



# GOLD REEF RESORTS

## ANNUAL FINANCIAL RESULTS

FOR THE YEAR ENDED 31 DECEMBER 2009



## Management Team



**Dr. ENOS BANDA**

**Chairman**


**STEVEN JOFFE**

**Chief Executive Officer**

**JARROD FRIEDMAN**

**Financial Director**

2



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## AGENDA

- INTRODUCTION & GROUP STRUCTURE
- INDUSTRY OVERVIEW
- OPERATIONS OVERVIEW
- FINANCIAL OVERVIEW
- CORPORATE DEVELOPMENT
- OUTLOOK & CONCLUSION

INTRODUCTION & GROUP STRUCTURE	INDUSTRY OVERVIEW	OPERATIONS OVERVIEW	FINANCIAL OVERVIEW	CORPORATE DEVELOPMENT	OUTLOOK & CONCLUSION	3
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RESORTS



## INTRODUCTION & GROUP STRUCTURE

INTRODUCTION & GROUP STRUCTURE	INDUSTRY OVERVIEW	OPERATIONS OVERVIEW	FINANCIAL OVERVIEW	CORPORATE DEVELOPMENT	OUTLOOK & CONCLUSION	4
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## Introduction 2009

- 🌀 Market capitalisation of approximately **R5,5 billion** at **R18,86** per share
- 🌀 EBITDAR multiple of **7,0** at **R18,86**
- 🌀 Net Debt of **R1,1 billion** representing Debt:EBITDAR multiple of **1:2**
- 🌀 P/E of **14,3** at **R18,86** on 2009 **HEPS**
- 🌀 **18,0%** of national gaming positions with **134** tables and **3 976** slots in **7** casinos
- 🌀 GRR disbursed or committed **R26,3 million** for Corporate Social Investment in 2009 (2008: R22,6 million)

5

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## Introduction 2009

### 2009 defined by:

- 🌀 Refurbishment projects at Golden Horse Casino, Mykonos Casino & Garden Route Casino

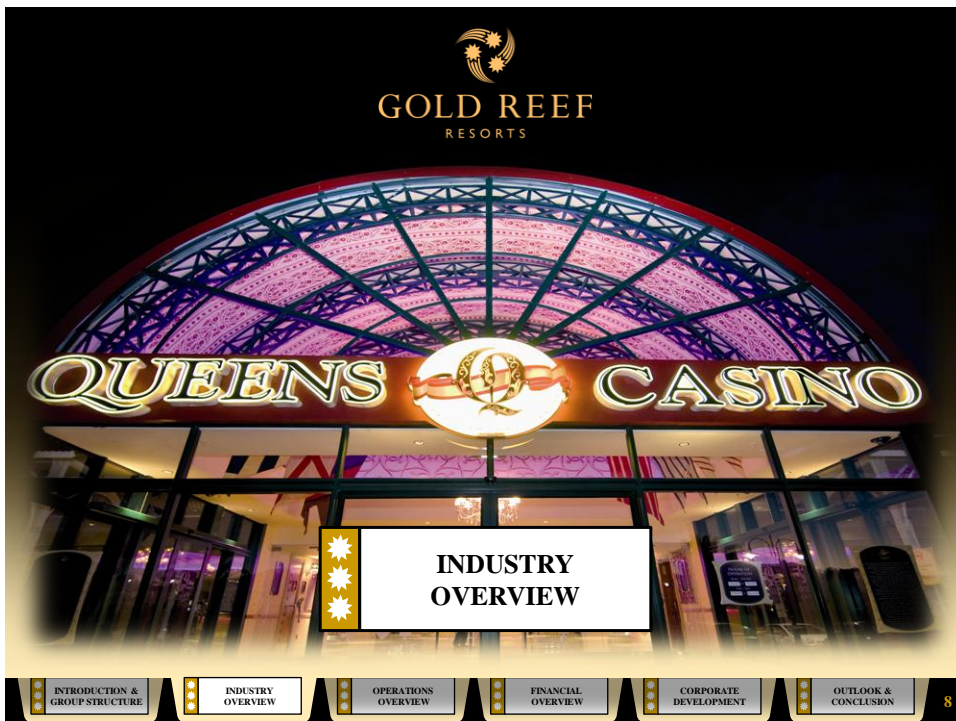
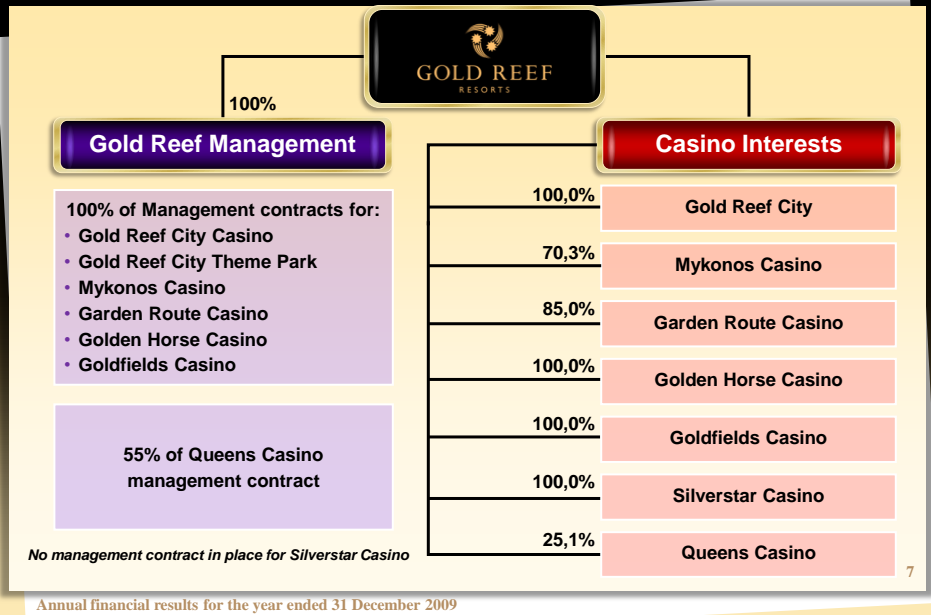


- 🌀 Roll-out of smartcard gaming throughout remaining properties in the Group
- 🌀 Focus on cost control in order to preserve margins in challenging economic conditions

