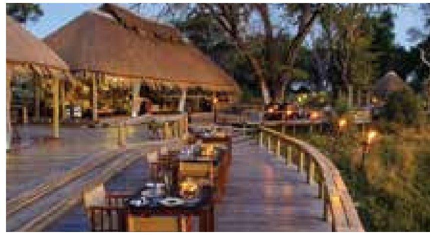
WILDERNESS
FOR THE LONG RUN

INTEGRATED ANNUAL REPORT

FOR THE YEAR ENDED 28 FEBRUARY 2013



C COMMERCE | C CONSERVATION | C COMMUNITY | C CULTURE

INTEGRATED ANNUAL REPORT FOR THE YEAR ENDED 28 FEBRUARY 2013

ABOUT THIS REPORT

REFERENCE ICONS

Reference to further reading

More detail on the web

DIRECTORATE COMMITTEE ICONS

Audit Committee

Risk Committee

Remuneration and Nomination Committee

Sustainability Committee

BOUNDARIES AND SCOPE

This report covers our financial year from 1 March 2012 to 28 February 2013. The financial results reported are those of the Wilderness Holdings Limited Group. A full list of the companies making up this Group is presented in the Appendices.

The financial scope and boundaries of this document have been set in accordance with International Financial Reporting Standards. Full details of the accounting policies adopted are given in the Annual Financial Statements. In terms of the sustainability aspects reported in this document, we have adopted the following approach to setting the scope and boundaries:

- We report the results associated with operations falling directly under our control. This means that camps which we market but do not manage have been **excluded** from the boundaries, whereas those camps that we manage but do not own have been **included**. In addition, we have included sustainability data for Central African Wilderness Safaris Limited. The latter company is treated as an associate in the financial statements;
- We have not covered impacts arising in our supply chain, except for a small case study on our Namibian operation. We do, however, intend to extend our boundaries to include our supply chain in future.

A full list of the reporting units falling within the scope of this report is given in the Appendices. To summarise, the report covers:

- Nine offices. The Gaborone office has not been covered: this housed just one permanent member of staff at the year end. As such, it is not material;
- Flying operations in five countries; and
- 58 camps in eight countries.

This scope has been changed somewhat from the previous year's Integrated Report. The following changes have been made:

- The list of camps covered has been reduced to 58, in eight countries (seven in 2012), with the following changes:
  - Addition of: Ngaga and Lango camps in the Republic of Congo;
  - Closure of: Palmwag, Skeleton Coast and Kulala Wilderness Camp in Namibia; Lufupa Bush Camp, Kalamu Star Beds, Kapinga, Chinengwe Riverbed and Kalamu Lagoon Camp in Zambia.

Where possible and meaningful, we have shown the effects of the changes in scope and illustrated trends in performance.

The scope of this report covers the items that we believe to be material in the context of the Group. We have used the GRI indicators as a starting point in the assessment process aiming at Application Level B. However, the GRI indicators are biased towards manufacturing and extractive industries and contain many matters that are not relevant to our operation. These have been excluded and a note to that effect has been made in the GRI checklist. At the same time, the remaining GRI indicators do not cover other matters which are relevant to us. In order to capture these missing items, we have reviewed a number of sustainable tourism initiatives to identify other possible issues and included these in our assessment framework. The resulting framework is therefore an amalgam of the GRI indicators which are relevant to our business, plus additional indicators from other sources. Comments about this report and sustainability initiatives detailed herein can be directed to sustainability@wilderness-safaris.com.

ACCURACY, COMPLETENESS AND COMPARABILITY OF DATA

This is the Group's third integrated report. The data reported in this document is based on our third year of reporting on sustainability indicators. We believe that there has been a general improvement in the quality of the data and some errors reported last year have been detected and corrected. Nonetheless, some of the data continues to be based upon broad assumptions and extrapolations and require further refinement. As time goes by, we expect our measurement and reporting activities to become more sophisticated and therefore more accurate and complete.

CONTEXT AND ATTRIBUTION

This report outlines and discusses progress across a wide range of dimensions using the 4Cs sustainability framework which is explained in some detail in the body of the report. It is important to note that our degree of influence varies across these dimensions and from location to location, depending upon the nature of our tenure and contractual engagement, and local circumstances. As a consequence of this, the extent to which we are solely responsible for any advance or regression in whichever dimension also varies. For example, under the Conservation C, our degree of influence over biodiversity varies greatly and so we take care when claiming any direct stimulus. Likewise, under the Community C, the level of our impact on local communities varies according to the size of the area concerned, the size and proximity of the community concerned, the nature of our involvement, and other factors. We have taken care in these situations to make clear the extent to which any achievements or failures under these dimensions are a consequence of our engagement.

ASSURANCE

We have considered the recommendation of the King Code of Corporate Governance (King III) to seek independent third party assurance, and have decided not to seek external assurance this year. We believe that our reporting processes have improved and are still improving after previous assurance engagements with Integrated Reporting and Assurance Services (IRAS). Once our sustainability data gathering matures further, we may consider seeking external assurance again.

WILDERNESS
FOR THE LONG RUN

www.wilderness-holdings.com

COMMERCE

- Making money is fundamental to what we do
- Sustained financial prosperity will create genuine long-term value for Wilderness and this wealth creation provides us with the ultimate mandate to lead and innovate in the world of responsible business
- We clearly understand that, in order to be inspirational, we must be successful

CONSERVATION

- Without the wilderness there is no Wilderness
- Investments to maximise the positive impacts of our operations, and measures to minimise the negative impacts, frame our behaviour
- Respecting and caring for the wilderness makes for a better business and a better world

For management purposes, the Conservation C has been divided into two sub-sets:

- **Environmental management systems:** our endeavours to ensure that any negative impacts on the environment arising from our operations are minimised; and
- **Biodiversity:** our initiatives to maintain and improve the biodiversity and the ecosystems upon which our operations are based

COMMUNITY

- People are at the heart of our business
- While our external communities contribute tenure, support and revenue, our internal community connects our guests to the wilderness
- We are committed to the development and maintenance of positive and empowering relationships with all Wilderness communities

Once again, for management purposes the Community C has been divided into two sub-sets:

- **Internal community:** our own people; and
- **External community:** our neighbours and other external stakeholders

It should be noted that this division is an artificial construct, needed for internal management purposes. In many instances our staff are drawn from neighbouring communities and so there is significant crossover between the two sub-sets.

CULTURE

- Our world is culturally diverse
- Respecting and embracing cultural differences is fundamental to our business
- Our ultimate goal is to make the wilderness relevant to our cultural collection

CONTENTS

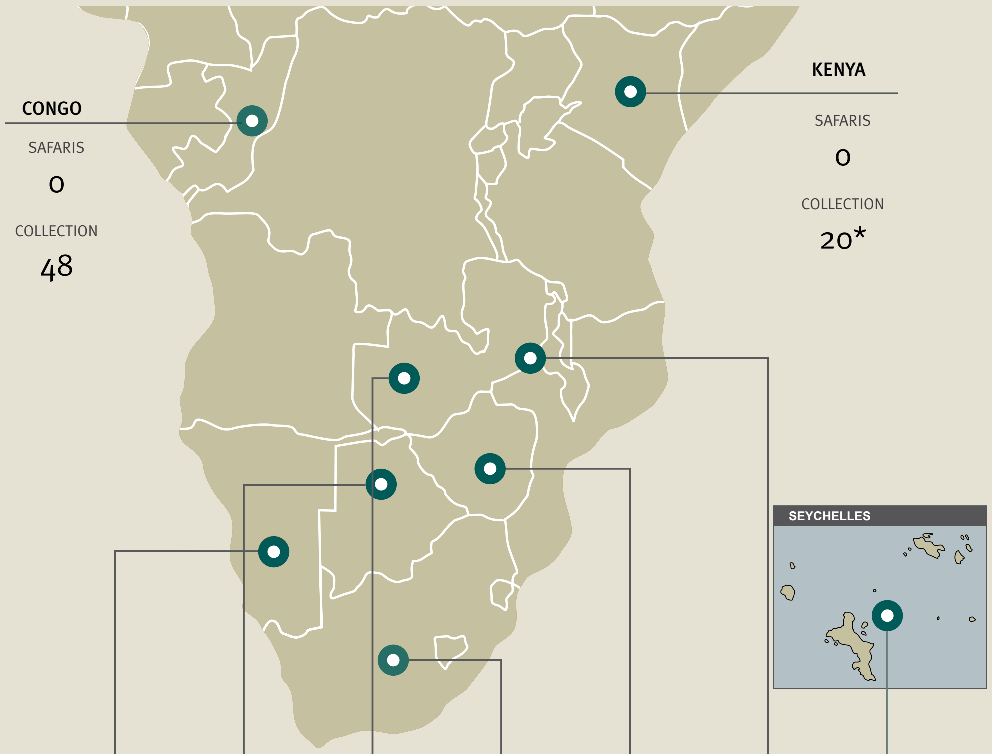
ABOUT WILDERNESS

SUSTAINABILITY REPORT

GOVERNANCE REPORT

For appendices on the web, including figures and tables, see http://www.wilderness-holdings.com/investor_centre/presentations/current_year

OUR BUSINESS



	CONGO	KENYA	NAMIBIA	BOTSWANA	ZAMBIA	SOUTH AFRICA	ZIMBABWE	MALAWI	SEYCHELLES
SAFARIS	0	0	334	320	132	82	90	118	0
COLLECTION	48	20*	0	12	0	0	0	0	22

*Due to open during the year.

Figure 1 – Wilderness presence in Africa and its associated Indian Ocean islands and respective size of each operation measured by numbers of guest beds by brand.

OUR VISION

Our vision is a wilderness that inspires positive action

OUR MISSION

- We **exist** as we believe that the world's wilderness areas will save humankind
- Our **aim** is to get to understand the wilderness better, to respect it, care for it and share it
- Our **quest** is to offer our guests the most original journeys and experiences
- Our **promise** is the very best in client service and guest experience

WILDERNESS
FOR THE LONG RUN

OUR VALUES

- Make every experience special
- Act ahead of expectation
- Show versatility and always be yourself
- Proceed with care and respect
- Never compromise the environment
- Pursue growth and learning
- Creatively adapt through insight
- Build open and honest relationships
- Empower and share knowledge
- Be decisive, courageous and passionate
- Do more with less

We are in the business of building **SUSTAINABLE** conservation economies

Through experience based tourism **WE SHOW**
Through our conservation efforts **WE CARE**
Through building awareness **WE SHARE**

THE 4Cs AT A GLANCE

C COMMERCE

Commerce	Information	Trend
Bednight sales	Down 3.7%	↓ (red)
Selling prices	Up 6%	↑ (green)
Source currency turnovers	USD up 6.4%	↑ (green)
	Euro up 1.1%	↑ (green)
	BWP up 10%	↑ (green)
	ZAR up 3.8%	↑ (green)
	NAD down 0.4%	↓ (red)
Reporting currency turnover	Up 13%	↑ (green)
Gross profit	Down 0.6%	↓ (red)
EBITDA	Up 40% to BWP109 million	↑ (green)
Effective tax rate	Down from 49% to 15%	↓ (green)
Profit after tax	Up 238% to BWP28 million	↑ (green)
Cash generated from operations	Up 35% to BWP107 million	↑ (green)
Cash reserves	Down by BWP18 million to BWP140 million	↓ (red)
Dividend declared	BWP9.2 million	↓ (red)
Capital expenditures during the year	BWP65 million	↔ (green)
Capital expenditures authorised for FY 2014	BWP54 million	↓ (red)

C CONSERVATION

Conservation	Information	Trend
Conservation footprint	Down to 3.1 million ha	↓ (red)
Biodiversity footprint	Operate in nine biomes	↔ (green)
	Operate in five Centres of Endemism	↔ (green)
IUCN Red List species in our conservation footprint	Five Critically Endangered	↔ (green)
	Nine Endangered	↔ (green)
	26 Vulnerable	↔ (green)
Spend on conservation	Up to BWP6.7 million	↑ (green)
Camps 100% solar powered	Nine camps	↑ (green)
CO_2 emissions per bednight	Down to 0.09 tonnes	↓ (green)
Carbon emissions	Down to 16 005 tonnes CO_2	↓ (green)
Bottled water consumption	Down 35% to 1.85L per bednight	↓ (green)
Camps recycling inorganic waste	7% of camps	↔ (red)
Group compliance with GEMS	72% average Group compliance score	↔ (red)

C COMMUNITY

Community	Information	Trend
Payments to community partners and joint ventures	BWP8.5 million	↔ (green)
Children through CITW camps	572 children	↑ (green)
Donations raised and administered to communities	BWP2 million	↓ (red)
Persons employed	2 594 employees	↓ (red)
Staff receiving formal training	1 556 employees	↑ (green)
Employees tested for HIV/AIDS	515 employees	↓ (red)
Workplace injuries	12 injuries	↓ (green)
Service culture and guest experience	81% exceeded expectations	↑ (green)
	99% recommend to friends and family	↑ (green)
Employee service culture	89% of employees received performance reviews	↑ (green)

C CULTURE

Culture	Information	Trend
Ethnic groups employed	27 groups	↔ (green)
Cultural camp activities	34 activities	↔ (green)

KEY

↑↓ (green) – A positive impact showing a positive trend against the prior year OR a negative impact decreasing.

