



# GOLD REEF RESORTS

(Incorporated in the Republic of South Africa)  
"Gold Reef" or "the Company" or "the Group"  
Registration Number 1989/002108/06 | Share Code: GDF | ISIN: ZAE 000028338

## CONDENSED CONSOLIDATED INCOME STATEMENT

		REVIEWED FOR THE YEAR ENDED 31 DEC 2009	AUDITED FOR THE YEAR ENDED 31 DEC 2008
	%	Rm	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

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	REVIEWED FOR THE YEAR ENDED 31 DEC 2009	AUDITED FOR THE YEAR ENDED 31 DEC 2008
	Rm	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

## CONDENSED CONSOLIDATED BALANCE SHEET

	REVIEWED AT 31 DEC 2009	AUDITED AT 31 DEC 2008
	Rm	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>Equity and liabilities</b>		
<b>Capital and reserves</b>		
Share capital	6	6
Share premium	1 860	1 860
Treasury shares	(58)	(71)
	1 808	1 795
Share-based payment reserve	389	382
Other reserves	(545)	(565)
Retained earnings	979	799
	2 631	2 411
Minority interest	45	43
<b>Total equity</b>	2 676	2 454
<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	-
	1 402	1 581
<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	*	*
	378	388
<b>Total equity and liabilities</b>	4 456	4 423

\* Amount less than R1million

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	SHARE CAPITAL NET OF TREASURY SHARES	RESERVES	RETAINED EARNINGS	TOTAL ATTRIBUTABLE TO EQUITY HOLDERS OF GOLD REEF	MINORITY INTEREST	TOTAL EQUITY
	Rm	Rm	Rm	Rm	Rm	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>	1 808	(156)	979	2 631	45	2 676

~ "Reserves" comprise of "Share-based payment reserve" and "Other reserves". These reserves are disclosed separately on the balance sheet.

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	REVIEWED FOR THE YEAR ENDED 31 DEC 2009	AUDITED FOR THE YEAR ENDED 31 DEC 2008
	Rm	Rm
<b>Cash flow from operating activities</b>		
Profit before taxation	553	563
Non-cash items and other adjustments	335	339
	888	902
(Increase)/decrease in net current assets	(37)	45
Cash flow from operating activities	851	947
Finance income	39	45
Finance costs	(156)	(214)
Taxation paid	(168)	(186)
Dividends paid	(180)	(277)
<b>Net cash generated in operating activities</b>	386	315
<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>	(200)	(441)
<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>	(189)	252
<b>Net (decrease)/increase in cash and cash equivalents</b>	(3)	126
Cash and cash equivalents at beginning of year	443	317
<b>Cash and cash equivalents at end of year</b>	440	443

## SUPPLEMENTARY INFORMATION

	REVIEWED FOR THE YEAR ENDED 31 DEC 2009	AUDITED FOR THE YEAR ENDED 31 DEC 2008
	Rm	Rm
<b>EBITDAR RECONCILIATION</b>		
Operating profit	691	705
Property and equipment rental	21	20
Depreciation and amortisation	185	161
<b>EBITDAR</b>	897	886
Weighted average number of shares in issue (000)	275 291	274 006
<b>EBITDAR per share (cents)</b>	326,0	323,3
<b>EBITDAR margin (%)</b>	40,3	40,3
<b>HEADLINE EARNINGS RECONCILIATION</b>		
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>	363	358
Weighted average number of shares in issue (000)	275 291	274 006
<b>Headline earnings per share (cents)</b>	131,9	130,5
<b>Diluted headline earnings per share (cents)</b>	131,9	130,5

- ✦ Revenue up 1% to R2,2 billion
- ✦ EBITDAR up 1% to R897 million
- ✦ HEPS up 1% to 131,9 cents
- ✦ Ordinary dividend of 65 cents per share maintained
- ✦ Proposed merger with Tsogo Sun

## NOTES TO THE PROVISIONAL FINANCIAL STATEMENTS

### 1. BASIS OF PREPARATION

The condensed consolidated provisional financial statements for the year ended 31 December 2009 have been prepared in accordance with International Financial Reporting Standards ("IFRS"), IAS 34 - Interim financial reporting, AC500 Standards as issued by the Accounting Practices Board and the requirements of the South African Companies Act. The accounting policies are consistent with IFRS as well as those applied in the most recent audited annual financial statements as at 31 December 2008. The condensed consolidated provisional financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2008, which have been prepared in accordance with IFRS.