6

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# Group Structure



## South African Economy



- Global recession negatively impacts SA economy with real GDP shrinking by 1,8% in 2009
- Uncertainty in the job market puts pressure on consumer disposable income & therefore casino revenue
- Reduced revenue & inflationary pressures on costs erodes margins

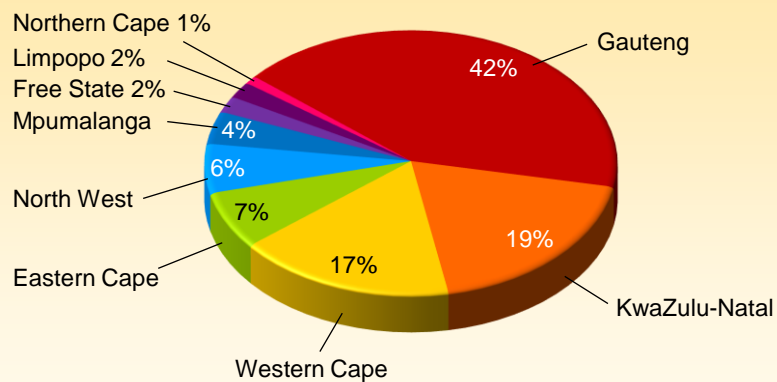
9

Annual financial results for the year ended 31 December 2009

## Gross Gaming Revenue (GGR) per Province



- Total GGR of R15,9 billion to March 2009 (2008: R15,6 billion)



10

Annual financial results for the year ended 31 December 2009

# Provincial GGR



Period: 1 January – 31 December

<i>R million</i>	2005	2006	2007	2008	2009	% Change
Gauteng	4 208	4 878	5 469	5 896	5 843	(0,9%)
KwaZulu-Natal	1 519	1 765	2 118	2 258	2 362	4,6%
Western Cape	1 643	1 877	2 203	2 227	2 084	(6,4%)
Free State	195	289	365	383	378	(1,3%)
Eastern Cape	746	824	908	906	889	(1,9%)

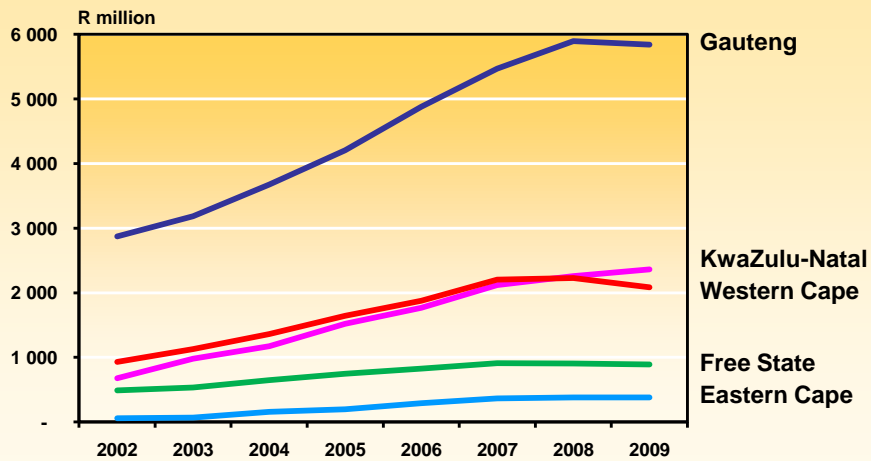
11

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# Provincial GGR



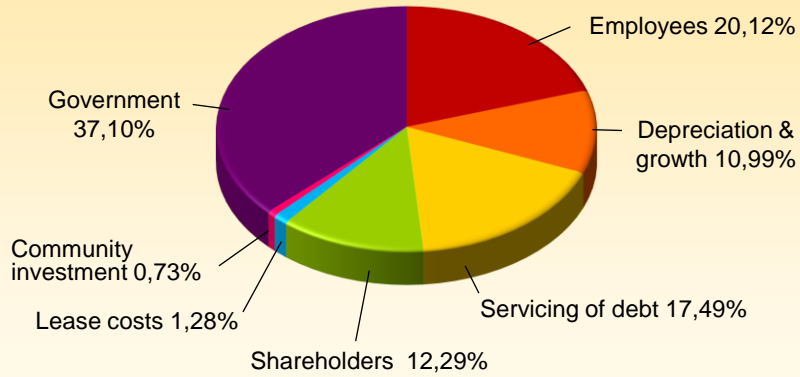
Period: 1 January – 31 December



12

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# Casino Industry Value Added



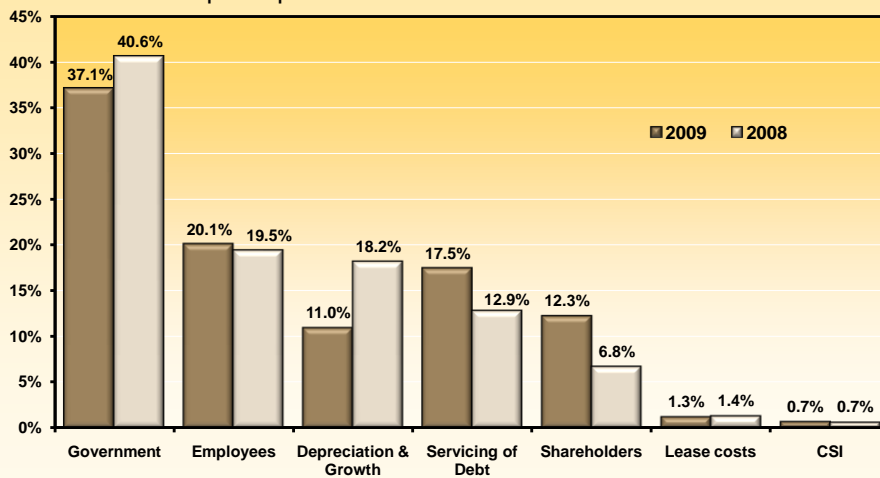
13

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# Casino Industry Value Added