↑↓ (red) – A negative impact showing a negative trend against the prior year OR a positive impact decreasing.

↔ (green) ↔ (red) – Stable or else trend information is inconsistent. Green indicates an inherently positive impact, red an inherently negative impact.

THE WILDERNESS BUSINESS

Thirty years ago the founders of Wilderness fell in love with remote and wild places in Africa. They realised that many of these places were not getting the attention they deserved. Some had too many visitors, while others had none at all. Some areas were being hunted excessively. The human impact on these areas was indicative of a lack of care and understanding.

It was evident that communities and governments were getting little or nothing out of these natural areas that had been in their care since time immemorial. Furthermore, alternative forms of land use were on the agenda, including cattle farming, timber harvesting, irrigation schemes and mining.

The initial Wilderness dream was to conserve these places by enabling people to visit them and earn a return for the business and its employees at the same time. This was not a grand or complex idea but an important one. Wilderness started off by offering "journeys and experiences to discerning globally caring travellers"; however, today Wilderness is in the business of "building sustainable conservation economies", achieved through the employment of a responsible tourism model.

Wilderness began operating in Botswana and then spread out into the rest of southern Africa and Seychelles. Over time, the business has evolved into a specialist luxury safari operation with 58 different safari camps and lodges, comprising a total of 1 008 beds, in eight SADC countries and hosting in excess of 30 000 guests per annum.

OVERVIEW OF THE BUSINESS

Wilderness Holdings is a Botswana-based company, listed on the Botswana Stock Exchange and with a secondary inward listing on the JSE Limited. The Company acts as the investment holding vehicle for the business.

The business is currently supported by international and local markets, and has a value proposition of "selling original experiences in pure wilderness". We sell these experiences to the consumers, our **guests**, largely through the travel trade, our **clients**. The channels through which these sales are made are complex and multifaceted but can be simplified as per the accompanying diagram:

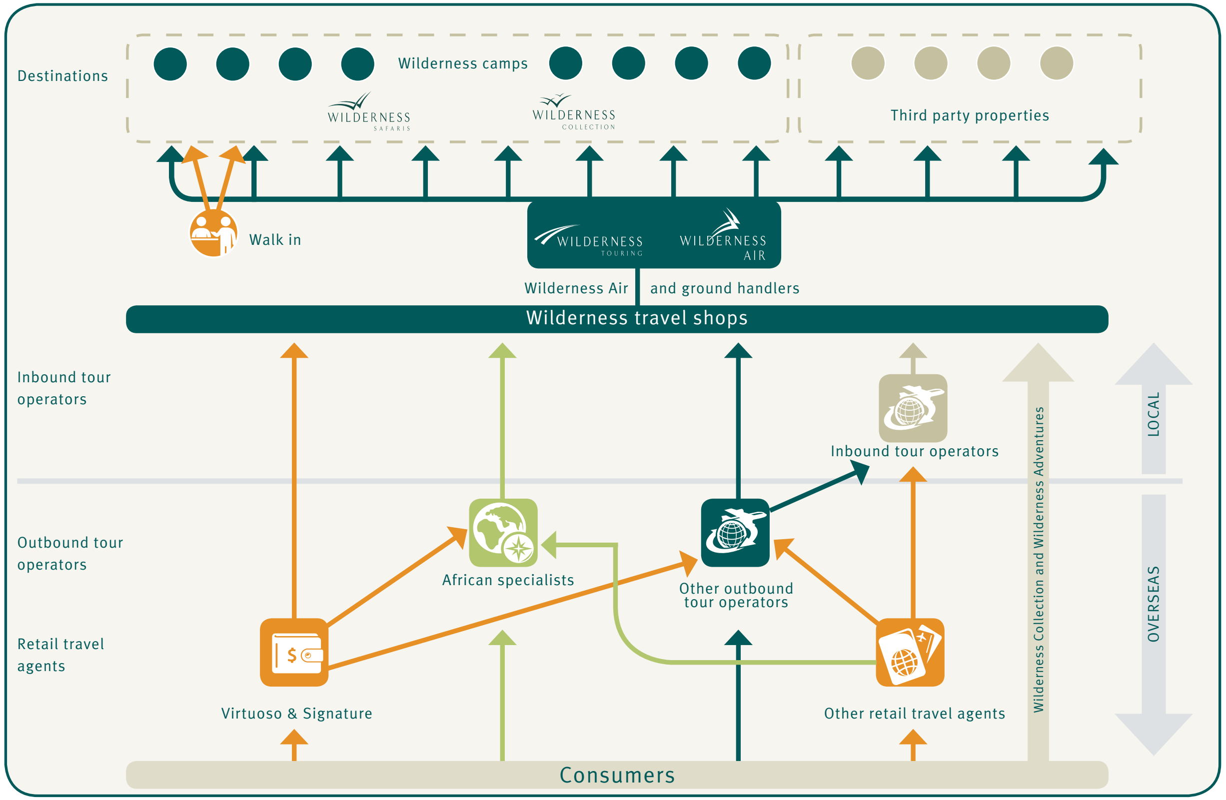


Figure 2 – The Wilderness Group's channels to the market

The product sold to our guests, through the travel trade, is vertically integrated and comprises packages incorporating some or all of the following elements:

- Safari camps, lodges and mobile explorations form the basis of the business;
- Guests and camp/lodge supplies are transported to and between the camps using air and ground transfers; and
- These integrated itineraries are developed and booked through a tour operating and reservations business which sometimes incorporates third party products into the packages (for a margin).

These operating elements are supported by a finance and asset management segment.

The Group has a stable of Wilderness brands which are supported by a flying business. The Group comprises a large number of companies and the structure is complicated: it is more useful to understand its operations through the conceptual overview given in Figure 3 alongside.

These Group components integrate seamlessly, supporting the three "strategic pillars" of the Wilderness business, being:

- Tourism;
- Conservation; and
- Awareness.

Understanding these strategic pillars is fundamental to understanding the Wilderness business model of generating profits through the development of sustainable conservation economies.

Tourism

The tourism pillar focuses on providing journeys and experiences for the discerning wildlife traveller.

These are delivered through vertically integrated product offerings, through relationship-based marketing strategies and service-orientated sales programmes. In the tourism business Wilderness currently:

- Owns or manages 58 destinations comprising 1 008 beds (nightly count) in eight countries;
- Markets a further 10 destinations comprising 132 beds (nightly count) in two countries;
- Operates 42 aircraft (owning 32 of these);
- Operates six journey specialist businesses in six countries; and
- Employs nearly 2 600 people.

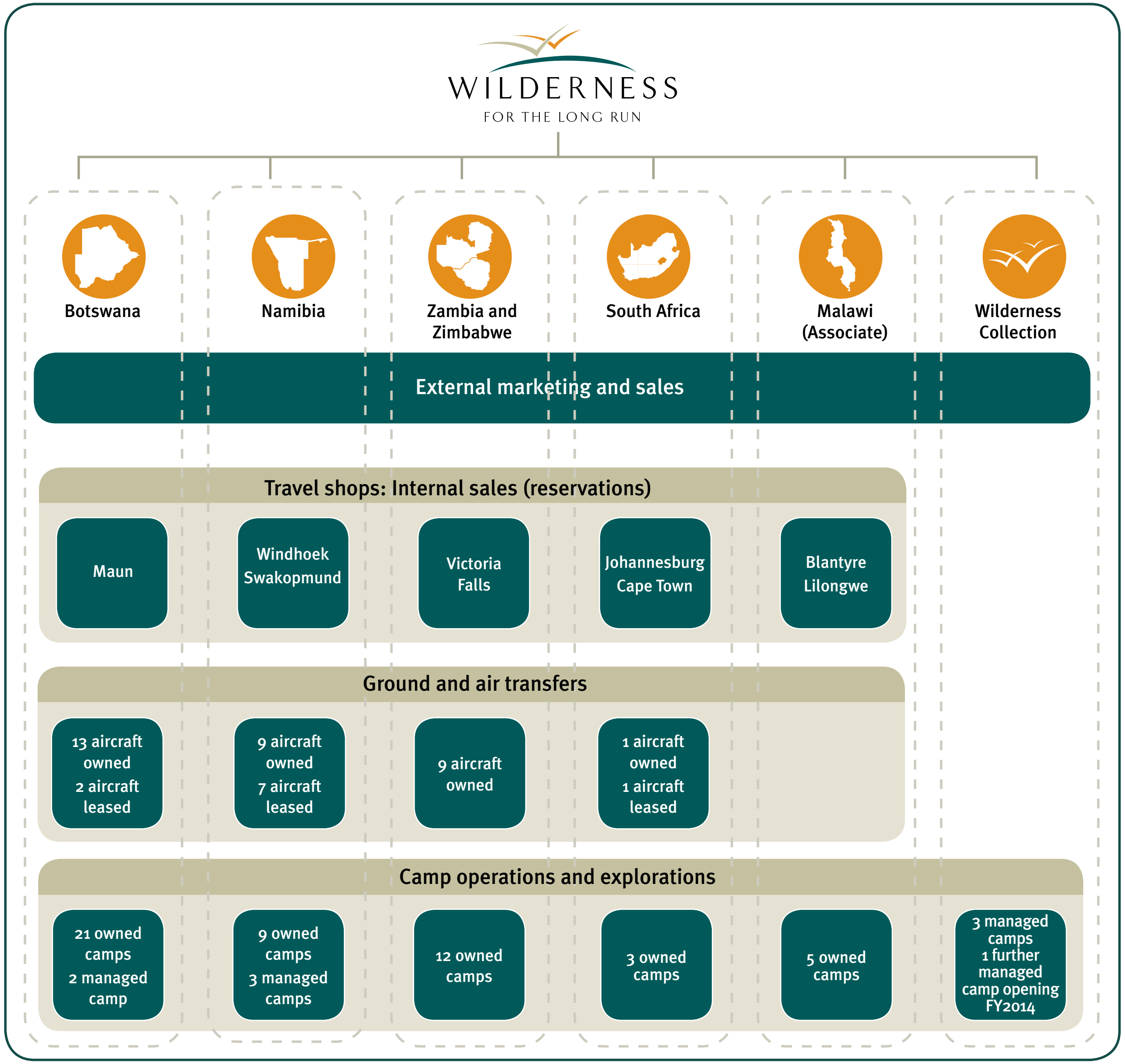


Figure 3 – The Wilderness business

THE WILDERNESS BUSINESS (continued)

The tourism business comprises two main brands. Wilderness Safaris is the original trading brand of the Group and offers safaris based out of both fixed and mobile camps (the latter under Wilderness Explorations) in three tiers of camps: Premier, Classic and Adventures. These are supported by the travel trade and principally by travel agents specialising in the booking and arranging of African travel. These lodge and camp operations are supported by Wilderness Air, our flying business.

The other trading brand is the Wilderness Collection. This is a stable of unique sustainable tourism operations in locations at a distance from our original areas of operation. We manage and market these businesses without investing financial capital in them.

Growth in the Wilderness Group has been achieved over the years by moving the same business model into those regions that enjoyed significant support from our channels to market. Our move into the various different biomes (i.e. a major regional biotic community characterised by specific climate, vegetation and fauna, of which Wilderness presently operates in nine of the 11 in southern Africa) was an effort to ensure that complementary experiences are offered by the tourism business.

Conservation

The conservation pillar is based on the premise that "doing good" creates long-term strategic value for stakeholders. This pillar focuses on the conservation of biodiversity and carbon sinks through:

- Caring for, educating and empowering people;
- Investing in technologies to improve operational sustainability; and
- Inventory research, relocation and rehabilitation to improve biodiversity.

The details of these elements are expanded on in the relevant sections of this report.

Awareness

The awareness pillar focuses on presenting Wilderness both internally and externally as a business that:

- Is a thriving and successful model;
- Believes that doing good creates long-term strategic value for itself and its stakeholders; and
- Is prepared to share its knowledge, experience and learnings.

