Sun Ikoyi hotel, was concluded. The fair value of the consideration paid for the acquisition is R505 million (US$50.6 million) cash.

The group acquired the above mentioned hotel, which was previously a managed property, as an addition to its property portfolio.The fair valuation of the net assets acquired equates to the fair value of the consideration paid at the date of acquisition, and therefore no goodwill has arisen and no intangible assets have been identified. The acquired business contributed incremental revenues of R140 million and profit after tax, including exceptional and acquisition costs of R10 million, of R40 million to the group for the period from the date of control to 31 March 2014. Had the acquisition occurred on 1 April 2013, group revenue would have increased by an additional R47 million and profit after tax would have increased by an additional R20 million. These amounts have been calculated using the group's accounting policies.

The fair value of net assets acquired is as follows:	**Rm**
Hotel property, plant and equipment	**978**
Net liabilities	**(309)**
Total identifiable net assets acquired	**669**
Less: Non-controlling interests (on the proportionate basis)	**(164)**
Net assets acquired	**505**
Purchase consideration paid in cash	**(505)**
Goodwill	**–**

Acquisition of Hyde Park hotel

As previously reported, with effect from 17 May 2013 the group acquired the Southern Sun Hyde Park hotel business, previously a managed property. The fair value of the consideration paid for the property is R132 million cash. Due to the value of the net assets acquired equating to the consideration paid, no goodwill has arisen on this acquisition.

REVIEWED CONDENSED CONSOLIDATED FINANCIAL RESULTS

For the year ended 31 March 2014

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NOTES TO THE REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS continued

4 TRANSACTIONS WITH NON-CONTROLLING INTERESTS

The following major transaction with non-controlling interests was concluded during the year under review:

Share buy-back of additional Durban Add-Ventures Limited and Adventure World Management (Pty) Limited non-controlling interests

As previously reported, agreement was reached with 89% of the outstanding shareholders in Durban Add-Ventures Limited and 100% in Adventure World Management (Pty) Limited for the acquisition of the remaining outstanding 10% effective interest in Tsogo Sun KwaZulu-Natal (Pty) Limited. An effective 8.7% was acquired at a cost of R363 million in May 2013 with the resultant shareholding in Tsogo Sun KwaZulu-Natal (Pty) Limited being 98.7%. The group then acquired these remaining shares in terms of section 124 of the Companies Act for R37 million in September 2013. The group now owns 100% in Tsogo Sun KwaZulu-Natal (Pty) Limited.

5 SEGMENT INFORMATION

In terms of IFRS 8 *Operating Segments* the chief operating decision maker has been identified as the group's Chief Executive Officer and the Group Executive Committee. Management has determined the operating segments based on the reports reviewed by the chief operating decision maker.

There has been no change in the basis of segmentation or in the basis of measurement of segment profit or loss from the last annual financial statements.

6 CAPITAL COMMITMENTS

The board has committed a total of R4.5 billion for maintenance and expansion capital items at its gaming and hotel properties of which R2.4 billion is anticipated to be spent during the next financial year. R1.0 billion of the committed capital expenditure has been contracted for.

CONDENSED CONSOLIDATED INCOME STATEMENT

for the year ended 31 March

	Change %	2014 Reviewed Rm	2013 Restated[1] Rm
Net gaming win	5	6 819	6 525
Rooms revenue	16	2 221	1 914
Food and beverage revenue	22	1 063	869
Other revenue		664	602
Income	9	10 767	9 910
Gaming levies and Value Added Tax		(1 411)	(1 341)
Property and equipment rentals		(291)	(258)
Amortisation and depreciation		(648)	(608)
Employee costs		(2 604)	(2 512)[2]
Other operating expenses		(2 691)	(2 359)
Operating profit	10	3 122	2 832
Interest income		21	45
Finance costs		(394)	(430)
Share of profit of associates and joint ventures		–	6
Profit before income tax		2 749	2 453
Income tax expense		(776)	(701)
Profit for the year		1 973	1 752
Profit attributable to:			
Equity holders of the company		1 877	1 627
Non-controlling interests		96	125
		1 973	1 752
Number of shares in issue (million)		1 098	1 098
Weighted average number of shares in issue (million)		1 098	1 097
Basic and diluted earnings per share (cents)	15	170.9	148.3[1]