## Stakeholder participation 2009 vs 2008



14

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**OPERATIONS  
OVERVIEW**

INTRODUCTION &  
GROUP STRUCTURE

INDUSTRY  
OVERVIEW

OPERATIONS  
OVERVIEW


FINANCIAL  
OVERVIEW

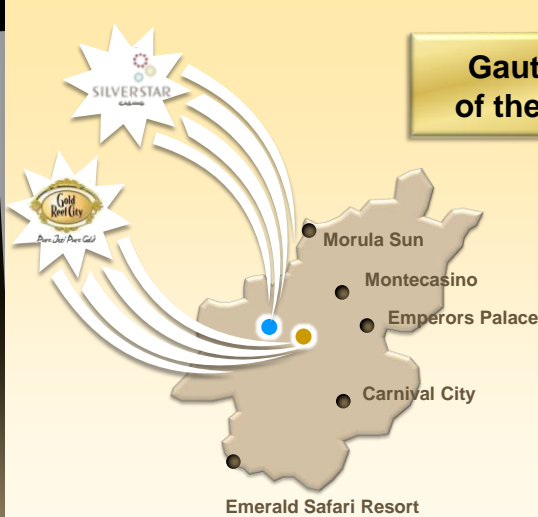
CORPORATE  
DEVELOPMENT

OUTLOOK &  
CONCLUSION

15




## Gauteng Overview

  
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**Gauteng makes up 42%  
of the SA gaming market**

**Gauteng  
Revenue for 2009**

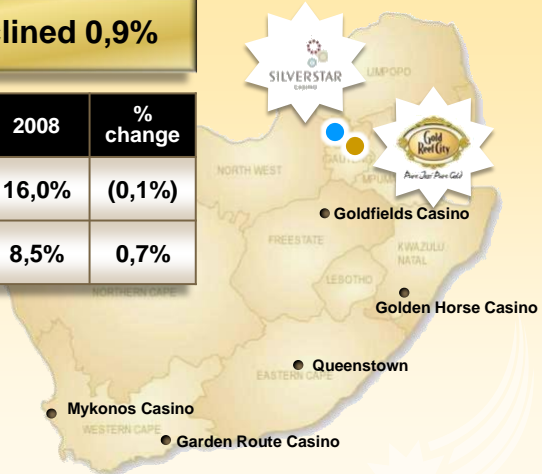
	<b>H1: 1,06%</b>
	<b>H2: (2,78%)</b>
	<b>FY: (0,90%)</b>



## Gauteng Overview

Gauteng market declined 0,9%

Market share	2009	2008	% change
Gold Reef City	15,9%	16,0%	(0,1%)
Silverstar Casino	9,2%	8,5%	0,7%



17

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## Gold Reef City



*Pure Jozi Pure Gold*

- 🎰 Gold Reef City Casino
- 🎰 Gold Reef City Theme Park
- 🎰 South African Apartheid Museum (operated by S21 Company)



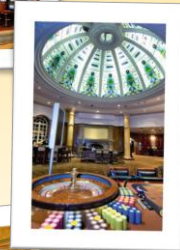
18

Annual financial results for the year ended 31 December 2009

## Gold Reef City Casino



Pure Jozi Pure Gold



- ❏ Focus on cost control in order to preserve margins
- ❏ Implemented promotional marketing strategies aimed at increasing revenue levels
- ❏ Change to theatre production mix significantly reduced losses

19

Annual financial results for the year ended 31 December 2009

## Gold Reef City Casino



Rand 000's	2009	2008	% change
No. of tables	50	50	-
Total tables GGR	253 726	234 283	8,3%
GGR / table	5 075	4 686	8,3%
No. of slots	1 600	1 600	-
Total slots GGR	679 763	706 256	(3,8%)
GGR / slot machine	425	441	(3,8%)
No. of visitors (000's)*	2 568	2 553	0,6%



Pure Jozi Pure Gold

\* Excluding Theme Park

20

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# Gold Reef City Theme Park



Pure Jazi Pure Gold



- ☛ Revenue & EBITDAR increase
- ☛ Ongoing revitalisation program
- ☛ Hotel refurbishment – to be completed by June 2010

21

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# Gold Reef City



R million

	2009	2008	% Change
Revenue	1 044	1 057	(1,2%)
EBITDAR	369	378	(2,4%)
EBITDAR %	35,3%	35,8%	(0,5%)
External debt	(189)	(247)	23,5%



Pure Jazi Pure Gold

22

Annual financial results for the year ended 31 December 2009

# Gold Reef City



<i>R million</i>	2009	2008	% Change
Revenue	1 044	1 057	(1,2%)
<b>Casino</b>	<b>960</b>	<b>990</b>	<b>(3,0%)</b>
<b>Theme Park</b>	<b>84</b>	<b>67</b>	<b>25,4%</b>



23

Annual financial results for the year ended 31 December 2009

# Gold Reef City



<i>R million</i>	2009	2008	% Change
Revenue	1 044	1 057	(1,2%)
EBITDAR	369	378	(2,4%)
<b>Casino</b>	<b>362</b>	<b>376</b>	<b>(3,7%)</b>
<b>Theme Park</b>	<b>7</b>	<b>2</b>	<b>250,0%</b>



24

Annual financial results for the year ended 31 December 2009

## Gold Reef City



<i>R million</i>	2009	2008	% Change
Revenue	1 044	1 057	(1,2%)
EBITDAR	369	378	(2,4%)
EBITDAR %	35,3%	35,8%	(0,5%)
<b>Casino</b>	<b>37,8%</b>	<b>38,0%</b>	<b>(0,2%)</b>
<b>Theme Park</b>	<b>7,9%</b>	<b>3,4%</b>	<b>4,5%</b>

25

Annual financial results for the year ended 31 December 2009

## Silverstar Casino



- 🔑 Revenue & EBITDAR growth exceeds province
- 🔑 Growth in market share
  - All facilities completed
  - Patrons experiencing full range of entertainment options
- 🔑 Total debt decreased to R1,2 billion



26

Annual financial results for the year ended 31 December 2009

## Silverstar Casino



<i>Rand 000's</i>	2009	2008	% change
No. of tables	24	24	-
Total tables GGR	125 509	113 053	11,0%
GGR / table	5 230	4 711	11,0%
No. of slots	784	784	-
Total slots GGR	409 008	390 435	4,8%
GGR / slot machine	522	498	4,8%
No. of visitors (000's)	1 480	1 372	7,9%



27

Annual financial results for the year ended 31 December 2009

## Silverstar Casino



<i>R million</i>	2009	2008	% Change
Revenue	543	510	6,5%
EBITDAR	208	188*	10,6%
EBITDAR %	38,3%	36,9%	1,4%
External debt	(1 211)	(1 307)	7,3%