STAKEHOLDERS

The Wilderness Group engages with a complex 'universe' of stakeholders. Engagement with these stakeholders varies according to the nature of the stakeholder/s and their expectations and concerns. Some parties fall into more than one stakeholder group: for example, members of local communities can be (at the same time) employees, landlords and neighbours. Wilderness is committed to providing timely, accurate, transparent and full disclosure to all relevant stakeholders on both financial and non-financial matters. Stakeholders are identified as those groups that have a significant influence on our business or those on which our business has a significant impact. These influences can be considered internal or external to Wilderness. Figure 4 alongside illustrates the rather complex network of stakeholders with whom we engage and the nature of the engagement.

RISKS

The performance of the business is discussed in detail in the Commerce chapter. The performance and growth of the business has in recent years been depressed by two main and related factors:

- The state of the world economy – particularly Europe; and
- The strength of the South African Rand and Botswana Pula against our main trading currencies which are the United States Dollar and the Euro.

We also discuss below four other prominent potential risks to the business, namely tenure, safety and security and country political risk, as well as the changing structure of channels to the market in the industry.

State of the world economy

Our products are luxury and discretionary purchases and the state of the world economy depressed demand for them after the onset of the global economic crisis late in 2008. A slow but steady recovery —particularly out of the United States, our main source market — commenced in 2010 and now appears to be accelerating. However, demand remains soft and subject to shocks occurring in remote markets. The ongoing turmoil and uncertainty in the European economy has been a particular issue for some of our businesses, most notably those in Namibia which are heavily dependent on European visitors.

This situation will continue for as long as world economic prospects remain uncertain.

Currency fluctuations

Our products are largely priced in the currencies of our source markets and most of our revenues are therefore generated and received in those currencies. Fluctuations in the respective strengths of our source and reporting currencies therefore impact on our business in a number of respects:

- Through their impact on price and demand where some source currencies are weak when compared against operating and reporting currencies;
- Impact on margins where revenues are derived in source currencies but expenses incurred in operating (and reporting) currencies; and
- Translation impacts from operating currencies in the various countries in which we operate, to the reporting currencies.

The business model is predicated on the assumption that local currencies will devalue against source currencies in reflection of the inflation and interest rate differentials between our operating countries and source markets. Where this does not occur, as in the strengthening of the Rand against the Dollar in the years following the global financial crisis, the business is placed under pressure. Currencies have moved in our favour during the reporting period but these currency risks are managed through a variety of strategies including internal and external hedges.

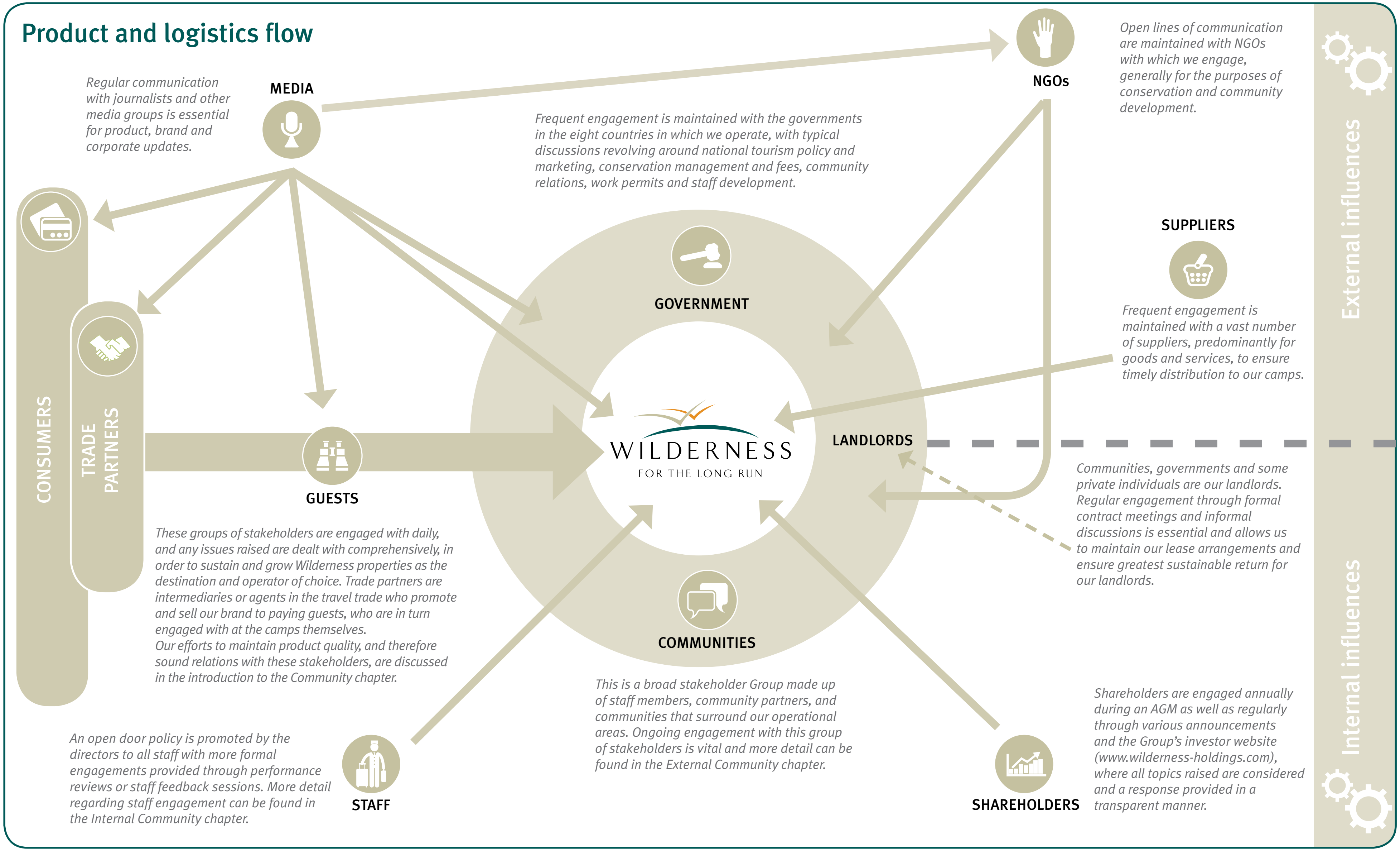


Figure 4 – Wilderness stakeholder universe

THE WILDERNESS BUSINESS (continued)

Tenure

Almost all of our camps are located on land leased under a variety of long-term lease and concession arrangements with either state or community landlords and partners. This means that the long-term sustainability of the business is dependent upon the goodwill of these landlords. We use a variety of mechanisms to ensure this goodwill persists, including paying market related rentals or profit shares, regular dialogue and responsible business practices. See the discussion under External Community for a more detailed explanation of these relationships and how they are managed.

Safety and security

Our operations occur in remote, wild places across eight southern African countries. Guests and our staff move about these areas on foot and in vehicles, boats and aircraft, often in close proximity to wildlife. As a result, a number of potential safety and security risks for both guests and staff exist.

These risks are recognised and managed by a Safety Review Board (SRB) which is appointed by the Risk Committee of the Board. The SRB is responsible for overall Group systems with respect to accident prevention and emergency response. A comprehensive safety programme has been developed and implemented in conjunction with our insurers and underwriters. Disaster and emergency response plans have been developed and are practised. All guests are given safety briefings on arrival in camp and when boarding vehicles, boats and aircraft. Comprehensive insurance cover is maintained.

Country political risk

Until the late 1990s, Zimbabwe was one of the most politically and economically stable countries in Africa. Within four to five years, the international perception of the country had deteriorated to the point where it was considered one of the most unstable countries in the world. Whether this perception was accurate or not, it had the impact of collapsing demand for tourism to Zimbabwe. This country had at one point been one of the major contributors to the Group's bottom line and this collapse illustrates one of the risks to the business: that posed by political developments which might impact on demand for travel to regions perceived to be unstable, or for travel in general (the onset of both Iraq wars depressed travel globally).

This risk is managed through two strategies:

- Spreading risk through operating in a wide range of countries; and
- Restricting operations and investments to stable countries. Our largest footprint is presently in Botswana and Namibia which are amongst the most stable countries in Africa.

Changing structure of channels to the market in tourism

Historically, the tourism industry has been clearly (if somewhat confusingly, to outsiders) structured into inbound and outbound, wholesale and retail segments. The Wilderness Group has built its trade relationships in accordance with these structures and our channel to the market can, in simplified terms, be illustrated by the diagram on page 4.

As previously mentioned, the bulk of the Group's business has been derived from a number of foreign outbound tour operators known loosely as 'African specialists'. A certain amount of business is derived from retail travel agents and there is also a small direct channel to the African regions market for products which have not in the past been supported by the travel trade. African inbound tour operators are a growing channel and remain a significant supplier to our product. These traditional structures have begun evolving in response to three main sets of circumstances, all linked to the growth and penetration of the internet:

- Firstly, depressed demand has forced players in the industry to seek new sources of business to maintain throughput. Wholesalers have increasingly operated in the retail space (and *vice versa*) and some inbounds have tended to act as outbounds (and, again, *vice versa*);
- Increasing use of the internet to research and book holidays, or parts thereof, has resulted in increasing transparency in regard to price and discount structures. This has resulted in pressure on margins at all levels of the channel; and
- The emergence of internet tour operators (operating in both inbound and outbound and retail spaces) has further challenged the *status quo* and resulted in changes in the structure of the industry.

These changes have resulted in a blurring of historical lines with associated uncertainty. This poses risk to operators who do not recognise these changes or respond appropriately to them. The Group has recognised these changes and views them as an opportunity, rather than a risk. We remain committed to the trade strategy pursued in the past and the relationships with trade partners that have been established over many years. Our reactions to these changing circumstances have included:

- Increasing transparency in rate and price structures, moving towards a 'rack-down' instead of 'net-up' pricing model;
- Decoupling of rates between differing products, thus allowing further flexibility in development of itineraries;
- Review and revision of rate and commission structures;
- Upgrading of booking and pricing systems to facilitate transparency and flexibility and to make the business more accessible to the travel trade; and
- Engaging in a more meaningful dialogue with our guests to drive demand through the trade to our products.

Most importantly, we have affirmed our commitment to the continued development of a level playing field. We will be watching these developments with interest as they evolve: we expect this process to continue.

OPPORTUNITIES

The business is presented with four main groups of opportunities:

- Increasing utilisation of existing capacity;
- Gaining market share as growth accelerates;
- Expansion of our footprint; and
- Productivity improvements.

Increasing utilisation of existing capacity

One of the more exciting opportunities for the Group is the potential to increase utilisation of existing capacity. The bednight sales in the current year represent overall bed capacity utilisation of 48.7%.

Although this is an improvement on the 45% equivalent for 2012, it is self-evident that there is potential for considerable improvement. The main areas where potential exists are:

- Outside of the busy season in Botswana (our capacity utilisation in Botswana is very high during the busy season);
- Other countries (mainly Namibia, Zambia and Zimbabwe) where capacity utilisation remains low. We are particularly excited about the expansion potential in Zimbabwe, as that country's market perception improves; and
- Increasing load factors on our aircraft.

It is important to note that any growth in sales we can achieve through these areas is highly financially efficient:

- It does not entail new capital expenditure: the capacity is already in place; and
- It also would not entail significant additional overheads.

Gaining market share

Over the distressed trading years following the global financial crisis, we steadfastly maintained our camps and lodges in a condition needed to maintain the highest product quality levels. This was done in spite of weaker financial results and the impact of this maintenance expenditure on our bottom line.

This has meant that we have maintained, if not enhanced, our reputation for quality and prevented any brand damage from poor products. It also means that, as growth in the industry accelerates again, we are well placed to take advantage of this growth, perhaps more so than some of our competitors. We believe that this will result in our gaining market share as the industry recovers.

Expansion of our footprint

The Group is well represented in the major safari destinations of southern Africa. However, it presently has effectively no representation at all in the major safari destinations in east Africa (Kenya[1], Tanzania, Rwanda and Uganda). Given the enormous size of the industry in those countries, there must be significant potential for Wilderness to make an entry. This comment is, however, made with caution: our investigations to date have indicated that there are presently significant barriers to entry in that region created by the levels of capacity utilisation and the high value expectations of existing operators.

Productivity improvements

Finally, we have identified a number of situations where there is potential for improvements in productivity which would either:

- Allow us to generate **additional** sales off the **same** resource and cost base;
- Reduce the cost of producing and maintaining the **same** level/s of income; or
- Allow us to reduce operating costs without impacting on service delivery or product quality.