[1]Restated for changes in accounting policies – refer note 2
[2]Employee costs in the 2013 income statement was previously reported as R2 510 million

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March

	2014 Reviewed Rm	2013 Restated[1] Rm
Profit for the year	1 973	1 752
Other comprehensive income for the year, net of tax		
Items that may be reclassified subsequently to profit or loss:	178	47
Cash flow hedges	128	(33)
Currency translation adjustments	86	71
Income tax relating to items that may subsequently be reclassified	(36)	9
Items that may not be reclassified subsequently to profit or loss:	4	1
Actuarial gains on post-employment benefit liability	5	1
Income tax relating to items that may not subsequently be reclassified	(1)	–
Total comprehensive income for the year	2 155	1 800
Total comprehensive income attributable to:		
Equity holders of the company	2 059	1 675
Non-controlling interests	96	125
	2 155	1 800

[1]Restated for changes in accounting policies – refer note 2

SUPPLEMENTARY INFORMATION

for the year ended 31 March

	Change %	2014 Reviewed Rm	2013 Restated[2] Rm
Reconciliation of earnings attributable to equity holders of the company to headline earnings and adjusted earnings[1]			
Earnings attributable to equity holders of the company		1 877	1 627
Loss/(gain) on disposal of property, plant and equipment		2	(1)
Impairment of property, plant and equipment		14	9
Fair value loss on revaluation of previously held interest in associate		6	–
Impairment of goodwill		–	16
Headline earnings	15	1 899	1 651
Other exceptional items		39	(4)
Adjusted headline earnings	18	1 938	1 647
Number of shares in issue (million)		1 098	1 098
Weighted average number of shares in issue (million)		1 098	1 097
Basic and diluted HEPS (cents)	15	173.0	150.5
Basic and diluted adjusted HEPS (cents)	18	176.5	150.1

[1] Net of tax and non-controlling interests

	Change %	2014 Reviewed Rm	2013 Restated[2] Rm
Reconciliation of operating profit to Ebitdar[3]			
Group Ebitdar pre-exceptional items is made up as follows:			
Operating profit		3 122	2 832
Add:			
Property rentals		221	193
Amortisation and depreciation		648	608
Long-term incentive expense		150	234
		4 141	3 867
Add: Exceptional losses		73	19
Loss/(gain) on disposal of property, plant and equipment		3	(1)
Settlement fee received net of expenses on termination of tenant leases		(21)	–
Settlement fee received on termination of management contract		–	(33)
Impairment of financial instruments, net of recoveries		2	4
Pre-opening expenses		–	6
Transaction costs		9	6
Impairment of property, plant and equipment		16	9
Restructuring costs		58	12
Impairment of goodwill		–	16
Fair value loss on revaluation of previously held interest in associate		6	–
Ebitdar	8	4 214	3 886

[2]Restated for changes in accounting policies – refer note 2
[3]The measure excludes the effects of long-term incentives, non-recurring expenditure, headline adjustments including impairments and fair value adjustments on non-current assets and liabilities and other exceptional items.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 March

	2014 Reviewed Rm	2013 Restated[1] Rm
Cash flows from operating activities		
Profit before interest and income tax	3 122	2 832
Non-cash movements	1 139	1 154[2]
Increase in working capital	(497)	(180)[2]
Cash generated from operations	3 764	3 806
Interest received	20	46
Finance costs paid	(396)	(445)
	3 388	3 407
Income tax paid	(756)	(842)
Dividends paid to shareholders	(878)	(702)
Dividends paid to non-controlling interests	(19)	(42)
Dividends received	3	3
Net cash generated from operations	1 738	1 824
Cash flows from investment activities		
Purchase of property, plant and equipment	(1 337)	(960)[2]
Proceeds from disposals of property, plant and equipment	11	6
Purchase of intangible assets	(37)	(47)
Purchase of investment property	(45)	(7)
Acquisition of subsidiaries, net of cash acquired	(507)	–
Acquisition of business	(67)	(20)
Acquisition of associate	(6)	–
Advance payment on acquisition of casino licence	–	(116)
Advance payment for business acquisition	–	(65)
Other loans and investments repaid	(18)	1
Net cash utilised for investment activities	(2 006)	(1 208)
Cash flows from financing activities		
Borrowings raised	2 407	782
Borrowings repaid	(797)	(2 079)
Acquisition of non-controlling interests	(419)	–
Settlement of contingent consideration for Millennium acquisition	–	(58)
Loan repayments to non-controlling interests	–	(3)
Decrease in amounts due by share scheme participants	6	3
Net cash generated from/(utilised in) financing activities	1 197	(1 355)
Net increase/(decrease) in cash and cash equivalents	929	(739)
Cash and cash equivalents at beginning of year	750	1 443
Foreign currency translation	36	46
Cash and cash equivalents at end of year	1 715	750