\* Adjusted to exclude pre-opening expenses

28

Annual financial results for the year ended 31 December 2009

## KwaZulu-Natal Overview

KwaZulu-Natal makes up 19% of the SA gaming market



### KwaZulu-Natal Revenue for 2009

★	H1: 4,73%
★	H2: 4,55%
▲	FY: 4,60%

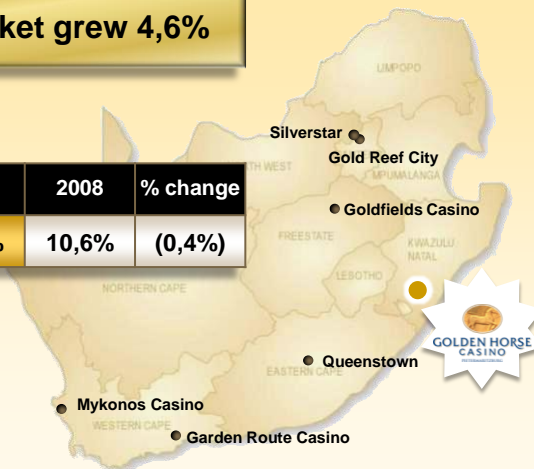
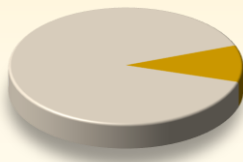
29

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## Golden Horse Casino

KwaZulu-Natal market grew 4,6%

Market share	2009	2008	% change
Golden Horse Casino	10,2%	10,6%	(0,4%)



30

Annual financial results for the year ended 31 December 2009

## Golden Horse Casino



- 🔑 Revenue & EBITDAR growth
- 🔑 Casino phase of major refurbishment completed during the year within budget
- 🔑 Additional capex approved for 2010 renovations:
  - Exterior of the property
  - Hotel bedrooms



31

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## Golden Horse Casino



Rand 000's	2009	2008	% change
No. of tables	20*	18	11,1%
Total tables GGR	51 442	47 779	7,7%
GGR / table	2 572	2 654	(3,1%)
No. of slots	450	450	-
Total slots GGR	193 196	190 842	1,2%
GGR / slot	429	424	1,2%
No. of visitors (000's)	1 725	1 711	0,8%



\* Extra 2 tables are Holdem poker

32

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# Golden Horse Casino

R million	2009	2008	% Change
Revenue	248	244	1,6%
EBITDAR	111	110	0,9%
EBITDAR %	44,7%	45,2%	(0,5%)
External debt	(41)	(49)	16,3%



33

Annual financial results for the year ended 31 December 2009

# Western Cape Overview

Western Cape makes up 17% of the SA gaming market



Western Cape Revenue for 2009	
☀	H1: (7,49%)
☀	H2: (5,22%)
⬇	FY: (6,40%)

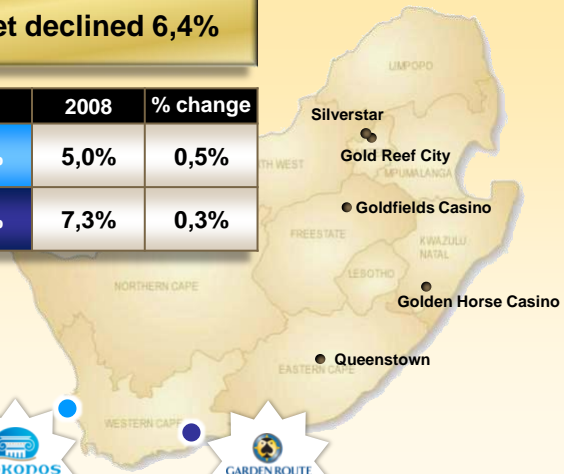
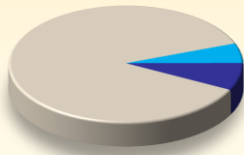
34

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## Western Cape

Western Cape market declined 6,4%

Market share	2009	2008	% change
Mykonos Casino	5,5%	5,0%	0,5%
Garden Route Casino	7,6%	7,3%	0,3%



35

Annual financial results for the year ended 31 December 2009

## Mykonos Casino



- 🌀 Revenue growth
- 🌀 Refurbishment completed
- 🌀 Smartcard gaming introduced in 1<sup>st</sup> quarter of 2010



36

Annual financial results for the year ended 31 December 2009

## Mykonos Casino



<i>Rand 000's</i>	2009	2008	% change
No. of tables	9	9	-
Total tables GGR	10 079	12 030	(16,2%)
GGR / table	1 120	1 337	(16,2%)
No. of slots	300	300	-
Total slots GGR	103 545	99 592	4,0%
GGR / slot	345	332	4,0%
No. of visitors (000's)	885	974	(9,1%)



37

Annual financial results for the year ended 31 December 2009

## Mykonos Casino



<i>R million</i>	2009	2008	% Change
Revenue	114	112	1,8%
EBITDAR	47	48	(2,1%)
EBITDAR %	41,3%	42,8%	(1,5%)
External debt	-	-	-



38

Annual financial results for the year ended 31 December 2009

## Garden Route Casino



Completion of refurbishment project:

- Gaming floor
- Addition of 36 new slot machines
- Conversion to smartcard gaming
- Food & beverage facilities

Growth in market share in spite of decline in Western Cape provincial GGR

39

Annual financial results for the year ended 31 December 2009

## Garden Route Casino



Rand 000's	2009	2008	% change
No. of tables	16	16	-
Total tables GGR	15 742	18 043	(12,8%)
GGR / table	984	1 128	(12,8%)
No. of slots	412*	376	9,6%
Total slots GGR	143 162	144 966	(1,2%)
GGR / slot	347	386	(9,9%)
No. of visitors (000's)	412	448	(8,0%)



\* Additional 36 slots only added in November 2009

40

Annual financial results for the year ended 31 December 2009

# Garden Route Casino



<i>R million</i>	2009	2008	% Change
Revenue	160	164	(2,4%)
EBITDAR	71	80	(11,3%)
EBITDAR %	44,7%	48,6%	(3,9%)
External debt	(26)	(33)	21,2%



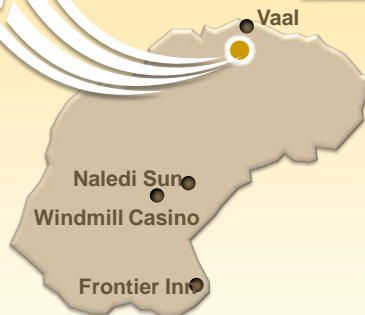
41

Annual financial results for the year ended 31 December 2009

# Free State Overview



Free State makes up 2% of the SA gaming market



Free State Revenue for 2009	
★	H1: 1,21%
★	H2: (3,81%)
↓	FY: (1,30%)