The condensed consolidated provisional financial statements for the year ended 31 December 2009 have been reviewed by the Group's auditors, PricewaterhouseCoopers Inc. This review has been conducted in accordance with International Standard 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.

Gold Reef has previously reported Adjusted earnings before interest, tax, depreciation, amortisation and rentals ("EBITDAR") and Adjusted headline earnings per share ("HEPS") in the December 2008 annual financial statements. Both Adjusted EBITDAR and Adjusted HEPS were arrived at after adjusting for charges relating to corporate activity and various non-recurring items. Since these charges are no longer considered to be material, Adjusted EBITDAR and Adjusted HEPS have not been reported on for the year ended 31 December 2009.

### 2. ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2008, as described in those annual financial statements.

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 January 2009:

- **IAS 1 (revised), 'Presentation of financial statements'**. The revised standard prohibits the presentation of items of income and expenses (that is 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from 'owner changes in equity'. All 'non-owner changes in equity' are required to be shown in a performance statement. Entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). The Group has elected to present two statements: an income statement and a statement of comprehensive income. The provisional financial statements have been prepared under the revised disclosure requirements.
- **IFRS 8, 'Operating segments' (IFRS 8 replaces IAS 14, 'Segment reporting')**. The standard requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes. This has resulted in an increase in the number of reportable segments presented, as previously the Company only reported one business segment, being casino operations. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the Group executive directors who are responsible for making strategic decisions.

### 3. SEGMENT INFORMATION

The chief operating decision-maker has been identified as the Group executive directors. These individuals review the Group's internal reporting in order to assess performance and allocate resources and have determined the operating segments based on these reports. The executive directors consider the business from both a geographic and operational perspective and assess the performance of the operating segments based on a measure of Revenue, EBITDAR, cash flow and debt.

[www.goldreefresorts.com](http://www.goldreefresorts.com)

DIRECTORS: EN Banda (Chairman) > ; MG Diliza > ; JC Farrant > ;  
JS Friedman; SB Joffe (Chief Executive Officer); MZ Krok > ; S Krok\*\* > ; ZJ Matlala > ;  
C Neuberger#; TM Sadiki; PCM September\* > ; P Vallet\*  
(\* Non-Executive Director > Independent Director \*\*Alternate Director #Austrian Citizen)

COMPANY SECRETARY: L Fick  
REGISTERED OFFICE: Gold Reef City, Gate 4, Northern Parkway, Ormonde, 2091  
TRANSFER SECRETARIES: Link Market Services South Africa (Pty) Limited  
16th Floor, 11 Diagonal Street, Johannesburg, 2001

SPONSOR: Deutsche Securities (SA) (Proprietary) Limited  
INVESTOR RELATIONS: College Hill (Proprietary) Limited

# Reviewed financial results for the year ended 31 December 2009

## SEGMENTAL ANALYSIS

	REVENUE			EBITDAR			EBITDAR MARGIN		ASSETS				TOTAL ASSETS	
	2009 Rm	2008 Rm	%	2009 Rm	2008 Rm	%	2009 %	2008 %	NON-CURRENT		CURRENT		2009 Rm	2008 Rm
									2009 Rm	2008 Rm	2009 Rm	2008 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		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)
	2 229	2 197	1	897	886	1	40,3	40,3	3 953	3 924	503	499	4 456	4 423

	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				
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

> Included in "Consolidation and other Group companies" is the elimination of Queens Casino due to it being equity accounted.  
\* Amount less than R1million

## COMMENTARY

Trading conditions in 2009 were challenging with the recession in South Africa impacting on the consumer's disposable income and access to credit and fuelling uncertainties about the future of the job market. Notwithstanding this, Gold Reef produced a solid set of results with increases in revenue and EBITDAR as well as market share gains in all but one province. Both Group revenue and EBITDAR increased by 1% to R2,2 billion and R897 million respectively.

The Company continued to focus on its controllable cost base, most notably employee costs which increased by only 4% and was achieved by headcount reductions through natural attrition. As a result of these cost controls, the Company was able to maintain the EBITDAR margin achieved in 2008, producing an EBITDAR margin of 40,3%. Following recent significant investments in the Group's properties, either in regard to recently opened casinos or extensive refurbishments at existing properties, depreciation and amortisation increased 15% to R185 million. The increase in other operating expenses of 3% to R336 million was impacted by repairs and maintenance and utility costs which increased by 27% to R85 million.