[1] Restated for changes in accounting policies – refer note 2
[2] Non-cash movements, increase in working capital and purchase of property, plant and equipment in the 2013 cash flow were previously reported as R1 131 million, R216 million and R903 million respectively

CONDENSED CONSOLIDATED BALANCE SHEET

as at 31 March

	2014 Reviewed Rm	2013 Restated[1] Rm	2012 Restated[1] Rm
ASSETS			
Non-current assets			
Property, plant and equipment	10 939	9 123[2]	8 670
Investment property	102	7	–
Goodwill and other intangible assets	6 467	6 330	6 342
Investments in associates and joint ventures	149	171	170
Non-current receivables	64	49	54
Derivative financial instruments	67	–	–
Deferred income tax assets	120	179	114
Amounts due by share scheme participants	27	30	19
	17 935	15 889	15 369
Current assets			
Inventories	103	85[2]	74
Trade and other receivables	524	633	407
Current income tax assets	137	73	82
Cash and cash equivalents	1 715	750	1 443
	2 479	1 541	2 006
Total assets	20 414	17 430	17 375
EQUITY			
Capital and reserves attributable to equity holders of the company			
Ordinary share capital and premium	4 771	4 768	4 754
Share-based payment reserve	3	3	3
Surplus arising on change in control in joint venture	130	130	130
Other reserves	(114)	(583)	(230)
Retained earnings	5 000	3 997	3 071
Total shareholders' equity	9 790	8 315	7 728
Non-controlling interests	732	807	727
Total equity	10 522	9 122	8 455
LIABILITIES			
Non-current liabilities			
Interest-bearing borrowings	5 062	3 386	4 245
Derivative financial instruments	–	45	9
Deferred income tax liabilities	1 603	1 449	1 520
Provisions and other liabilities	493	503[3]	438
	7 158	5 383	6 212
Current liabilities			
Interest-bearing borrowings	1 092	944	1 382
Derivative financial instruments	19	37	38
Trade and other payables	1 044	984	958
Provisions and other liabilities	525	921	269
Current income tax liabilities	54	39	61
	2 734	2 925	2 708
Total liabilities	9 892	8 308	8 920
Total equity and liabilities	20 414	17 430	17 375

[1] Restated for changes in accounting policies – refer note 2
[2] The amount of property, plant and equipment and inventory was previously reported in 2013 balance sheet as R9 004 million and R204 million respectively
[3] The amount of the post retirement benefit for 2013 was previously reported as R23 million and has been restated to R13 million, included in provisions and other liabilities

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the company							
	Ordinary share capital and premium Rm	Share-based payment reserve Rm	Surplus arising on change in control in joint venture Rm	Other reserves Rm	Retained earnings Rm	Total Rm	Non-controlling interests Rm	Total equity Rm
Balance at 31 March 2012 as previously reported	4 754	3	130	(230)	3 063	7 720	727	8 447
Recognition of net interest and service costs as well as remeasurements of actuarial gains and losses due to amendments to IAS 19 *Employee Benefits*	–	–	–	–	8	8	–	8
Balance at 31 March 2012 (restated)[1]	4 754	3	130	(230)	3 071	7 728	727	8 455
Total comprehensive income	–	–	–	47	1 628	1 675	125	1 800
Profit for the year	–	–	–	–	1 627	1 627	125	1 752
Other comprehensive income	–	–	–	47	1	48	–	48
Shares issued to share scheme participants	15	–	–	–	–	15	–	15
Share options lapsed	(1)	–	–	–	–	(1)	–	(1)
Obligation for subsidiary share buyback scheme	–	–	–	(400)	–	(400)	–	(400)
Repayment of non-controlling interests' equity loans	–	–	–	–	–	–	(3)	(3)
Ordinary dividends	–	–	–	–	(702)	(702)	(42)	(744)
Balance at 31 March 2013 (restated) [1]	4 768	3	130	(583)	3 997[2]	8 315	807	9 122
Total comprehensive income	–	–	–	178	1 881	2 059	96	2 155
Profit for the year	–	–	–	–	1 877	1 877	96	1 973
Other comprehensive income	–	–	–	178	4	182	–	182
Shares issued to share scheme participants	4	–	–	–	–	4	–	4
Share options lapsed	(1)	–	–	–	–	(1)	–	(1)
Non-controlling interests arising on business combinations	–	–	–	–	–	–	163	163
Transactions with non-controlling interests	–	–	–	291	–	291	(315)	(24)
Ordinary dividends	–	–	–	–	(878)	(878)	(19)	(897)
Balance at 31 March 2014 (reviewed)	4 771	3	130	(114)	5 000	9 790	732	10 522