42

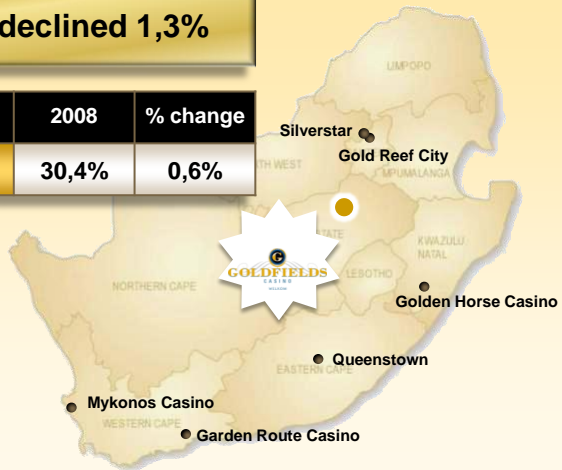
Annual financial results for the year ended 31 December 2009

# Goldfields Casino



Free State market declined 1,3%

Market share	2009	2008	% change
Goldfields Casino	31,0%	30,4%	0,6%



43

Annual financial results for the year ended 31 December 2009

# Goldfields Casino



- Revenue and market share growth
- Smartcard gaming introduced in 1st quarter of 2010
- Refurbishment of major shopping complex adjacent to casino expected to be completed in 2010



44

Annual financial results for the year ended 31 December 2009

## Goldfields Casino



<i>Rand 000's</i>	2009	2008	% change
No. of tables	9	9	-
Total tables GGR	13 074	14 439	(9,5%)
GGR / table	1 453	1 604	(9,5%)
No. of slots	250	250	-
Total slots GGR	104 104	101 968	2,1%
GGR / slot	416	408	2,1%
No. of visitors (000's)	775	808	(4,1%)



45

Annual financial results for the year ended 31 December 2009

## Goldfields Casino



<i>R million</i>	2009	2008	% Change
Revenue	119	118	0,8%
EBITDAR	52	53	(1,9%)
EBITDAR %	43,7%	44,7%	(1,0%)
External debt	(45)	(58)	22,4%



46

Annual financial results for the year ended 31 December 2009

# Eastern Cape Overview



Eastern Cape makes up 7% of the SA gaming market



## Eastern Cape Revenue for 2009

★	H1: (3,82%)
★	H2: (0,01%)
↓	FY: (1,90%)

47

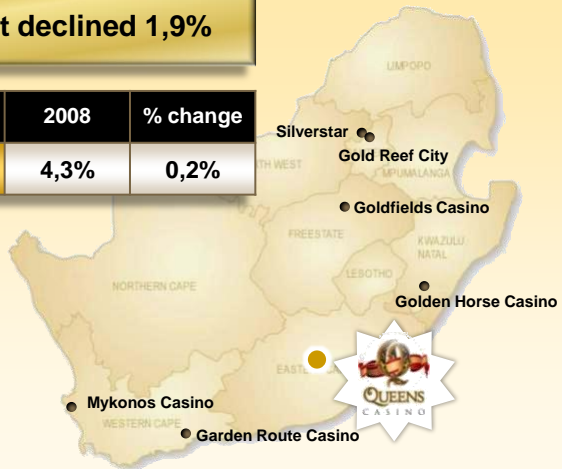
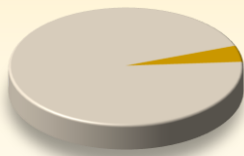
Annual financial results for the year ended 31 December 2009

# Queens Casino



Eastern Cape market declined 1,9%

Market share	2009	2008	% change
Queens Casino	4,5%	4,3%	0,2%

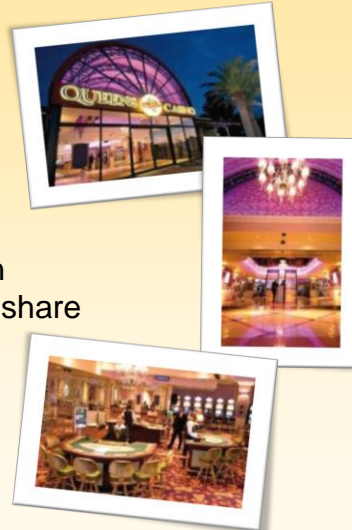


48

Annual financial results for the year ended 31 December 2009



## Queens Casino



- Trading improved with growth in revenue, EBITDAR and market share
- Significant savings in overhead expenses following extensive restructure of cost base

49

Annual financial results for the year ended 31 December 2009

## Queens Casino



<i>Rand 000's</i>	2009	2008	% change
No. of tables	6	6	-
Total tables GGR	4 839	6 228	(22,3%)
GGR / table	807	1 038	(22,3%)
No. of slots	180	180	-
Total slots GGR	35 765	32 381	10,5%
GGR / slot	199	180	10,5%
No. of visitors (000's)	223	289	(22,8%)



50

Annual financial results for the year ended 31 December 2009

# Queens Casino



<i>R million</i>	2009	2008	% Change
Revenue	51	46	10,9%
EBITDAR	12	6*	100,0%
EBITDAR %	22,7%	11,9%	10,8%
External debt	(49)	(51)	3,9%



\* Adjusted to exclude pre-opening expenses

51

Annual financial results for the year ended 31 December 2009

## GOLD REEF RESORTS

### FINANCIAL OVERVIEW

INTRODUCTION & GROUP STRUCTURE

INDUSTRY OVERVIEW

OPERATIONS OVERVIEW

**FINANCIAL OVERVIEW**

CORPORATE DEVELOPMENT

OUTLOOK & CONCLUSION

52

# Condensed Consolidated Income Statement



	%	REVIEWED FOR THE YEAR ENDED 31 DECEMBER 2009 Rm	AUDITED FOR THE YEAR ENDED 31 DECEMBER 2008 Rm
<b>Revenue</b>	1	2 229	2 197
Net gaming win	1	2 065	2 042
Theme Park	7	72	67
Food and beverage	9	35	32
Other	2	57	56
Other income		15	1
		2 244	2 198
Gaming levies and VAT		(412)	(410)
Employee costs		(480)	(463)
Promotional and marketing costs		(140)	(133)
Depreciation and amortisation		(185)	(161)
Other operating expenses		(336)	(326)
<b>Operating profit</b>	(2)	691	705
Finance income		38	80
Finance costs		(171)	(214)
<b>Profit before equity accounted earnings</b>		558	571
Share of loss of associate		(5)	(8)
<b>Profit before taxation</b>	(2)	553	563
Taxation expense		(180)	(188)
<b>Profit for the year</b>	(1)	373	375
<b>Profit attributable to:</b>			
Equity holders of Gold Reef	1	360	358
Minority interest		13	17
		373	375
Number of shares in issue (000)		291 990	291 990
Weighted average number of shares in issue (000)		275 291	274 006
<b>Earnings per share (cents)</b>		131,0	130,6
<b>Diluted earnings per share (cents)</b>		131,0	130,6