These productivity improvements can potentially derive from changing the way we do business and a number of specific examples have already been identified and are discussed in the narrative below on strategy.

[1] *As noted elsewhere, we have recently launched Segera, a new product in Kenya, under the Wilderness Collection. However, this product is not owned by the Group but operated under a marketing contract.*

STRATEGY

In view of the risks and opportunities outlined, the business has been pursuing a number of strategic imperatives:

- Increasing the quality and the relevance of the offering to both clients and guests;
- Improving low season performance;
- Reducing the cost of acquisition;
- Productivity improvement and cost reduction;
- Build balance sheet and cash reserves;
- Re-sizing the business to lower demand; and
- Sustainability.

Increasing the quality and the relevance of the offering to both clients and guests

In order to maintain market share during the depressed trading years following the global financial crisis it was essential to maintain the quality and relevance of the offering to clients and guests. This was a particular challenge in an environment where strict control was being exercised over costs. This imperative is now doubly important as the industry grows again and we seek to take market share. We have adopted a number of strategies to achieve this, falling broadly into the following categories:

- Investments in the physical infrastructure so that product quality is maintained;
- Development of the staff who are responsible for delivering the product and for communicating with our clients and guests before, during and after they visit; and
- Initiatives to improve the systems and processes by which the product is delivered to clients and guests. These initiatives include a number of important technological innovations.

Finally, in order to measure our performance as a result of these strategies, we have reinforced our efforts to ascertain the extent to which we have matched our guests' expectations and what must be done to improve this performance.

Improving low season performance

Our business is distinctly seasonal with the bulk of profits being generated during the busy season from June to October. The wet season months from November to March experience low levels of demand. In the boom years prior to the onset of the global financial crisis we had reached the point where we were close to breaking even during the low season. But this was reversed after 2009 and, in recent years, we have incurred substantial losses over those months. We have therefore adopted a number of strategies to improve low season performance, mainly:

- Increased and focused efforts to sell beds during these months, including a low season special offer and a further offer to SADC residents making bookings at late notice; and
- Temporarily closing some camps during the low season in order to consolidate occupancies in the remaining camps and also in the aircraft.

THE WILDERNESS BUSINESS (continued)

Reducing the cost of acquisition

The business incurs a number of costs in the process of making sales and booking itineraries. These costs include those related to our staff and processes involved in making sales, as well as discounts given to trade partners, and combined they result in a sometimes significant difference between the price paid by our guest and the revenue eventually derived by our business. We term this difference our 'cost of acquisition'. Significant gains will trickle down to the bottom line if we can reduce this cost of acquisition and we have implemented a number of initiatives to achieve this, including:

- Efforts to improve our own productivity, through improved systems and processes (including a new technology platform), used in the sale process;
- Increased incentives to high yielding trade partners and reduced incentives to lower yielding partners; and
- Strict control to ensure that discounts given are warranted and reasonable.

Productivity improvement and cost reduction

In the trying times of recent years, cost reduction has been a real focus. Much has been achieved without impacting negatively on product quality or guest experiences. We are particularly pleased that all of our guest facilities are fully maintained. Further opportunities for cost reduction are being pursued where they still exist. However, we recognise that risks exist in excess cost reduction measures, because of the potential to undermine product quality. For this reason, our focus has switched to the search for productivity improvements from either reorganising the business and its processes, or from economies of scale. Important examples of these measures include:

- The flying business in Botswana and other countries has been reorganised and now operates as a schedule which is designed to increase load factors on aircraft; and
- Further significant investments have been made in solar energy systems in our camps. These investments have reduced our carbon footprint and the risks associated with transporting and handling diesel fuel in the Okavango Delta. More importantly, they have had the effect of significantly reducing diesel consumption in these camps and the effects of this are being felt in the income statement.

The possibility of adding further revenue to the existing cost base is an obvious additional strategy and expansion opportunities are being investigated.

Building the balance sheet and cash reserves

In order to capitalise on the opportunities and minimise the risks, we need a strong balance sheet. We also need the resources to weather difficult times as well as to explore consolidation and/or expansion opportunities. These dual goals are a strategic priority of the business and, as will be seen from the results, we have made much progress. Our balance sheet is sound and, more importantly, we also have significant cash reserves which make us well-placed to capitalise on any opportunities that do arise. In addition, this positions us well to take advantage of the upturn in the market.

Re-sizing the business to lower demand

Excess capacity was created in some countries during the boom years preceding the global financial crisis. When it became apparent that reduced levels of demand were the 'new normal' in some countries and markets, we were forced to re-size some of our businesses. This has been achieved by, *inter alia*:

- Selling or closing a number of camps in Zambia and Namibia in particular;
- Right-sizing some of the country offices, following these camp sales/closures; and
- In the case of the Zambezi region (Zambia and Zimbabwe), consolidating the two country offices into a single regional office in Victoria Falls and closing the Lusaka office.

Sustainability

Sustainability is a strategic imperative in a number of respects. In the first instance, sustainability is critical to our conservation vertical. Secondly, a number of sustainability initiatives have important financial or commercial benefits through cost savings. Finally, and most importantly, we see this as an opportunity to differentiate the organisation and its products from our competitors. For these reasons, we are aggressively pursuing the sustainability imperative, full details of which are given in the sustainability report on page 19.

Our sustainability OBJECTIVES

The Wilderness Group is committed to ensuring the sustainability of our operations. This commitment is part of our DNA and reflects a number of aims and objectives, the most important of which are:

- Firstly, this is enlightened self-interest. Our business depends on the health of the ecosystems and species that are the attractions for our guests. Any negative impacts on the environment resulting from our operations would reduce their attractiveness and thus the competitiveness of our business. Conversely, improvements to biodiversity and species will increase the attractiveness of our tourism operations and thus the success of the business;
- The health of ecosystems in modern Africa is also to a large extent dependent on the goodwill of surrounding rural communities and to this end our fair and equitable engagement of these partners is a critical component of the sustainability of both protected areas and our business;
- In this day of discerning and responsible travellers, it is important to demonstrate the sincerity of our sustainability commitments, and the actions arising therefrom. If this can be achieved, we will differentiate ourselves from our competitors and enhance our reputation and this will result in us gaining market share;
- Many of our sustainability initiatives have important efficiency by-products and thus result in improved business performance. For example and as further discussed below, our investments in renewable energy supplies result in significant reductions in diesel consumption and therefore in our operating costs;
- As a responsible corporate citizen, it is our duty to ensure that any negative impacts resulting from our operations are minimised, and any positive impacts are maximised;
- Many of our staff are themselves personally committed to biodiversity and responsible living and our equivalent value systems enable us to attract and retain the brightest and the best people; and
- Aligned to the previous point is the creation of a culture within our organisation that values and promotes sustainability, not only within our business but in all other aspects of day-to-day life.

THE 4Cs

The 4Cs is the platform upon which our sustainability initiatives are based. This concept is adopted from the Zeitz Foundation (www.zeitzfoundation.com) and is predicated on the belief that a business will not be truly sustainable unless it specifically addresses issues arising under the dimensions of Commerce, Conservation, Community and Culture (the 4Cs). We believe that this framework is the most appropriate sustainability model for our industry and accordingly our Vision, Mission Statement and Values are all aligned to these Cs. Our strategic plan is based upon this platform and a set of outcomes have been developed for each C. These outcomes have then been extended into the actions that are required to ensure their achievement.

Managing and implementing the 4Cs

Our structure for managing and implementing the 4Cs is given in the diagram below.

The Group's sustainability policies and strategies are directed and overseen by the Sustainability Committee of the Board of Directors.

The Chief Sustainability Officer (CSO) is responsible to the CEO for development and execution of these policies and strategies. The CSO is a member of the Board. The CSO is assisted in the development and implementation of strategy by a Sustainability Executive Committee.

Day-to-day implementation of the Group's sustainability strategies is the responsibility of the country Managing Directors and is carried out by the operational staff in the camps and other operational units. These staff are responsible for the ongoing monitoring and measurement of the various sustainability indicators. Their activities are overseen, directed and coordinated by a sustainability officer in each country. At the same time, 'thematic' oversight is given by a 'C Coordinator' at Group level. These coordinators provide advice to the operational level structures and consolidate the activities at Group level.

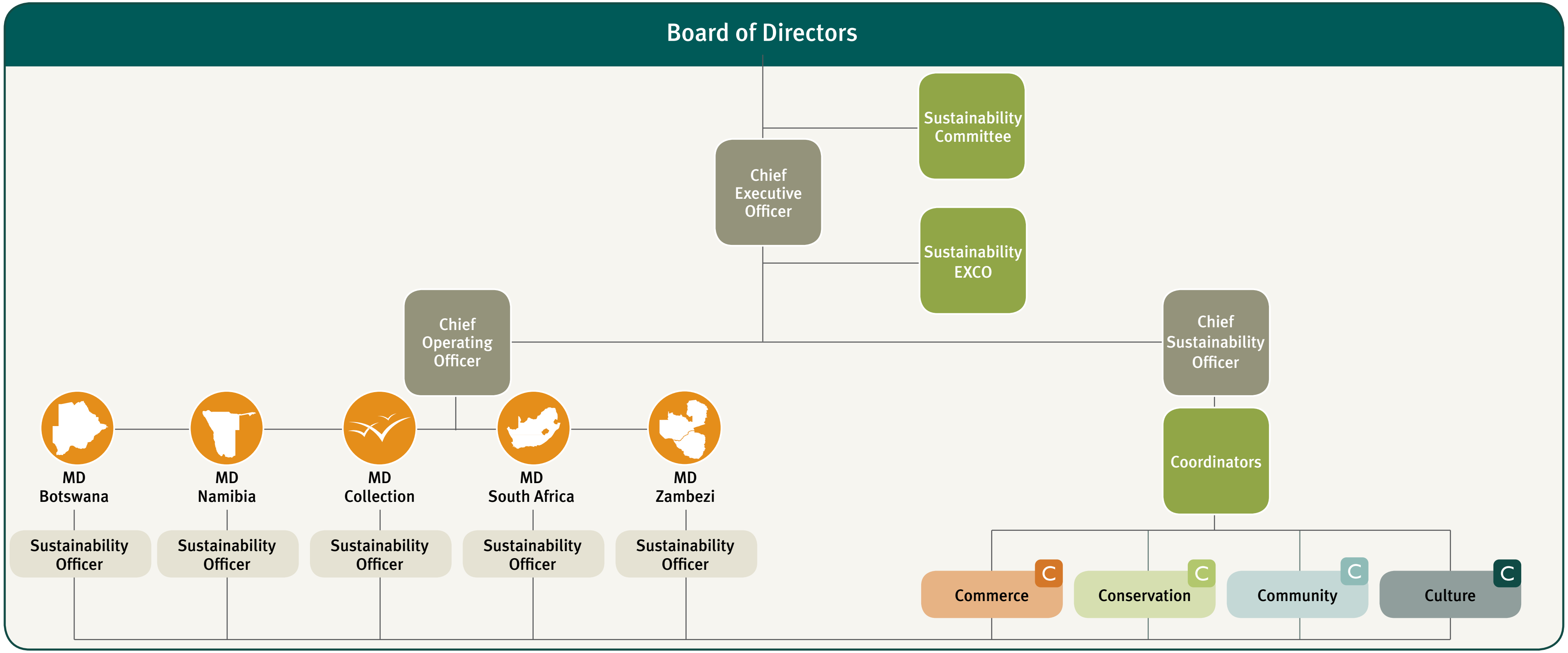


Figure 5 – 4Cs management structure

BOARD OF DIRECTORS

Keith Vincent (50)

Executive Director

Chief Operating Officer, Acting Chief Executive Officer and a member of the Risk Committee

Appointed: 18 August 2005

Directorships: Wilderness Holdings Ltd, Wilderness Holdings subsidiaries

Keith was educated in Zimbabwe, where he developed a love for the outdoors and natural history of the country. He became a professional guide, working throughout the country for various safari companies, before settling in Victoria Falls in 1984. Keith has been in the safari industry since 1980, working throughout southern Africa. Keith has been involved with the Wilderness Group since 1993.

