



AUDITED PRELIMINARY ANNOUNCEMENT OF CONSOLIDATED FINANCIAL RESULTS

for the year ended 28 February 2014
and a cash dividend declaration

REVENUE

UP

16%

TO BWP 1 401 MILLION

EBITDA

UP

39%

TO BWP 151 MILLION

PROFIT AFTER TAX

UP BY

75%

TO BWP 48 MILLION

HEPS

UP

44%

TO 16 THEBE PER SHARE

CASH GENERATED BY OPERATIONS

UP BY

138%

TO BWP 184 MILLION

RevPar

UP

23%

OCCUPANCY percentage

UP TO

62%

FROM 56%

CASH DIVIDEND OF

10 THEBE PER SHARE

SUMMARISED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

BWP'000	Audited Year ended 28 Feb 2014	Change	Audited Year ended 28 Feb 2013
Revenue	1 401 206	16%	1 205 074
Cost of sales	(816 387)		(690 529)
Gross profit	584 819		514 545
Other gains	17 200		22 889
Operating expenses	(452 166)	8%	(419 605)
Foreign exchange gains/(losses)	1 315		(8 928)
Operating profit for year before items listed below (EBITDA)	151 168	39%	108 901
Impairment loss on property, plant and equipment and loans	(8 902)		(14 000)
Depreciation and amortisation	(50 093)		(46 982)
Operating profit	92 173	92%	47 919
Net finance costs	(7 509)		(8 205)
Unrealised foreign exchange loss on loans	(9 851)		(7 260)
Share of associate company profit	2 708		66
Profit before taxation	77 521	138%	32 520
Taxation	(29 031)		(4 816)
Profit for the year	48 490	75%	27 704
Other comprehensive (loss)/income			
Items that may be subsequently reclassified to profit or loss			
Exchange differences on translating foreign operations:	(5 275)		(3 156)
Equity holders of the Company	4 270		9 470
Non-controlling interest	(709)		(1 013)
Net investment in foreign operations	(8 836)		(11 613)
Total comprehensive income for year	43 215		24 548
Profit/(loss) attributable to:			
Owners of the Company	46 147		29 561
Non-controlling interest	2 343		(1 857)
	48 490		27 704
Total comprehensive income/(loss) attributable to:			
Owners of the Company	41 581		27 418
Non-controlling interest	1 634		(2 870)
	43 215		24 548
Number of shares issued (thousands)			
Issued	231 000		231 000
Weighted average	231 000		231 000
Diluted	234 003		231 094
Earnings per share (thebe)			
Headline	16.07	44%	11.13
Diluted headline	15.86	42%	11.13
Basic	19.98	56%	12.80
Diluted	19.72	54%	12.79

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

BWP'000	Audited Year ended 28 Feb 2014	Audited Year ended 28 Feb 2013
Net cash inflow from operating activities	184 426	77 518
Net cash outflow from investing activities	(51 819)	(66 253)
Net cash outflow from financing activities	(32 959)	(44 960)
Increase/(decrease) in cash and cash equivalents	99 648	(33 695)
Unrealised exchange gains on foreign cash balances	11 434	15 828
Cash and cash equivalents at beginning of year	139 637	157 504
Cash and cash equivalents at end of year	250 719	139 637

SEGMENTAL ANALYSIS

BWP'000	Audited Year ended 28 Feb 2014	Audited Year ended 28 Feb 2013
Revenue		
Botswana	440 940	354 640
Namibia	218 296	221 246
South Africa	1 059 545	891 062
Zambezi	139 270	125 766
Intergroup	(456 845)	(387 640)
	1 401 206	1 205 074
Reportable segment profit/(loss)*		
Botswana	98 459	78 992
Namibia	3 032	4 716
South Africa	26 533	15 184
Zambezi	4 592	(3 938)
Net items unallocated to a segment	37	(14)
	132 653	94 940
Total assets		
Botswana	425 292	407 292
Namibia	130 061	136 512
South Africa	239 639	186 133
Zambezi	100 214	88 267
Central financing activities and eliminations	(12 743)	(23 706)
	882 463	794 498

* Segment profit and loss comprises EBITDA and excludes other gains and foreign exchange gains and losses.

SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

BWP'000	Audited Year ended 28 Feb 2014	Audited Year ended 28 Feb 2013
ASSETS		
Non-current assets	474 933	474 047
Property, plant and equipment and intangibles	405 833	391 235
Goodwill	32 696	34 855
Investment and loans in associates	13 982	11 390
Loans receivable	237	1 768
Deferred taxation	22 185	34 799
Current assets	407 530	319 065
Inventories	19 707	17 889
Receivables and prepayments	77 903	97 384
Current tax receivable	14 530	14 467
Bank balances and cash	295 390	189 325
Assets of disposal group classified as held for sale	–	1 386
Total assets	882 463	794 498
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company	382 695	344 728
Non-controlling interest	(7 747)	(7 259)
Total equity	374 948	337 469
Non-current liabilities	124 221	130 249
Borrowings and obligations	96 597	102 129
Deferred taxation	27 624	28 120
Current liabilities	383 294	326 780
Trade and other payables	336 937	273 724
Current tax liabilities	1 686	3 368
Bank overdrafts	44 671	49 688
Total liabilities	507 515	457 029
Total equity and liabilities	882 463	794 498
Net asset value per share (thebe)	166	149
Net tangible asset value per share (thebe)	152	134

SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY

BWP'000	Audited Year ended 28 Feb 2014	Audited Year ended 28 Feb 2013
Balance at beginning of year	337 469	331 212
Total comprehensive income for the year	43 215	24 548
Minority portion of dividend paid	(2 093)	(342)
Dividends paid	(9 240)	(19 865)
Share-based payments	6 151	3 029
Acquisition of subsidiary	(554)	(1 113)
Balance at end of year	374 948	337 469

DETERMINATION OF HEADLINE EARNINGS

Reconciliation between profit attributable to owners of the Company and headline earnings

BWP'000	Audited Year ended 28 Feb 2014	Audited Year ended 28 Feb 2013
Profit attributable to owners of the Company	46 147	29 561
Adjustments		
Surplus on disposal of operations, investments and associates	(3 051)	–
Profit on disposal of property, plant and equipment	(7 345)	(18 506)
Net impairments	2 320	13 855
Tax effects of adjustments	(909)	347
Non-controlling interests portion	(41)	459
Headline earnings	37 121	25 716

COMMENTARY

The directors of Wilderness Holdings are pleased to announce the results for the 2014 financial year that represent the best trading performance to date. This lays the foundation for future growth both within and beyond the Group's current geographic footprint.

The Wilderness business model

Founded in 1983, the Wilderness Holdings Group owns and operates more than 60 luxury safari camps in nine African countries. Most camps are marketed under one of two trading brands, Wilderness Safaris or Wilderness Collection, both recognised as leading brands in our sector of the travel industry.

The business is vertically integrated offering international and regional guests unique experiences in remote wildlife areas by providing a multiple service platform of reservation, transfer and access, as well as accommodation. Itineraries may also include an element of various independent products, these being hotels, lodges or B&Bs in which the Group has no shareholding interest.

Financial review

Revenue grew by 16% despite a 9% reduction in available bednights from 231 528 to 210 880. Growth came from organic expansion of existing businesses and is attributable to greater volumes of sales of independent product, increased yield per owned bednight and a benefit from depreciating local currencies.

The average exchange rate for the period was 11% weaker against the US Dollar at BWP8.56 having the effect of increasing revenue. However, the ZAR depreciated against the Botswana Pula by 8% to R1.20, causing the inverse effect of reducing revenue on translation of the South African operation to Botswana Pula. The combination of the net currency movement contributed approximately 6% of the revenue growth.

Gross margin has decreased by 1% to 41.7%. This was a result of the change in sales mix with the lower margin independent product sales constituting 38.5% of total revenue compared with 37% in the corresponding period.

EBITDA margin has improved from 9% to 11% due to the initiatives undertaken in the prior year including the closure of loss making camps and a shift in focus from cost cutting to eliminations of inefficient or non-value add activities; an example is the creation of the flying circuit. Greater investment in camp maintenance, marketing and sales, technology and a doubling of the share-based payments charge to BWP6 million resulted in an acceptable 8% increase in operating costs.

All geographical segments reported an improved operational performance, if Namibia is normalised for the VAT refund received in the prior year.

Other gains amounting to BWP17.2 million include BWP14 million profit from the disposal of an associate and a property in Namibia together with a profit of BWP2.6 million on disposal of the Lusaka property.

In line with the Group's hedging strategy, forward cover has been reduced to between 30% and 50% of the unhedged position. Foreign exchange gains amounted to BWP1.3 million.

Impairment losses amounted to BWP8.9 million. Approximately BWP6 million is for impairment of a vendor loan advanced and insurance claim, BWP1.9 million is for goodwill impaired at half year, with the remaining balance attributed to an investment in associate and property, plant and equipment.

Net finance cost decreased from BWP8.2 million to BWP7.5 million reflecting the lower level of interest bearing debt.

The Group's effective tax rate increased from 15% in the prior year to 37% in the current year. The effective tax rate in the prior year was lower than normal owing to the recognition of a previously unrecognised deferred tax asset. Excluding this and on a normalised basis the effective tax rate reduced by nearly 4% from just under 41%. The effective tax rate is higher than the Group's nominal rate of 22% largely due to the higher tax jurisdiction in the other geographical segments and the continued inability to recognise deferred tax assets on various tax losses.

Nearly BWP81 million was reinvested in capital expenditure, including camp assets, technology and new camps. Two new camps under the Explorations brand were opened as well as the new Hoanib Skeleton Coast Camp in Namibia scheduled for opening in August 2014.