Annual financial results for the year ended 31 December 2009

# Supplementary Information



EBITDAR RECONCILIATION		%	REVIEWED FOR THE YEAR ENDED 31 DECEMBER 2009 Rm	AUDITED FOR THE YEAR ENDED 31 DECEMBER 2008 Rm
Operating profit			691	705
Property and equipment rental			21	20
Depreciation and amortisation			185	161
<b>EBITDAR</b>	1		897	886
Weighted average number of shares in issue (000)			275 291	274 006
<b>EBITDAR per share (cents)</b>	1		326,0	323,3
<b>EBITDAR margin (%)</b>			40,3	40,3
HEADLINE EARNINGS RECONCILIATION		%	REVIEWED FOR THE YEAR ENDED 31 DECEMBER 2009 Rm	AUDITED FOR THE YEAR ENDED 31 DECEMBER 2008 Rm
Attributable profit for the year			360	358
Profit on sale of financial instruments			*	*
Impairment of property, plant and equipment			1	*
Loss/(profit) on sale of property, plant and equipment			2	*
<b>Headline earnings</b>	1		363	358
Weighted average number of shares in issue (000)			275 291	274 006
<b>Headline earnings per share (cents)</b>	1		131,9	130,5
<b>Diluted headline earnings per share (cents)</b>	1		131,9	130,5

Annual financial results for the year ended 31 December 2009

# Condensed Consolidated Statement of Comprehensive Income



	REVIEWED FOR THE YEAR ENDED 31 DECEMBER 2009 Rm	AUDITED FOR THE YEAR ENDED 31 DECEMBER 2008 Rm
<b>Profit for the year</b>	373	375
<b>Other comprehensive income for the year, net of tax</b>	15	(67)
Fair value gain/(loss) on interest rate hedge	7	(67)
Fair value loss on foreign exchange hedge	*	-
Income tax relating to components of other comprehensive income	8	-
<b>Total comprehensive income for the year</b>	388	308
<b>Total comprehensive income attributable to:</b>		
Equity holders of Gold Reef	375	291
Minority interest	13	17
	388	308

\* Amount less than R1 million

55

Annual financial results for the year ended 31 December 2009

# Condensed Consolidated Balance Sheet



	REVIEWED AT 31 DECEMBER 2009 Rm	AUDITED AT 31 DECEMBER 2008 Rm
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	2 547	2 545
Leasehold improvements	138	123
Intangible assets	1 185	1 187
Deferred income tax assets	13	5
Investment in associate	23	31
Share scheme	47	33
	3 953	3 924
<b>Current assets</b>		
Inventories	19	19
Trade and other receivables	42	30
Current tax assets	2	7
Amounts owing by related parties	*	*
Cash and cash equivalents	440	443
	503	499
<b>Total assets</b>	4 456	4 423
<b>Liabilities and equity</b>		
<b>Liabilities</b>		
Accounts payable and other payables	153	135
Provisions	16	52
Current tax liabilities	167	162
Current liabilities of related parties	1	1
Amounts owing to related parties	1	1
Bank overdraft	1	1
	339	343
<b>Equity</b>		
Share capital	1 000	1 000
Reserves	3 117	3 080
	4 117	4 080
<b>Total liabilities and equity</b>	4 456	4 423

56

Annual financial results for the year ended 31 December 2009

# Condensed Consolidated Balance Sheet



	REVIEWED AT 31 DECEMBER 2009 Rm	AUDITED AT 31 DECEMBER 2008 Rm
<b>Assets</b>		
Intangible assets		
Property, plant and equipment	2 547	2 545
Leasehold improvements	158	123
Intangible assets	1 193	1 197
Deferred income tax assets	22	2
Investment in associates	22	23
Share advances	37	33
	<u>3 989</u>	<u>3 923</u>
<b>Current assets</b>		
Receivables	10	10
Trade and other receivables	42	39
Current tax assets	7	-
Amounts owing to related parties	485	493
Cash and cash equivalents	1 363	1 351
	<u>1 907</u>	<u>1 903</u>
<b>Total assets</b>	<u>5 896</u>	<u>5 826</u>
<b>Equity and liabilities</b>		
<b>Capital and reserves</b>		
Share capital	6	6
Share premium	1 860	1 860
Treasury shares	(58)	(71)
Share-based payment reserve	389	382
Other reserves	(545)	(565)
Retained earnings	979	799
	<u>2 631</u>	<u>2 411</u>
<b>Minority interest</b>	45	43
<b>Total equity</b>	<u>2 676</u>	<u>2 454</u>
<b>Non-current liabilities</b>		
Interest-bearing borrowings	1 325	1 506
Deferred income tax liabilities	64	54
Derivative financial instruments	9	21
Cash-settled share incentive scheme liability	4	-
	<u>1 402</u>	<u>1 581</u>
<b>Current liabilities</b>		
Trade and other payables	153	135
Provisions	34	57
Current portion of interest-bearing borrowings	187	188
Current income tax liabilities	4	8
Amounts owing to related parties	*	*
Bank overdraft	*	*
	<u>378</u>	<u>388</u>
<b>Total equity and liabilities</b>	<u>4 456</u>	<u>4 423</u>