Derek de la Harpe (53)

Executive Director

Chief Financial Officer, Chief Sustainability Officer and a member of the Sustainability Committee

Appointed: 8 April 2010

Qualifications: Bachelor of Accounting Science (UNISA), Chartered Accountant (Zimbabwe)

Directorships: Wilderness Holdings Ltd, Wilderness Holdings subsidiaries

Derek is a Chartered Accountant (Zimbabwe) with 33 years' experience in southern and eastern Africa. He spent 18 years with the then Price Waterhouse, the last eight as the partner in charge of the firm's practice specialising in tourism and environmental consulting. He then spent eight years as the CEO of The Malilangwe Trust, a Zimbabwean NGO working in wildlife conservation and rural development, and with a high profile tourism operation. He spent four years working as a freelance management consultant in southern and eastern Africa, south-east Asia and central America, specialising in the tourism development and wildlife conservation interface. He joined Wilderness as CFO early in 2010 and now also serves as Chief Sustainability Officer.

Gavin Tollman (49)

Non-executive Director

Appointed: 8 April 2010

Qualifications: BSc Finance, The American University, Washington DC

Directorships: Wilderness Holdings Ltd, Insight Travel Group Ltd, Busabout Operations Ltd, Contiki Tours International Ltd, Grand European Operations Ltd, Trafalgar Tours International Ltd, Wine Investments Ltd, Tracon Real Estate Ltd, TravCorp Investments Ltd, TTC Travel Group Ltd, AAT Kings Tours International Ltd, Uniworld International Holdings Ltd, Nevis: Brendan International Holdings Ltd, Cullinan Holdings Ltd, and various subsidiaries of the above

Gavin Tollman has had a far-reaching executive career in the travel industry. This has included managing both hotel companies and tour operators, which have received various industry awards and recognition. He currently is the CEO of Trafalgar Tours, the world's largest escorted tours operator, with product on six continents. At the Company he has developed industry leading marketing, e-strategy and product delivery initiatives. He is also a Senior Executive of the Travel Corporation responsible for the Company's southern Africa assets as well as the Managing Director of World's Leading Travel Companies Ltd where he oversees their United Kingdom direct sell division.

Malcolm Mc Culloch (59)

Non-executive Director

Chairman of the Risk Committee

Appointed: 18 August 2005

Qualifications: BCom (Hons), Chartered Accountant (South Africa)

Directorships: Wilderness Holdings Ltd, Wilderness Holdings subsidiaries, Children in the Wilderness and Kelly Group Ltd

Malcolm is a Chartered Accountant who studied at the University of Cape Town, and subsequently completed an Advanced Management Programme at Wharton, the University of Pennsylvania, USA. Malcolm is Deputy Chairman of Kelly Group Limited. Malcolm has been involved with the Wilderness Group since 1992.

Rolf Hartmann (39)

Independent non-executive Director

Chairman of the Audit Committee, Chairman of the Remuneration and Nomination Committee and member of the Risk Committee

Appointed: 8 April 2010

Qualifications: BCom (Hons), University of the Witwatersrand, Chartered Accountant (South Africa)

Directorships: Brait South Africa Limited, Wilderness Holdings Ltd, Nature's Choice Holdings (Pty) Ltd, Premier Group (Pty) Ltd and Premier Swazi Bakeries (Pty) Ltd

Rolf joined the Group in 2007 as a director of Wilderness Safaris Investment and Finance (Pty) Ltd. Rolf joined Brait in 2003 and his responsibilities include executive responsibility for several of its investments, among other matters. He is a Non-executive Director of a number of privately held companies and was previously a Non-executive Director of Kelly Group Limited, a company listed on the JSE Limited. Rolf is a Chartered Accountant, and previously worked in corporate finance in London, after qualifying at Deloitte.

Jochen Zeitz (50)

Non-executive Director

Chairman of the Sustainability Committee

Appointed: 8 April 2010

Qualifications: Degree in Business Administration

Directorships: Wilderness Holdings Ltd France: Kering USA: Harley-Davidson

Jochen Zeitz is Director of Kering and Chairman of the board's sustainable development committee and Co-Founder and Co-Chair of The B Team after having been the CEO of the Sport & Lifestyle division and Chief Sustainability Officer of Kering since 2010. Prior to this, Zeitz served 18 years as Chairman and CEO at PUMA. Upon becoming PUMA's CEO in 1993, Zeitz turned it from an undesired brand nearing bankruptcy into one of the top 3 brands in the sporting goods industry. He believes in contributing to a new paradigm of corporate social and environmental sustainability and in 2008, he founded the non-profit Zeitz Foundation to support creative and innovative sustainable projects that balance conservation, community development, culture and commerce (the "4Cs") promoting an inclusive, holistic paradigm of conservation that enhances livelihoods and fosters intercultural dialogue.

Audit Committee

Risk Committee

Remuneration and Nomination Committee

Sustainability Committee

Parks Tafa (46)

Non-executive Director

Chairman of the Board

Appointed: 8 April 2010

Qualifications: LLB, University of Botswana

Directorships: Wilderness Holdings Ltd, Collins Newman & Co (Partner), Stanbic Bank Botswana Ltd, Stanbic Investment Management Services (Pty) Ltd, Liberty Holdings (Botswana) (Pty) Ltd, Liberty Life (Botswana) (Pty) Ltd

Parks is a Botswana Senior Partner at Collins Newman Co Law Firm with a wide range of expertise, specialising in the energy and power sector, project finance, construction, mining, banking financial services, private equity, capital markets, privatisation, regulatory work, legislative drafting, and general corporate and commercial practice. He is currently the Non-executive Chairman of Stanbic Bank Limited, Liberty Life Holdings and Stanbic Investment Management Services. He is an Attorney, Conveyancer and Notary Public of the High Court of Botswana since November 1991.

John Hunt (58)

Independent non-executive Director

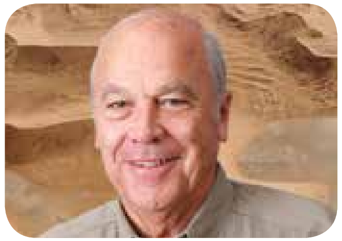
A member of the Sustainability Committee

Appointed: 8 April 2010

Directorships: Wilderness Holdings Ltd

John co-founded the advertising group Hunt Lascaris in 1983. In 1996 a majority share was sold to TBWA and he became Co-chairman. In 2003, John moved to New York to assume the role of Worldwide Creative Director for TBWA. In 2006 he returned to South Africa where he continues in the same capacity. John is an Executive Committee member of TBWA Worldwide.

Roux Marnitz (68)



Independent non-executive Director

Lead Independent Director and a member of the Risk and Remuneration and Nomination Committees

Appointed: 8 April 2010

Qualifications: BSc (Eng), MBA, BProc

Directorships: Wilderness Holdings Ltd, Lanseria International Airport (Pty) Ltd, Lanseria 1993 (Pty) Ltd. Namibia: Southern Energy Company (Pty) Ltd, SEC Aviation Products (Pty) Ltd, Aviation Centre (Pty) Ltd

Roux studied engineering at the University of Pretoria where he graduated in 1967. In 1970 he was awarded an MBA by the same university and obtained the BProc degree from UNISA in 1976. He also holds an Airline Transport Pilot's Licence. Roux is the former chairman of the JSE-listed IT group, Comparex Holdings Limited, former chairman of the Execujet Aviation Group, former Member of the Council of the University of Pretoria and is presently a director of private investment companies in Botswana and Namibia.

Charles de Fleurieu (39)

Non-executive Director

Appointed: 1 November 2012

Qualifications: LLB from King's College London, Masters in Law from the Université Panthéon-Sorbonne in Paris, qualified Solicitor in England and Wales

Directorships: Wilderness Holdings Ltd, Christopher Kane Ltd

Before joining PPR as Head of Mergers and Acquisitions, Charles was Senior Vice President Mergers & Acquisitions at France Télécom – Orange Group. He has more than 15 years of experience in mergers and acquisitions in France and internationally and has a dual expertise in both the financial and legal fields. He started his career with the American law firms Coudert Brothers and Kilpatrick Stockton, from 1996 to 2005 in France, China, the United States and England where he worked on cross-border transactions and projects.

Michael Tollman (51)

Independent non-executive Director

Vice Chairman and a member of the Audit, Risk and Remuneration and Nomination Committees

Appointed: 8 April 2010

Qualifications: BCom (Hons), Chartered Accountant (South Africa)

Directorships: Wilderness Holdings Ltd, Cullinan Holdings, Red Carnations, The Travel Corporation Ltd, Contiki Holidays Ltd, Trafalgar Tours Ltd, Cullinan Holdings Ltd and various subsidiaries of the above

Michael was appointed to the board of Wilderness Safaris Investment and Finance (Pty) Ltd in 2005, of Wilderness Holdings Limited on its listing on the Botswana Stock Exchange and appointed Vice Chairman of Wilderness Holdings in April 2013. He has extensive experience in the travel and leisure industry, in the areas of finance, the travel and leisure sector, mergers and acquisitions. He has served as Executive Chairman and acting Chief Executive Officer of Cullinan Holdings Limited, the leading travel and leisure company since March 2009.

Marcus ter Haar (35)

Independent non-executive Director

Appointed: 8 April 2010

Qualifications: BA (Hons) Development Studies, University of East Anglia, MA (Reading) International Relations, Diploma Finance

Directorships: Wilderness Holdings Ltd

Marcus received a BA (Hons) in Economic Development from the University of East Anglia in the UK, and a Masters degree in International Relations from the University of Reading, UK. Marcus then went on to join De Beers on a graduate development programme. In 2005 he was appointed the Executive Assistant to the CEO of the De Beers Group. After a short secondment with NM Rothschild in 2007, Marcus then moved to Botswana where he worked for Debswana as the Group Manager for Business Development. He has recently been appointed as the Head of Sales for the Diamond Trading Company Botswana, a 50:50 joint venture between De Beers and the Botswana Government. Marcus currently also serves on the Board of Trustees of the Lady Khama Charitable Trust. Marcus is the nephew of the President of Botswana.

CHAIRMAN'S LETTER

Parks Tafa
Chairman

Profit after tax increased by **238%**

Saved **BWP3.1m** in diesel

BWP8.5m paid to community partners

As is set out in far more detail elsewhere in this Integrated Annual Report, the 2013 financial year saw a marked improvement in the financial performance of the Wilderness Holdings Group.

While the global economy, and exchange rates played their part, this turnaround in performance was in no short measure due to the efforts of the senior executive team under the leadership of outgoing CEO Andrew Payne, and current acting CEO Keith Vincent. Actions were taken over the preceding financial year, and even earlier, to improve guest service and productivity, right-size certain businesses and manage costs, as well as to maintain core assets through defensive capital spend. Together, these resulted in the Group being well positioned for the pleasing upturn in global markets particularly following the US elections and the resultant resurgence in interest in luxury travel that ensued.

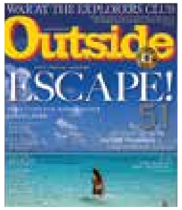
LEADERSHIP

Coinciding with the end of the reporting period was the resignation of two long-serving senior stalwarts of the Wilderness Group who have helped shape and grow the organisation over their tenure. Our outgoing Chairman, Malcolm McCulloch, joined the Group as an investor in 1986, latterly served as CEO, and then as Chairman for the first few years after our listing on the Botswana and Johannesburg Stock Exchanges.

While Malcolm steps down as Chairman he remains a valued non-executive member of the board whose experience and sage counsel will continue to be appreciated. Andrew Payne succeeded Malcolm as CEO of the Wilderness Group in 2009, guided its genesis into the listed environment and has ably and inspirationally steered the Wilderness ship through the last few years of challenging trading conditions. Andrew has resigned to pursue other interests but will leave a long and lasting legacy dating back to 1994 when he joined the Company. His most recent innovation is a real time, online booking system designed to enhance the ability of our trade partners to transact in a fraction of the time taken historically and thus to aid in the continued drive to simplify our product and process and make them more easily accessible to the trade. We expect that this will be a game changer in our industry.

Succeeding Andrew in an acting capacity is Keith Vincent, long serving COO of the Group who joined us in 1993. Keith has an intimate understanding of the business having spent time running both the Zimbabwe and Botswana operations. Keith's appointment, and my own, are part of a process of moving the senior decision making roles and capacity within the organisation closer to the economic heart and roots of the business in Botswana. Our corporate head office in Gaborone is growing and is an important statement to our Botswana partners – government, communities, staff and shareholders – of our commitment to the country of our company's origins.

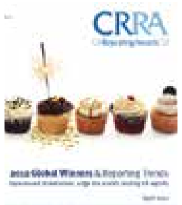
TIMELINE



MARCH 2012

Wilderness lauded in the inaugural active travel awards by Outside magazine

Wilderness was named Runner-up in the overall Best Travel Company category and Odzala named Best New Safari.