Cash available has increased by 80% to BWP251 million notwithstanding a decrease in average interest bearing debt of 7% with an overall improvement in working capital. The existing facilities have been utilised and new facilities are being renegotiated.

Dividend

Notice is hereby given that a final dividend for the year ended 28 February 2014 of 10.0 thebe per share was declared by the board on 21 May 2014 (9.25 thebe per share net of Botswana withholding tax). Withholding tax of 7.5% is applicable to all shareholders who are not exempt and registered on the Botswana share register. The dividend has been declared from income reserves. The dividend will be payable on Thursday, 26 June 2014 to those shareholders registered at the close of business on Friday, 13 June 2014. For JSE registered shareholders, the last date to trade shall be Friday, 6 June 2014 and shall commence trading ex the dividend on Monday, 9 June 2014. The South African branch register will be closed for the purposes of dematerialisation, rematerialisation within the South African register, and transfers between the South African and Botswana registers, from Monday, 9 June 2014 to Friday, 13 June 2014, both dates inclusive. The dividend shall be paid in Rand to shareholders on the South African register, calculated at the Pula to Rand exchange rate on 22 May 2014 which was BWP1/R1.19 and accordingly the gross dividend payable is 11.90 cents per share (10.115 cents per share net of South African withholding tax). Withholding tax of 15% is applicable to all shareholders who are not exempt and are registered on the South African share register. The issued shares at the declaration date are 231 000 000.

Capital commitments

The Board approved BWP93 million in capital expenditure to maintain and develop new camps and other assets and thus expand the Group's earnings base. The Board envisage that this will be funded by existing cash balances and new borrowing facilities.

Directorate

On 24 January 2014 Ami Azoulay was appointed to the Board as its Chief Financial Officer. Derek de la Harpe, the former CFO, remains on the Board and has been appointed to the position of Commercial Director and Chief Sustainability Officer.

Subsequent events

No material events have occurred between the reporting date and the date of this report.

Segmental information

In line with a change in the internal structure of reporting and management, the Group has modified its operating segments from operating divisions to geographic segments by country or region. Consequently the segment report has been amended to reflect these new segments as required by the "management approach" of IFRS 8 – Operating Segments. In order to allow for comparison the segment information has been restated accordingly.

Contingencies

The matters related to the previously reported contingent liability which arose on the sale of Duba camp have been addressed and accordingly the contingent liability is no longer in existence.

Basis of preparation

The summarised financial information has been prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards and the information as required by IAS 34 – Interim Financial Reporting. The report has been prepared using accounting policies that comply with International Financial Reporting Standards which are consistent with those applied in the prior year financial statements. The new accounting standards which have been adopted do not impact on the reported results and enhance disclosure.

Independent auditor's opinion

The auditors, Deloitte & Touche, have issued their opinion on the Group's financial statements for the year ended 28 February 2014. The audit was conducted in accordance with International Standards on Auditing. They have issued an unmodified audit opinion. These summarised financial statements have been derived from the Group financial statements and are consistent in all material respects with the Group financial statements. A copy of their audit report is available for inspection at the Company's registered office. Any reference to future financial performance included in this announcement, has not been reviewed or reported on by the company's auditors.

Outlook

The focus of the past year has been on consolidation and organic growth, this is expected to continue on the back of the stronger US market and an improvement in the European market. Various opportunities for expansion both within the current geographic footprint of the Group and beyond it into other regions of Africa have been identified and expansion plans are being considered.

The market outlook on tourism in Southern Africa is positive, therefore the Board is optimistic about the future and thanks its staff for their effort over the past year.

By order of the Board

Parks Tafa
Chairman

Ami Azoulay
Chief Financial Officer

23 May 2014
Wilderness Holdings Limited: "Wilderness" or "the Company" or "the Group")
Share code: WIL ISIN: BW000000868 Registration number: 2004/2986
Tax reference number: C075372-01-01-7
Registered office (Botswana): Deloitte House, Plot 64518, Fairgrounds, Gaborone, Botswana
External company registration number: 2009/022894/10
Registered office (South Africa): 373 Rivonia Boulevard, Rivonia, South Africa.
PO Box 5219, Rivonia 2128, South Africa
BSE: Primary Listing JSE: Secondary Listing
JSE Sponsor: Rand Merchant Bank (a division of FirstRand Bank Limited)
Transfer secretaries: Corppserve Botswana – Computershare
Directors: BBP Tafa (*Chairman*), M Tollman (*Deputy Chairman*), KNN Vincent (*CEO*), A Azoulay (*CFO*), DA de la Harpe, C de Fleurieu, RM Hartman, JM Hunt, RJ Marnitz, MW McCulloch, GB Tollman, MPK ter Haar, J Zeitz
Group Company Secretary: S Mganga



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