Annual financial results for the year ended 31 December 2009

# Condensed Consolidated Statement of Changes in Equity



	SHARE CAPITAL NET OF TREASURY SHARES Rm	RESERVES Rm	RETAINED EARNINGS Rm	TOTAL ATTRIBUTABLE TO EQUITY HOLDERS OF GOLD REEF Rm	MINORITY INTEREST Rm	TOTAL EQUITY Rm
<b>Balance at 1 January 2008</b>	1 767	(116)	718	2 369	32	2 401
<b>Total comprehensive income for the year ended 31 Dec 2008</b>	-	(67)	358	291	17	308
Attributable profit for the year	-	-	358	358	17	375
Fair value loss on interest rate hedge, net of tax	-	(67)	-	(67)	-	(67)
Net movement between share scheme and participants	28	(5)	-	23	-	23
Recognition of share-based payments	-	5	-	5	-	5
Dividends paid	-	-	(277)	(277)	-	(277)
Dividends paid to minorities by subsidiaries	-	-	-	-	(6)	(6)
<b>Balance at 31 December 2008</b>	1 795	(183)	799	2 411	43	2 454
<b>Total comprehensive income for the year ended 31 Dec 2009</b>	-	15	360	375	13	388
Attributable profit for the year	-	-	360	360	13	373
Fair value gain on interest rate hedge, net of tax	-	15	-	15	-	15
Fair value loss on foreign exchange hedge, net of tax	-	*	-	*	-	*
Net movement between share scheme and participants	13	6	-	19	-	19
Recognition of share-based payments	-	6	-	6	-	6
Dividends paid	-	-	(180)	(180)	-	(180)
Dividends paid to minorities by subsidiaries	-	-	-	-	(11)	(11)
<b>Balance at 31 December 2009</b>	<u>1 808</u>	<u>(156)</u>	<u>979</u>	<u>2 631</u>	<u>45</u>	<u>2 676</u>

\*Reserves comprise of "Share-based payment reserve" and "Other reserves". These reserves are disclosed separately on the balance sheet.  
\*Amount less than R1 million

Annual financial results for the year ended 31 December 2009

# Condensed Consolidated Cash Flow Statement



	REVIEWED FOR THE YEAR ENDED 31 DECEMBER 2009 Rm	AUDITED FOR THE YEAR ENDED 31 DECEMBER 2008 Rm
<b>Cash flow from operating activities</b>		
Profit before taxation	553	563
Non-cash items and other adjustments	335	339
(Increase)/decrease in net current assets	(37)	45
<b>Cash flow from operating activities</b>	<b>851</b>	<b>947</b>
Finance income	39	45
Finance costs	(156)	(214)
Taxation paid	(168)	(186)
Dividend paid	(180)	(277)
<b>Net cash generated in operating activities</b>	<b>386</b>	<b>315</b>

59

Annual financial results for the year ended 31 December 2009

# Condensed Consolidated Cash Flow Statement



	REVIEWED FOR THE YEAR ENDED 31 DECEMBER 2009 Rm	AUDITED FOR THE YEAR ENDED 31 DECEMBER 2008 Rm
<b>Cash flow from investing activities</b>		
Additions to property, plant and equipment	(186)	(422)
Additions to leasehold improvements	(20)	(23)
Investment in intangibles	-	-
Proceeds from disposal of property, plant and equipment	2	3
Loans repaid by associate	3	3
Loans repaid by/(advanced to) related parties	1	(2)
<b>Net cash utilised in investing activities</b>	<b>(200)</b>	<b>(441)</b>

60

Annual financial results for the year ended 31 December 2009

# Condensed Consolidated Cash Flow Statement



	REVENUE 2009 Rm	EBITDAR 2009 Rm	REVIEWED FOR THE YEAR ENDED 31 DECEMBER 2009 Rm	AUDITED FOR THE YEAR ENDED 31 DECEMBER 2008 Rm
<b>Cash flow from financing activities</b>				
Shares issued/(repurchased) by share scheme			19	(34)
(Increase)/decrease in share scheme loans			(14)	46
Dividends and loan repayments to outside shareholders			(11)	(6)
(Decrease)/increase in interest-bearing borrowings			(183)	246
<b>Net cash (utilised)/generated in financing activities</b>			<b>(189)</b>	<b>252</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>			<b>(3)</b>	<b>126</b>
Cash and cash equivalents at beginning of year			443	317
<b>Cash and cash equivalents at end of year</b>			<b>440</b>	<b>443</b>

61

Annual financial results for the year ended 31 December 2009

# Segmental Analysis



	REVENUE			EBITDAR			EBITDAR MARGIN		ASSETS				TOTAL ASSETS	
	2009	2008	%	2009	2008	%	2009	2008	NON-CURRENT		CURRENT		2009	2008
	Rm	Rm		Rm	Rm		%	%	2009	2008	2009	2008	Rm	Rm
Gold Reef City Casino	960	990	(3)	362	376	(4)	37,8	38,0	1 082	1 114	138	108	1 220	1 222
Gold Reef City Theme Park	84	67	25	7	2	250	7,9	3,4	19	*	17	14	36	14
Silverstar Casino	543	510	6	208	188	11	38,3	36,9	1 036	1 059	305	212	1 341	1 271
Golden Horse Casino	248	244	2	111	110	1	44,7	45,2	202	160	36	39	238	199
Mykonos Casino	114	112	2	47	48	(2)	41,3	42,8	57	55	24	23	81	78
Garden Route Casino	160	164	(2)	71	80	(11)	44,7	48,6	124	84	34	57	158	141
Goldfields Casino	119	118	1	52	53	(2)	43,7	44,7	120	124	21	30	141	154
Queens Casino	51	46	11	12	6	100	22,7	11,9	104	116	10	17	114	133
Gold Reef Management	70	61	15	28	3	833	40,5	5,0	1	1	115	84	116	85
Gold Reef Resorts	-	-		229	250	(8)			2 819	2 704	186	417	3 005	3 121
Consolidation and other group companies **	(120)	(115)		(230)	(230)				(1 611)	(1 493)	(383)	(502)	(1 994)	(1 995)
	<b>2 229</b>	<b>2 197</b>	<b>1</b>	<b>897</b>	<b>886</b>	<b>1</b>	<b>40,3</b>	<b>40,3</b>	<b>3 953</b>	<b>3 924</b>	<b>503</b>	<b>499</b>	<b>4 456</b>	<b>4 423</b>

\* Amount less than R1 million

\*\* Included in "Consolidation and other group companies" is the elimination of Queens Casino due to it being equity accounted.