MAY 2012

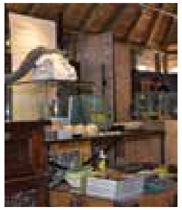
Wilderness Integrated Report ranked 5th in the global Corporate Register Reporting Awards

In this global award for corporate responsibility, our 2011 Integrated Report was ranked 5th in the categories of Best Integrated Report and Best First Time Report.

AUGUST 2012

Wilderness Safaris awarded Travel and Leisure Global Vision award for leadership

Wilderness was the recipient of the 2012 Travel and Leisure Global Vision Award for leadership in responsible travel in Africa for nearly 30 years.

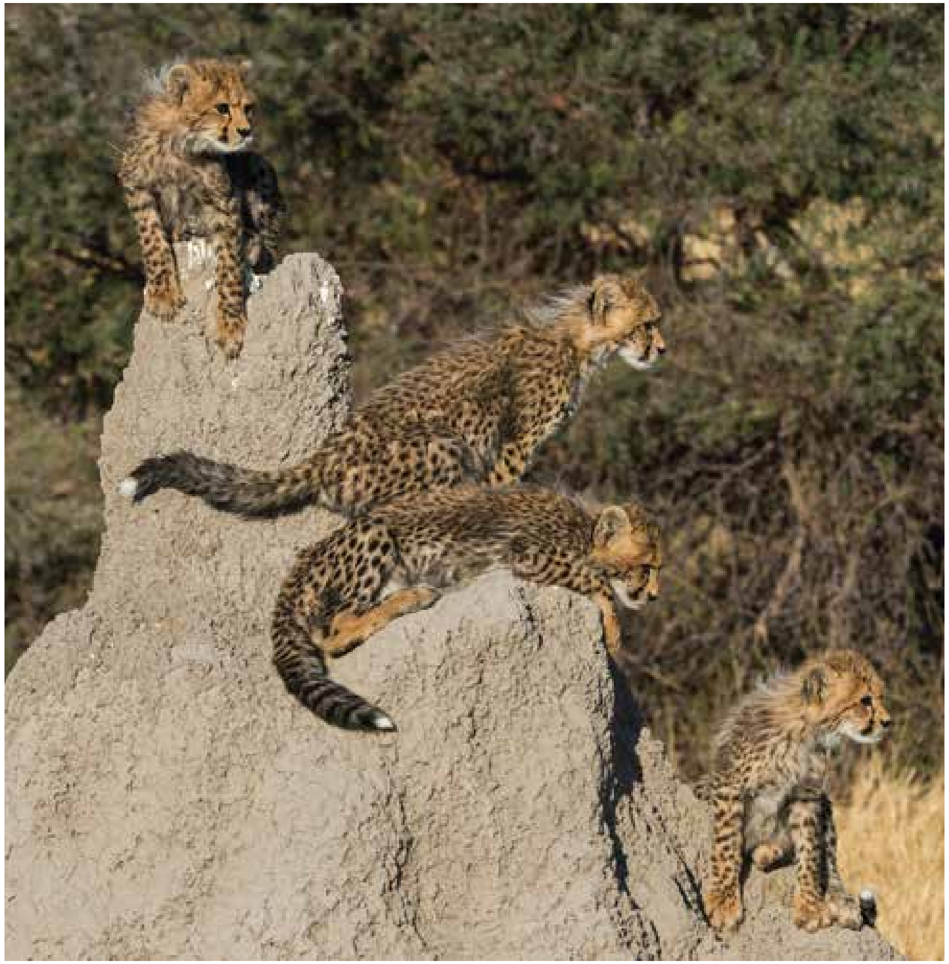


AUGUST 2012

Mombo opens innovative 4Cs centre

Mombo opened a new style boutique that highlights each of the 4Cs in a light, contemporary space where gallery and emporium are combined.

The Wilderness Holdings Group has been in existence for 30 years. We own and operate 58 luxury safari camps, with a total of 1 028 beds, in eight southern African countries.



THE YEAR AHEAD

A new energy is evident in the business, and the industry at large, after several years of challenging trading conditions. The aims of the organisation over the coming year are to continue with disciplined and regularly reviewed adherence to the executive-developed strategic plan. Attention continues to be devoted to green season occupancies, the performance of the Zambia and Namibia businesses, and the anticipated resurgence of Zimbabwe into 2014. Comprehensive plans have been developed for all products and services with implementation of decided actions a priority. The adoption of technology platforms such as the above-mentioned online booking system and a more aggressive internet presence are expected to yield dividends from August.

We remain committed to the 4Cs – Commerce, Conservation, Community and Culture – and continue to believe that no business can be truly sustainable unless all four of these elements are acting in concert.

As incoming Chairman I would like to express my thanks to the Board, shareholders and staff of Wilderness Holdings for their vote of confidence in me. During the past year the Group has benefited from the considerable and varied experience and insight of a formidable Board of Directors and I'd like to express my thanks to all for their time, contribution and genuine commitment to the Wilderness Group.

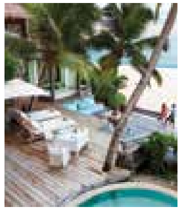
Equally important over the past year has been the staff of multiple ethnicities and languages across all nine countries in which we market and operate camps. Often said, but never over-emphasised, our staff are our most important asset and one of the differences between the Wilderness Group and its competitors. Thank you, *kea leboga, ndatenda, siyabonga, nkomu, dankie, tangi, okuhepa, zikomo*.

Lastly, we would achieve nothing without our shareholders, trade partners, stakeholders and loyal guests. Your support is vital and we thank you. Long may our partnership to conserve Africa's wild places and share them with discerning globally caring travellers continue.

AUGUST 2012

New DumaTau opens

DumaTau was rebuilt on a new site along the Linyanti River with many improvements made to this popular camp over the last 15 years.



SEPTEMBER 2012

North Island named Runner-up for Best Overseas leisure travel

In the 15th Annual Condé Nast Traveller Readers' Awards North Island was voted Runner-up in Best Overseas Leisure Hotel.

DECEMBER 2012

Wilderness Safaris Namibia garners several awards

Damaraland Camp received an Award of Excellence and three other camps received awards from Eco Awards Namibia.

JANUARY 2013

Kings Pool becomes our 9th solar powered camp in the Group

Kings Pool switched over to 100% solar power to become our second solar powered camp in the Linyanti, after DumaTau.

ACTING CHIEF EXECUTIVE OFFICER'S REPORT

Keith Vincent
Acting Chief Executive Officer

Turnover increased by **13%**

EBITDA increased by **40%**

HEPS has increased by **196%**

4Cs HIGHLIGHTS

Commerce

- Normalised bednight sales were up 1% on the prior year with turnover increased by 13% to BWP1 205 million
- EBITDA increased to BWP109 million, up 40% on the result for FY 2012
- Cash dividend of 4 thebe per share declared
- Profit after tax increased by 238% to BWP27.7 million and HEPS increased by 196%
- Our balance sheet continues to be strong with a net cash balance amounting to BWP140 million
- Our 2012 Integrated Report was recognised as the 5th best Integrated Report in the worldwide Corporate Register Reporting Awards, for the second consecutive year

Conservation

- Spend on biodiversity conservation projects increased by 30% to BWP6.7 million
- Odzala-Kokoua National Park, Republic of Congo, designated as a new Ramsar site
- Introduction of intensive security and scientific monitoring of black rhino in Liwonde National Park, Malawi
- Twelve research and conservation projects are being carried out in the world's largest Ramsar site: the Okavango Delta
- The Wilderness biodiversity footprint covers a total of 3.1 million hectares
- Bottled water use across the Group reduced by 34% and its carbon emissions down by 8%
- Solar power was installed at Kings Pool and DumaTau, making a total of nine camps now operating entirely off solar energy

Community

- 29 employees completed our internal business school curriculum
- 2 594 people employed with 1 556 people receiving ongoing training in our regions of operation
- First Employee Engagement survey conducted in November 2012
- BWP2.0 million contributed to various community development projects
- 572 children attended Children in the Wilderness (CITW) camps and 1 264 children attended CITW Eco-Clubs
- BWP 8.48 million was paid to community partners in terms of contractual arrangements

Culture

- Annual Wilderness Heritage Day celebrated across all countries, camps and offices
- Culture was incorporated into more guest activities and camp information, providing guests with an authentic, respectful cultural experience
- Raising awareness, increasing knowledge and enriching all involved is an important part of all our cultural activities

INTRODUCTION

We are pleased to report dramatic improvement in our financial performance, resulting in a cash dividend of 4 thebe per share declared. We have seen a strong and steady recovery in demand from our primary source market, North America, partially offset by continued soft demand from Europe.

Our marketing efforts into Asia, specifically Singapore, Tokyo and Hong Kong, have shown positive results and we will continue to expand our reach into emerging markets within an ever-changing tourism landscape. Positive progress in line with our 4Cs philosophy (Commerce; Conservation; Community; Culture) continues to drive our strategic focus to grow our staff, footprint and market presence, and we will continue to strengthen these ties.

PERFORMANCE OVERVIEW

Strategic focus

Over the past year, we embarked on a five-point strategic plan to: significantly improve our low season performance in the months of January, February and March; reduce the cost of acquisition of the business; increase the quality and relevance of our offering to both clients and guests; improve productivity; and achieve real growth in turnover. It is therefore pleasing to see the results of these efforts paying off with a 6.4% growth in USD sales, comprising 70% of our sales revenue.

In response to the current trading environment, various business units were realigned to lower demand. The difficult but necessary decision was taken to close three of our Namibian camps due to continued soft demand for products in that country. To further reduce operating costs, we consolidated our Lusaka and Victoria Falls offices into one regional office to service the Zambezi area (Zimbabwe and Zambia) from one central base. This has had a positive impact on streamlining operations and improving future sales prospects for the region.

High level capital commitment continues to be invested into our safari camps across all regions to enhance world-class standards and to ensure the Group retains its luxury rating, thereby improving our value proposition to potential new guests and discerning travellers. We are delighted that our newly rebuilt DumaTau Camp in Botswana was selected as one of National Geographic Traveler's Best Ecolodges for 2013 and as one of Condé Nast Traveler's best new hotels in the world in its annual 'Hot List'.

The Group also assumed management responsibility for two new camps in Odzala-Kokoua National Park in the Republic of Congo, increasing our biodiversity footprint to a total of 3.1 million hectares. Further progress in implementing our 4Cs sustainability platform has seen full solar installations at two further camps in Botswana, with an expected saving in diesel consumption of 193 000 litres (BWP3 million) per annum. We received numerous international accolades for our responsible tourism efforts, with the most significant being the Travel + Leisure Global Vision Award for leadership.

> Investing in our human capital and maintaining high levels of training to ensure the best service delivery remains top on our strategic agenda.

Ask anyone in the hospitality industry what makes their business successful and they will tell you it's the people. Investing in our human capital and maintaining high levels of training to ensure the best service delivery remains top of our strategic agenda. We have made numerous innovations in training through a virtual, cloud-based platform of our service and management staff, allowing us to train a large quantity of people over a very short period of time. To date, a total of 26 957 tests have been written on a combination of Wilderness courses, covering all aspects of hospitality, service standards, housekeeping and guiding.

As the aviation industry continues to be a challenging environment for Wilderness Air, we introduced a new flight schedule through our safari camp circuits across the various regions; thereby reducing the number of kilometres flown by the Company's 42 aircraft. Whilst we continue to struggle with the ever-rising cost of fuel, these efforts will ensure more efficiency in our air transfers and help to control these costs. Strategic focus will be placed on strengthening our scheduled services to ensure service, safety and on-time delivery of our guests.

Future prospects

Looking ahead, the Group expects to see a slow but steady strengthening of our major source market, North America, with a muted recovery from key markets in Europe against a backdrop of ongoing uncertainty in the world economy. We will increase our marketing and sales efforts into emerging markets, such as Hong Kong, Singapore and Tokyo, to expand our reach into non-traditional markets which are showing great potential for future sales.

This year, we continue to push the technological envelope with the Wilderness Window – our innovative online booking facility. Putting our product first and foremost in front of our agents, this all-in-one site links our camps, air business, transfers and camps together, making our product visible, bookable and chargeable 24 hours a day. We are also launching a new SEO-focused and consumer-friendly website to grow brand awareness and drive more direct referrals from the web into the business.

Training will remain an imperative part of our business through the virtual training environment and Wilderness Business School. We will be rolling out various new and enhanced courses to keep our staff motivated and to ensure that they are equipped with the correct skills to deliver world-class wilderness experiences and services.