Net finance costs of R133 million were in line with 2008 owing to the interest rate hedge that is in place over the Silverstar Casino debt balance of R1,2 billion, which effectively results in a fixed interest rate on the majority of the Group's debt balance of R1,5 billion as at 31 December 2009. Four of the Company's interest rate hedges expired during the year with the hedge contract for Silverstar Casino due to expire in October 2011. Group debt (net of cash on hand) was R1,1 billion at year end which translates to a 1,2 multiple of EBITDAR. HEPS increased 1% to 131,9 cents.

Cash flow of R851 million was generated from operations during the year. Total capex was R206 million in 2009, down from R445 million the previous year. Of this, R93 million related to operational capex which increased by R1 million from the prior year. Developmental capex incurred in 2009 of R113 million was considerably less than the R353 million incurred during 2008 because of the completion of Silverstar Casino in 2008. The Company continued with the conversion of all remaining properties to smartcard gaming, which has been completed in the first quarter of 2010.

### OPERATIONS

#### GAUTENG

Total Gross Gaming Revenue ("GGR") in Gauteng contracted by 1% compared to growth of 8% in 2008 and double digit growth in prior years, clearly reflecting the current subdued consumer environment. The Company's market share in Gauteng however increased from 24,5% to 25,1%, due mainly to Silverstar Casino's market share growth.

#### Gold Reef City

Total revenue at the casino declined by 3% to R960 million as footfall remained unchanged from the previous year. In line with the performance of the Gauteng market, Gold Reef City Casino's GGR decreased by 1,3%. In spite of the cost control measures in place, the shortfall in revenue resulted in margin erosion with the EBITDAR margin decreasing from 38,0% to 37,8% and EBITDAR down 4% to R362 million. Even though theatre revenues fell, losses were significantly reduced from R21 million in 2008 to R12 million following the successful change to the theatre's production mix. The theatre continues to be a satisfactory driver of footfall to the casino.

At 31 December 2009, total debt at the casino was R189 million in comparison to R247 million in the previous year.

The Theme Park performed well with revenue increasing by 25% to R84 million and EBITDAR increasing from R2 million in 2008 to R7 million in 2009. The EBITDAR margin benefited from the effects of operational gearing and a focus on cost control. Ongoing maintenance of the Park's facilities continued throughout the year and the hotel refurbishment is expected to be completed in the first half of 2010.

#### Silverstar Casino

Silverstar Casino's revenue increased by 6% to R543 million while EBITDAR increased by 11% from the previous year to R208 million. Despite recent rate and utility cost increases, the EBITDAR margin increased to 38,3% following improved revenue levels and the implementation of strict cost control measures. The casino's market share in Gauteng increased from 8,5% to 9,2% while footfall increased by 8% from the previous year. The ability of the casino to capture the additional market share was enhanced by the completion of all facilities during 2008, allowing patrons to experience the full range of entertainment options during 2009.

At 31 December 2009, total debt at the casino was R1,2 billion, down from R1,3 billion reflected in the previous year.

#### KWAZULU NATAL

##### Golden Horse Casino

Golden Horse Casino's revenue increased by 2% to R248 million which lagged the provincial growth rate of 5% due to a major refurbishment of the gaming floor, food and beverage facilities, conferencing and the hotel during the year. This also impacted on the casino's market share which fell slightly from 10,6% in 2008 to 10,2% in 2009. The casino phase of the refurbishment has now been completed, well within the budget of R81 million. The casino also successfully introduced smartcard gaming during the year. Further capex has been allocated for the refurbishment of the exterior of the property as well as hotel bedrooms during 2010.

The casino maintained EBITDAR levels, achieving R111 million in 2009. As a result of a focus on containing costs, the casino managed to achieve an EBITDAR margin of 44,7% for the year.

#### WESTERN CAPE

The economic recession impacted on the Western Cape market more than any other province in which Gold Reef operates. The tourism and property sectors in particular were adversely affected and GGR in the province fell by 6% from the previous year.

#### Mykonos Casino

Despite footfall declining by 9%, revenue at Mykonos Casino increased 2% to R114 million and the casino's market share increased from 5,0% to 5,5%, a satisfying performance considering tough market conditions. Higher costs resulted in EBITDAR declining by 2% to R47 million, with the EBITDAR margin at 41,3%.

During the year the refurbishment of the casino was completed and smartcard gaming has been introduced during the first quarter of 2010.

#### Garden Route Casino

Revenue at Garden Route Casino fell by 2% to R160 million for the year, a satisfactory result relative to the decline in GGR in the province as well as a decrease in footfall of 8% from 2008 levels. In spite of these challenges, the casino managed to increase its market share slightly to 7,6%.

The shortfall in revenue caused EBITDAR to decline by 11% to R71 million and the EBITDAR margin decreased to 44,7%.