62

Annual financial results for the year ended 31 December 2009

## Segmental Analysis - Continued



	CASH ON HAND		DEBT				TOTAL DEBT NET OF CASH		CAPEX				TOTAL CAPEX	
	2009 Rm	2008 Rm	NON-CURRENT		CURRENT		2009 Rm	2008 Rm	DEVELOPMENTAL		OPERATIONAL		2009 Rm	2008 Rm
			2009 Rm	2008 Rm	2009 Rm	2008 Rm			2009 Rm	2008 Rm	2009 Rm	2008 Rm		
Gold Reef City Casino	32	87	(131)	(189)	(58)	(58)	(157)	(160)	-	37	38	50	38	87
Gold Reef City Theme Park	6	6	-	-	-	-	6	6	13	7	7	13	20	20
Silverstar Casino	291	199	(1 115)	(1 211)	(96)	(96)	(920)	(1 108)	-	271	14	11	14	282
Golden Horse Casino	28	31	(29)	(36)	(12)	(13)	(13)	(18)	46	23	18	10	64	33
Mykonos Casino	17	18	-	-	-	-	17	18	4	8	6	2	10	10
Garden Route Casino	29	53	(18)	(25)	(8)	(8)	3	20	50	-	2	3	52	3
Goldfields Casino	16	44	(32)	(45)	(13)	(13)	(29)	(14)	-	1	7	9	7	10
Queens Casino	7	14	(45)	(48)	(4)	(3)	(42)	(37)	-	30	2	1	2	31
Gold Reef Management	13	14	-	-	-	-	13	14	-	-	*	*	*	*
Gold Reef Resorts	4	1	-	-	-	-	4	1	-	-	-	-	-	-
Consolidation and other group companies **	(3)	(24)	45	48	4	3	46	27	-	(24)	(1)	(7)	(1)	(31)
	440	443	(1 325)	(1 506)	(187)	(188)	(1 072)	(1 251)	113	353	93	92	206	445

\* Amount less than R1 million

\*\* Included in "Consolidation and other group companies" is the elimination of Queens Casino due to it being equity accounted.

Annual financial results for the year ended 31 December 2009

## Historical Review



	2009 R'm	2008 R'm	2007 R'm	2006 R'm	2005 R'm	2004 R'm	2003 R'm	2002 R'm
<b>Income Statement</b>								
Revenue	2 229	2 197	1 702	1 517	1 165	1 057	904	787
EBITDAR or Adjusted EBITDAR	897	904	764	624	488	442	349	309
Operating profit	691	705	414	507	387	352	259	222
Net finance costs	133	134	22	25	-	5	31	51
Attributable profit for the year	360	358	146	254	231	192	125	101
Headline earnings	363	358	184	260	209	186	131	107
Number of shares in issue (000)	291 990	291 990	291 990	220 603	220 603	220 003	217 860	213 542
Weighted average number of shares (000)	275 291	274 006	238 388	203 961	205 260	203 938	202 031	213 542
EPS (cents)	131.0	130.6	61.2	124.7	112.4	94.2	61.9	47.5
HEPS or Adjusted HEPS (cents)	131.9	136.8	151.5	127.4	102.1	91.1	65.1	50.3
EBITDAR or Adjusted EBITDAR per share (cents)	326.0	329.8	320.7	305.8	237.8	216.8	172.8	144.5
Dividend per share (cents)	65.0	65.0	65.0	55.0	51.0	48.0	27.0	15.0
Special dividend per share (cents)	-	-	35.0	-	-	-	-	-
<b>Balance Sheet</b>								
Interest bearing borrowings	1 512	1 694	1 448	471	61	57	203	365
Total liabilities	1 780	1 969	1 752	825	257	248	353	461
Net cash and cash equivalents	440	443	317	63	109	105	66	153
Total assets	4 456	4 423	4 155	2 210	1 396	1 309	1 240	1 281
<b>Financial Ratios</b>								
Return on equity (%)	13.7	14.8	6.2	21.4	22.1	20.6	15.3	15.4
Gearing (%)	57.5	70.3	61.1	39.7	5.8	6.1	24.9	26.0
Interest cover (times)	5.2	5.3	18.4	20.3	N/A	73.7	8.3	4.4
Dividend cover (times)	2.0	2.1	2.3	2.3	2.0	2.0	2.4	3.4
NAV per share (cents)	950.0	880.0	994.2	582.6	508.0	456.5	401.7	356.7

64

Annual financial results for the year ended 31 December 2009





**Securities Regulation Panel (SRP) & Black Economic Empowerment (BEE)**

**GOLD REEF**  
RESORTS

- Adverse ruling by SRP reviewed and set aside
- All provincial Gambling Boards approved the indirect acquisition by Tsogo of BEE shares in Gold Reef

66

Annual financial results for the year ended 31 December 2009

## Proposed Merger



### Introduction

- ☛ Gold Reef & Tsogo to merge respective gambling & hotel businesses
- ☛ Proposed transaction effected through acquisition by Gold Reef of entire issued share capital of Tsogo Sun for shares in Gold Reef
- ☛ Results in a change of control
- ☛ Conditions precedent:
  - Shareholder approval
  - Gambling Board approvals
  - Competition Authorities approvals

67

Annual financial results for the year ended 31 December 2009

## Proposed Merger



### Rationale for the Proposed Transaction

- ☛ Creation of a leading gaming and hotel business incorporating 14 casinos and over 90 hotels
- ☛ Diversification and access to new revenue streams, new markets and opportunities
- ☛ Access to capital including:
  - Greater presence and profile in equity markets
  - SA bank loan and debt capital markets

68

Annual financial results for the year ended 31 December 2009

## Proposed Merger



### Salient features

- ☛ Category 1 and related party transaction in terms of JSE Listings Requirements
- ☛ Affected transaction in terms of SRP Code
- ☛ Both require Gold Reef Shareholder approval
- ☛ Gold Reef Shareholders required to approve Whitewash Resolution
  - Waiver of mandatory offer at assumed price of R19,25
- ☛ Financial effects announcement on full year results to 31 December 2009 and posting of Circular expected on or about Wednesday 31 March 2010

69

Annual financial results for the year ended 31 December 2009



# Prospects



- ☛ Strong cash generation
- ☛ Manageable gearing
- ☛ High quality asset portfolio
- ☛ Company well positioned to benefit from economic recovery
- ☛ Proposed merger with Tsogo Sun presents new growth opportunities



71

Annual financial results for the year ended 31 December 2009



## GOLD REEF RESORTS



### QUESTIONS & ANSWERS