Focus will be placed on maintaining and developing new camps and other assets to expand our earnings base and to ensure all of our products retain the highest standard. Country-focused product marketing plans will increase sales efficiencies and ensure strategic growth opportunities are identified per market.

Trading conditions in Zimbabwe continue to improve due to the quietening of its political situation. Our ongoing commitment to conserving the country's wildlife and uplifting our staff throughout a previous turbulent trading environment has created encouraging potential for future earnings from this country.

We are therefore cautiously optimistic about the outlook and confident that our strategic actions taken over the past year have positioned us well for continued growth within our 4Cs framework. On behalf of the Company, I would like to thank all of our staff, shareholders, local governments and partners for their continued support and enthusiasm to maintain and grow the Wilderness philosophy.

Sustainability Report

WILDERNESS
FOR THE LONG RUN

C

C
COMMERCE

The Commerce C gives us the resources to make the interventions under the other three Cs. Without a viable business model, we cannot justify investing in the areas in which we operate. By the same token, even if there is a viable business model we cannot justify an investment that does not address the other three Cs.

HIGHLIGHTS

Normalised bednight sales were up 1% on the prior year

Turnover increased by 13% to BWP1 205 million

EBITDA increased to BWP109 million, up 40% on the result for FY 2012

Profit after tax increased by 238% to BWP27.7 million

HEPS increased by 196%

Strong balance sheet and cash reserves

Cash dividend of 4 thebe per share declared

Our 2012 Integrated Report has received a number of local and international awards, including 5th best Integrated Report in the worldwide Corporate Register Reporting Awards

The pursuit and achievement of our Commerce goals is the responsibility of the Group's operational structures, primarily the country Managing Directors. The entire Group management and reporting structure is designed to ensure achievement of these goals.

This chapter outlines our activities under the Commerce C. Naturally, this is dominated by our discussion of the financial results as presented in the Annual Financial Statements.

RESULTS FOR THE YEAR

The detailed Annual Financial Statements for the year ended 28 February 2013 are included in this document. Nonetheless, in this section we provide abridged summaries of the financial statements together with a commentary thereon.

Trading environment

The Group has seen a recovery in demand from its primary source market, the United States, partially offset by continued soft demand from Europe. Local currencies have been weaker against our main trading currencies (being the United States Dollar and the Euro) and this has worked in our favour. Inflation continues to exert upward pressure on costs with local country inflation rates that range between 5.5% and 7.5%.

Income statement

The Wilderness business has three major revenue drivers. These are:

- Number of bednights sold;
- Selling price (in source currency) achieved per bednight sold; and
- Exchange rate achieved on conversion of foreign revenues.

Total bednight sales declined 3.7% to 182 764, this decline being caused by the permanent closure of non-performing camps and the temporary closures of others for maintenance. If we 'normalise' for these





closures, we achieved a 1% increase in bednight sales. The graph below shows normalised bednight sales over the last four years and illustrates the steady growth that has occurred following the slump that followed the global financial crisis:

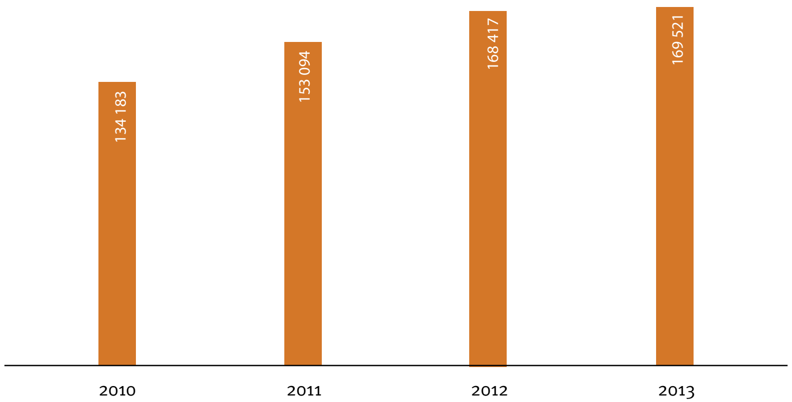


Figure 6 – Total bednight sales by year – Normalised

Despite above inflationary cost pressure in many areas, overall operating expenses have been contained at 7% for the year, in line with inflation. If we normalise for once-off costs incurred, the increase in operating costs was contained at levels below the rate of inflation, implying improved efficiencies, especially when viewed in the context of the increases in fuel prices that have occurred.

The graph below shows bednight sales by country over the same period, once again normalised for camp closures or sales:

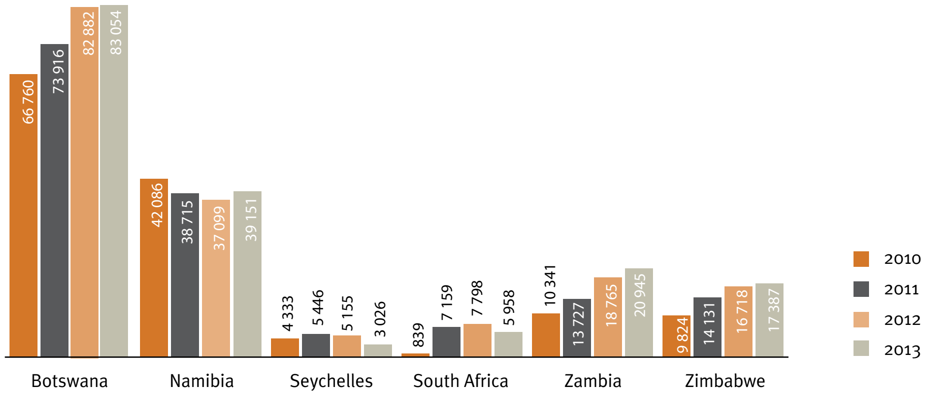
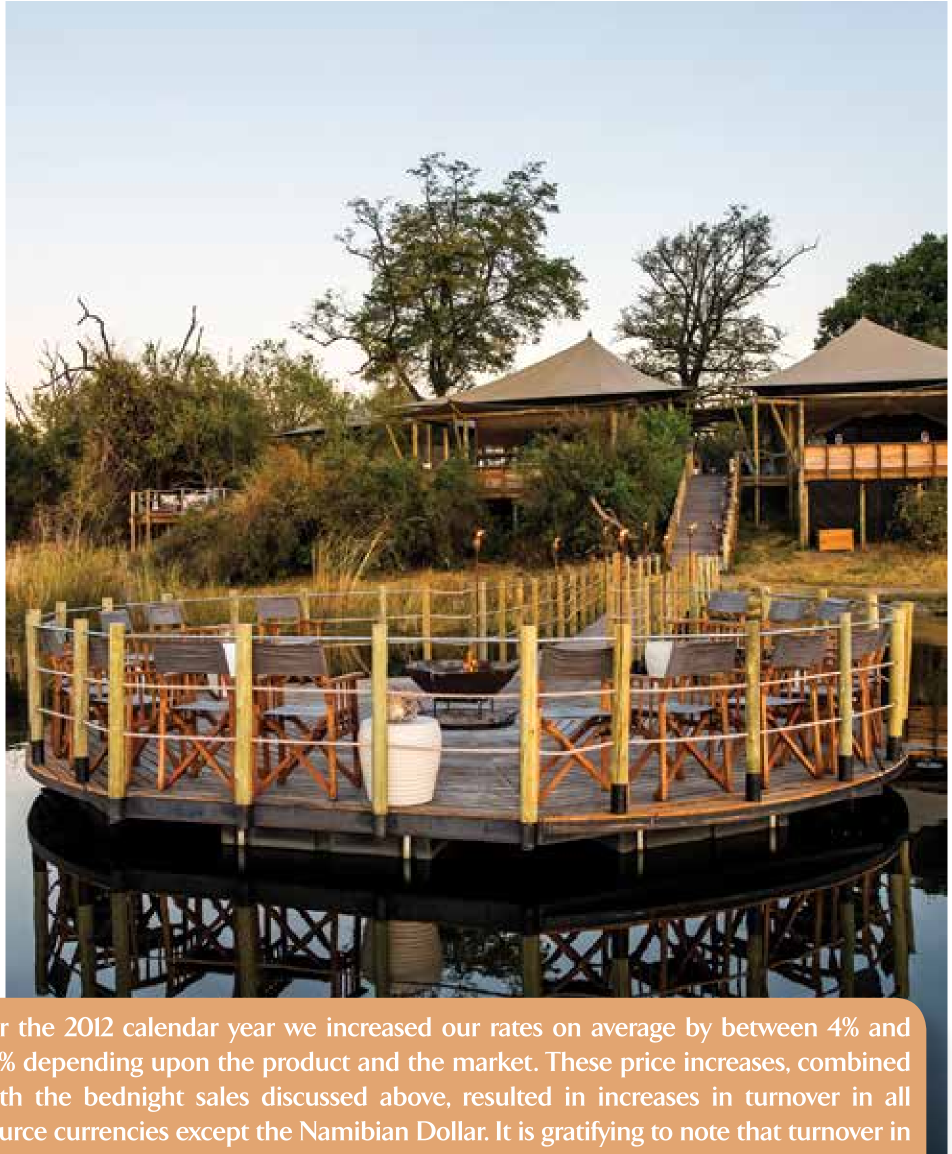


Figure 7 – Bednight sales by country – Normalised

The graph illustrates the size of the Botswana and Namibian businesses in comparison to our other businesses. It also shows the increased bednight sales that have occurred over the period in Botswana, Zambia and Zimbabwe. The Namibian data are most affected by the normalisations referred to above: the normalised data show that bednight sales have been level over the period and even increased in the past year. On an overall basis, without normalising for closed or sold camps, they show a dramatic decline.

COMMERCE (continued)



For the 2012 calendar year we increased our rates on average by between 4% and 10% depending upon the product and the market. These price increases, combined with the bednight sales discussed above, resulted in increases in turnover in all source currencies except the Namibian Dollar. It is gratifying to note that turnover in US Dollars, our most important trading currency, increased by 6.4%.

This apparent disconnect of the Namibian business with the trends being experienced elsewhere is a function of the following factors:

- This country is largely dependent on tourists from Europe and demand from that market remains soft due to economic conditions in the Eurozone;
- Tourism products in Namibia are priced in local currency (equivalent to the Rand) and have, prior to the recent weakening of the Rand, been overpriced in source markets relative to demand from these markets; and
- Excess capacity was created in Namibia in the years leading up to the global financial crisis.

Our Namibian business has been significantly downsized over the past two years in response to these factors. We believe that it is now 'right-sized' in relation to demand and that the present Rand weakness, if maintained, will further assist with improving results from the country.

For the 2012 calendar year we increased our rates on average by between 4% and 10% depending upon the product and the market. These price increases, combined with the bednight sales discussed above, resulted in increases in turnover in all source currencies except the Namibian Dollar (see Figure 8 below). It is gratifying to note that turnover in US Dollars, our most important trading currency, increased by 6.4%.

The South African Rand weakened by an average of 13% against the US Dollar over the year and this movement is in the Group's favour. This weakening was partially offset by a 2% unfavourable movement in the Rand:Pula cross rate and means that, on average, exchange rates made an 11% movement in our favour.

The net result of the interplay between the three groups of revenue drivers is that turnover has increased by 13% to BWP1 205 million. This is a record for the Group. The Group's financial results for the year are summarised in the Abridged Group Statement of Comprehensive Income on page 23.

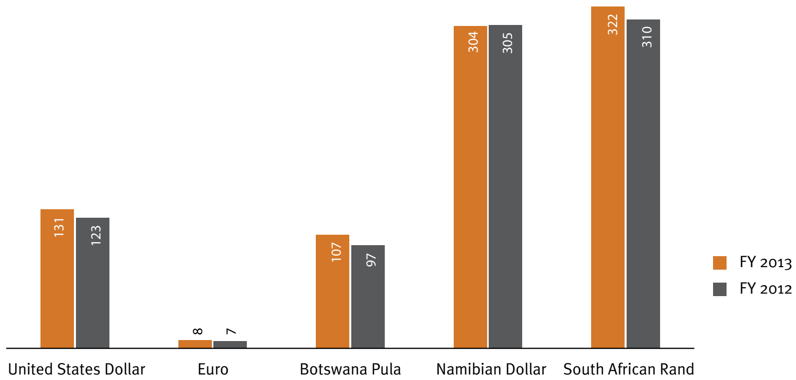


Figure 8 – Source currency turnover (millions)

Care should be taken in interpreting this graph since the same scale is used to show trends in different currencies, without compensating for differences in value of these currencies.

Changes in sales mix to lower yielding products, and significant increases in the price of aviation fuel in particular, offset by a VAT refund in Namibia, saw our gross profit percentage decrease slightly to 42.7%.