[1] Restated for changes in accounting policies – refer note 2
[2] The amount of retained earnings in the statement of changes in equity for 2013 was previously reported as R3 990 million

SEGMENTAL ANALYSIS

for the year ended 31 March

	Income[1]		Ebitdar[2]		Ebitdar margin		Amortisation and depreciation	
	2014 Rm	2013 Rm	2014 Rm	2013 Restated[3] Rm	2014 %	2013 Restated[3] %	2014 Rm	2013 Rm
Montecasino	2 415	2 266	1 088	1 026	45.1	45.3	95	83
Suncoast	1 517	1 440	717	692	47.2	48.1	104	102
Gold Reef City	1 298	1 218	514	479	39.6	39.3	65	74
Silverstar	648	602	263	237	40.6	39.4	39	49
The Ridge	400	387	186	187	46.5	48.3	25	26
Hemingways	336	303	138	125	41.1	41.3	45	22
Emnotweni	328	319	144	147	44.0	46.1	15	14
Golden Horse	318	303	146	150	46.1	49.5	34	30
Garden Route	179	173	78	76	43.7	43.9	14	13
Goldfields	142	136	57	60	40.3	44.1	9	9
Blackrock	139	135	54	53	38.8	39.3	9	7
The Caledon	135	128	35	32	25.7	25.0	6	6
Mykonos	132	134	57	59	43.1	44.0	6	7
Other gaming operations	123	104	(196)	(185)			9	11
Total gaming operations	8 110	7 648	3 281	3 138	40.5	41.0	475	453
South African hotels division[4]	2 153	1 937	737	613	34.2	31.6	151	139
Offshore hotels division	550	361	186	130	33.8	36.0	18	14
Pre-foreign exchange gains			*153*	*93*	*27.8*	*25.8*		
Foreign exchange gains			*33*	*37*				
Corporate[5]	(46)	(36)	10	5			4	2
Group	10 767	9 910	4 214	3 886	39.1	39.2	648	608

[1]All revenue and income from gaming and hotel operations is derived from external customers. No one customer contributes more than 10% to the group's total revenue
[2]All casino units are reported pre-internal gaming management fees
[3]Restated for changes in accounting policies – refer note 2
[4]Includes R48 million (2013: R39 million) intergroup management fees
[5]Includes the treasury and management function of the group

DIRECTORS: JA Copelyn (Chairman)* JA Mabuza (Deputy Chairman)* MN von Aulock (Chief Executive Officer) RB Huddy (Chief Financial Officer) MJA Golding* J Davidson*† VE Mphande* JG Ngcobo** Y Shaik* RG Tomlinson (Lead Independent)** JS Wilson*† MI Wyman*† (*Non-executive Director **Independent Director †British)
COMPANY SECRETARY: GD Tyrrell
REGISTERED OFFICE: Palazzo Towers East, Montecasino Boulevard, Fourways, 2055 (Private Bag X200, Bryanston, 2021)
TRANSFER SECRETARIES: Link Market Services South Africa Proprietary Limited, 13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein, 2001 (PO Box 4844, Johannesburg, 2000)
SPONSOR: Deutsche Securities (SA) Proprietary Limited, 3 Exchange Square, 87 Maude Street, Sandton, 2196 (Private Bag X9933, Sandton, 2146)

BASTION GRAPHICS