During the second half of the year, the casino successfully completed the refurbishment of the gaming floor, adding 36 new slot machines as well as food and beverage facilities. The casino also successfully converted to smartcard gaming, all of which was funded out of cash resources. Further capex of R6 million has been allocated for the addition of a sports bar during 2010.

#### FREE STATE

##### Goldfields Casino

Revenues improved slightly at Goldfields Casino during the year, increasing by 1% to R119 million, as the casino grew its market share to 31,0% in 2009. This a relatively good performance given that GGR in the Free State fell by 1%. EBITDAR decreased by 2% to R52 million with the EBITDAR margin falling by 1% to 43,7% in 2009.

Smartcard gaming was introduced at the casino during the first quarter of 2010. Goldfields Casino is also expected to benefit from the completion of a major shopping complex refurbishment adjacent to the casino during 2010.

#### EASTERN CAPE

##### Queens Casino

Trading at Queens Casino improved notably during 2009 with revenues up 11% to R51 million and EBITDAR up 100% to R12 million, albeit off a low base. Consequently, the EBITDAR margin achieved in 2009 is now at a more acceptable level of 22,7% for a business of this size. The casino also increased its market share slightly in challenging trading conditions which saw GGR in the Eastern Cape fall by 2%.

#### BLACK ECONOMIC EMPOWERMENT ("BEE")

During 2009 all of the relevant provincial gambling boards approved the application for the indirect acquisition by Tsogo Sun of the shares of certain empowerment shareholders of Gold Reef. Gold

Reef remains committed to ensuring that empowerment is sufficient throughout the Group for commercial, strategic and regulatory reasons, including complying with all licence conditions.

#### MERGER OF GOLD REEF AND TSOGO SUN

On 18 February 2010 Gold Reef announced that the Company and Tsogo had entered into an agreement detailing the terms and conditions of a merger of the respective gaming and hotel businesses of Gold Reef and Tsogo (the "Proposed Transaction"), to form a combined business referred to as the "Merged Entity". The Proposed Transaction will be effected through the acquisition by Gold Reef of the entire issued share capital of Tsogo from the shareholders of Tsogo and the purchase consideration will be discharged by the issue of Gold Reef shares. The Proposed Transaction is subject to a number of conditions precedent including, inter alia, shareholder, gambling board and competition authorities' approvals.

#### DIRECTORATE

M Krok resigned on 2 July 2009 as chairman and director of Gold Reef. Consequently, Dr EN Banda was appointed independent non-executive chairman of Gold Reef.

As a result of Casinos Austria's disinvestment in Gold Reef, J Leutgeb also resigned as a director of the Company on 2 July 2009. In accordance with the board's age retirement policy, AJ Aaron retired as a director on 8 July 2009.

On 25 August 2009 P Vallet was appointed as a non-executive director to the Gold Reef board.

L Fick was appointed as Company Secretary with effect from 25 November 2009.

#### PROSPECTS

Difficult trading conditions are expected to continue into 2010. Currently there are limited indications of recovery with the consumer still feeling the effects of last year's recession.

Gold Reef has a high quality asset portfolio, low gearing and strong cash flows. The Company is well positioned to benefit from improvements in the economy as they arise. However, expectations are that the recovery will be slow and growth will be moderate during 2010.

The proposed merger with Tsogo Sun creates a Company of significant scale and diversification across geographies and markets. The Merged Entity will look to capitalise on new growth opportunities as a larger and stronger Company.

#### DIVIDEND

The board has declared a dividend of 65 cents per share which is covered 2,0 times by HEPS. From time to time the board will reconsider dividend cover based on the Group's cash flow, gearing and capital requirements. Dividends will be financed out of Gold Reef's cash resources after servicing the debt of the Group's underlying operations.

#### The salient dates for the dividend are as follows:

Last day to trade (cum dividend)	Friday, 16 April 2010
Shares to commence trading ex dividend	Monday, 19 April 2010
Record date	Friday, 23 April 2010
Payment date	Monday, 26 April 2010

No share certificates may be dematerialised or rematerialised between Monday, 19 April 2010 and Friday, 23 April 2010 (both days inclusive).

On Monday 26 April 2010 the final 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 26 April 2010 will be posted on that date.

Shareholders who hold dematerialised shares will have their accounts at their CSDP or broker credited on 26 April 2010.

STEVEN JOFFE  
CHIEF EXECUTIVE OFFICER

JARROD FRIEDMAN  
FINANCIAL DIRECTOR

On behalf of the board  
29 March 2010