Other gains amounting to BWP22.9 million (2012: BWP4.4 million) were realised. These include BWP13 million proceeds from an insurance claim on the flood damage to Pafuri Camp in South Africa. A further BWP5.2 million gain arose from the fair valuation upon exercising of an option to acquire shares in an associate company.

Table 1 – Abridged Group statement of comprehensive income

BWP'000	Audited Year ended 28 Feb 2013	Change	Audited Year ended 29 Feb 2012
Revenue	1 205 074	13%	1 066 243
Cost of sales	(690 529)		(604 373)
Gross profit	514 545		461 870
Other gains	22 889		4 382
Operating expenses	(419 605)	7%	(393 965)
Foreign exchange (loss)/gain	(8 928)		5 494
Operating profit for year before items listed below (EBITDA)	108 901	40%	77 781
Impairment loss on property, plant and equipment and loans	(14 000)		(4 371)
Depreciation and amortisation	(46 982)		(45 718)
Profit on sale of business	–		2 047
Operating profit	47 919	61%	29 739
Net finance costs	(8 205)		(5 021)
Unrealised foreign exchange loss on loans	(7 260)		(8 207)
Share of associate company profit/(loss)	66		(492)
Profit before taxation	32 520	103%	16 019
Taxation	(4 816)		(7 824)
Profit for the year	27 704	238%	8 195
Other comprehensive (loss)/income:			
Exchange differences on translating foreign operations:	(3 156)		4 647
Equity holders of the Company	9 470		15 203
Non-controlling interest	(1 013)		333
Net investment in foreign operations	(11 613)		(10 889)
Total comprehensive income for period	24 548		12 842

BWP'000	Audited Year ended 28 Feb 2013	Change	Audited Year ended 29 Feb 2012
Profit/(loss) attributable to:			
Owners of the Company	29 561		11 344
Non-controlling interest	(1 857)		(3 149)
	27 704		8 195
Total comprehensive income/(loss) attributable to:			
Owners of the Company	27 418		15 657
Non-controlling interest	(2 870)		(2 815)
	24 548		12 842
Number of shares issued (thousands)			
Issued	231 000		231 000
Weighted average	231 000		231 000
Diluted weighted average	231 094		231 000
Earnings per share (thebe)			
Headline	11.13	196%	3.76
Diluted headline	11.13	196%	3.76
Basic	12.80	161%	4.91
Diluted	12.79	160%	4.91

Foreign exchange losses amounted to BWP8.9 million, compared to a profit of BWP5.5 million in the prior year. Of the losses recorded in the current year, BWP10.4 million arose from the realisation of forward foreign exchange contracts that were in existence at the beginning of the year.

The net effect of the above factors is that EBITDA was BWP108.9 million, up 40% from BWP77.8 million in the prior year. Impairment losses amounted to BWP14.0 million, mostly arising from the damage to the assets of Pafuri Camp. Operating profits therefore increased by 61% to BWP47.9 million.

Net finance costs increased from BWP5.0 million in 2012 to BWP8.2 million as the result of increased borrowings as well as the effects of devaluation of the Rand and the Pula on finance charges incurred on US Dollar loans. Unrealised losses on these foreign currency loans decreased by 12% to BWP7.3 million.

Profits before tax were BWP32.5 million, more than double what was achieved in 2012. The Group's effective tax rate declined from 49% in the prior year to 15% in the current year. (The effective tax rate in the prior year was higher than would be expected owing to the non-recognition of deferred tax assets in that year.)

The Group's after tax profits amounted to BWP27.7 million, representing a 238% increase over the comparable result last year.

COMMERCE (continued)

Cash flow and resources

The Group generated a net inflow of cash from operating activities amounting to BWP77.5 million. There was a net outflow on investing activities of BWP66 million and a further BWP45 million on financing activities, the latter being dominated by the dividend of BWP20 million and the repayment of long term liabilities. The result is that there was a net decrease in cash and cash equivalents amounting to BWP33.7 million. This was partially offset by unrealised gains on foreign cash balances amounting to just below BWP16 million to give a final decrease in cash and cash equivalents over the year of BWP17.8 million. The Group has net cash balances amounting to BWP140 million at the year end, which is the lowest point in the business' cash cycle.

Table 2 – Abridged Group statement of cash flows

BWP'000	Audited Year ended 28 Feb 2013	Audited Year ended 29 Feb 2012
Net cash inflow from operating activities	77 518	67 374
Net cash outflow from investing activities	(66 253)	(47 469)
Net cash outflow from financing activities	(44 960)	(28 016)
Decrease in cash and cash equivalents	(33 695)	(8 111)
Unrealised exchange gains on foreign cash balances	15 828	13 022
Cash and cash equivalents at beginning of year	157 504	152 593
Cash and cash equivalents at end of year	139 637	157 504

A feature of the Group's business model is that our net working capital investments are generally low as guests pay significant deposits, if not the full cost of the itinerary, well in advance of travelling. The movement in net working capital for the year was BWP12 million.

Capital expenditures

One of the focus areas for the past three years has been to invest in our camps to ensure that they are refreshed to enhance the guest experience and enable the Group to maintain its luxury rating. Our total capital expenditure in the current year was BWP65 million (2012: BWP65 million) of which BWP54 million (2012: BWP31 million) was defensive capital to maintain and upgrade our existing camps.

Balance sheet

The Group's balance sheet is strong and there have been no major changes to this since the last reporting date:

Table 3 – Abridged Group statement of financial position

BWP'000	Audited As at 28 Feb 2013	Audited As at 29 Feb 2012
ASSETS		
Non-current assets	474 047	451 100
Property, plant and equipment and intangibles	391 235	384 873
Goodwill	34 855	30 917
Investment and loans in associates	11 390	10 373
Loans receivable	1 768	2 053
Deferred taxation	34 799	22 884
Current assets	319 065	287 451
Inventories	17 889	20 615
Receivables and prepayments	97 384	65 871
Current tax receivable	14 467	13 087
Bank balances and cash	189 325	187 878
Assets of disposal group classified as held for sale	1 386	–
Total assets	794 498	738 551
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company	344 728	334 845
Non-controlling interest	(7 259)	(3 633)
Total equity	337 469	331 212
Non-current liabilities	130 249	145 709
Borrowings and obligations	102 129	113 990
Deferred taxation	28 120	31 719
Current liabilities	326 780	261 630
Trade and other payables	273 724	229 254
Current tax liabilities	3 368	2 002
Bank overdrafts	49 688	30 374
Total liabilities	457 029	407 339
Total equity and liabilities	794 498	738 551
Net asset value per share (thebe)	149	145
Net tangible asset value per share (thebe)	134	132

The Group has loans from third parties of BWP127 million and these have been used to construct and refurbish or upgrade camps and associated infrastructure. The Group is in compliance with all of its lenders' covenants and, as at 28 February 2013, has unutilised facilities that could be drawn of BWP27 million.

We expect to see a slow but steady strengthening of our major source market, the United States, with a muted recovery from source markets in Europe against a backdrop of ongoing uncertainty in the world economy. Many of the benefits of strategic actions taken in the business over the course of the past year will see a continued improvement in overall performance of the business. If the present weakness of the Rand and the Pula continues, this will further improve results.

DIVIDEND

A final dividend for the year ended 28 February 2013 of 4.0 thebe per share was declared on 22 May 2013. This amounted to BWP9.24 million and was paid on 24 June 2013. The issued shares at the declaration date were 231 000 000.

OTHER ACHIEVEMENTS DURING THE YEAR

Aside from the financial achievements noted in the above discussion, we have made further important changes to the business in order to position it for the future, taking into consideration the difficult trading conditions that have prevailed over the last three years:

- The businesses in Zambia and Namibia have been 'right-sized' for lower levels of demand and the head offices for Zambia and Zimbabwe have been consolidated into a single office, thus reducing costs and improving efficiencies in the Zambezi region;
- In order to increase capacity utilisation, we have made temporary camp closures during the so-called 'green season' when demand softens, even in Botswana;
- A number of important investments to improve productivity have been made. We have introduced scheduled circuits for the flying businesses and these will have the effect of increasing load factors in our aircraft. The full effects of this will be seen in the 2014 financial year. Our investments in solar technology have continued and, during the year, we migrated three further camps onto a full solar energy platform. Finally, we have also made significant investments in technology: the most important of these being the development of an online reservations tool which will significantly increase the efficiency of the reservations process and reduce our cost of acquisition;
- Our strong focus on marketing and sales has continued and we launched a '6 countries' special offer designed to fill beds in the green season. We also announced a special offer for residents of the SADC region which is designed to sell beds at late notice at discounted rates;
- Our efforts to maintain and improve product quality have continued. These have been underpinned by a virtual training platform which was rolled out to all camp staff. The results have been pleasing: customer feedback scores are now higher than ever before and we have also received numerous awards for quality and leadership in sustainable tourism; and
- We have implemented a business school intended to increase the capacity of our middle and senior management structures.

CAPITAL COMMITMENTS

The Group is committed to fully maintain all of its assets in order to defend its earnings base. Accordingly, we have authorised BWP54 million in capital to maintain and refurbish existing assets, and to develop new camps and other assets and thus expand our earnings base. The board envisages that this will be funded by existing cash balances and unutilised borrowing facilities.

OUTLOOK AND PROSPECTS

As the result of weak demand from its major source markets following the global financial crisis, combined with the strength of local currencies, the Group has experienced difficult years since listing in 2010. It therefore embarked upon a strategic plan designed to address changes in the market, improve guest service, increase efficiencies and to re-size certain businesses for lower levels of demand. We believe that the results of this process are now being seen: guest feedback is consistently better than ever before, loss-making businesses have been closed or restructured and the results of efficiency measures are being seen in our operational costs.

We expect to see a slow but steady strengthening of our major source market, the United States, with a muted recovery from source markets in Europe against a backdrop of ongoing uncertainty in the world economy. Many of the benefits of strategic actions taken in the business over the course of the past year will see a continued improvement in overall performance of the business. If the present weakness of the Rand and the Pula continues, this will further improve results.

C CONSERVATION

The Conservation C is centred on one simple frame of mind: without the wilderness there is no Wilderness. This inspires our business to make investments in maximising the positive impacts arising from our activities while at the same time implementing measures to reduce the negative impacts. This respect and care for the wilderness makes for a better business and ultimately a better world.

HIGHLIGHTS

BIODIVERSITY

Spend on biodiversity conservation projects increased by 30% to BWP6.7 million

Odzala-Kokoua National Park, Republic of Congo, designated as a new Ramsar site

Introduction of intensive security and scientific monitoring of black rhino in Liwonde National Park, Malawi

Twelve research and conservation projects are being carried out in the world's largest Ramsar site: the Okavango Delta

The Wilderness biodiversity footprint covers a total of 3.1 million hectares

ENVIRONMENTAL MANAGEMENT SYSTEMS (EMS)

Average compliance of 72% with our Group Environmental Minimum Standards (GEMS)

Group carbon emissions down 8%

Bottled water use across the Group reduced by 34%

Investment in new organic waste management technologies – a bio-digester

First detailed study into our supply chain, using our Namibia operation as a proxy for the rest of the Group

Our decommission of Skeleton Coast Camp in Namibia was the recipient of an award for the quality and comprehensiveness of that process





In recognition of these dual goals, we have divided the Conservation C into two subsections in order to manage these better and give them the special attention they each need. The Biodiversity aspect involves our initiatives to maintain and improve the biodiversity and the ecosystems upon which our operations are based. The Environmental Management Systems (EMS) portion on the other hand concerns our endeavours to ensure that any negative impacts on the environment from our operations are minimised.

BIODIVERSITY

The Wilderness Group operates in areas of exceptional wilderness or biodiversity quality that enjoy varying degrees of formal protection (including national parks, community conservancies and private land). We believe that in almost all cases our presence can be said to have enhanced the conservation status of these areas and specific species within them.

We do not believe that there is a case where our operations have, in a direct sense, impacted negatively on biodiversity. Rather, the opposite is the case in that the nature of our business is such that a positive impact on biodiversity (in the sense of more secure ecosystems and wildlife populations) is both an intended outcome and a by-product of our day-to-day operations. The latter rely on intact ecosystems in order to satisfy guest expectations around game viewing and other experiences.

Broadly, we view our role in biodiversity conservation as:

- Ensuring sustainable conservation of wilderness areas and their biodiversity through the creation of viable ecotourism businesses either within formally protected areas or on community or privately owned land without formal (i.e. state or legislated) protection;
- Ensuring that, in appropriate circumstances, ecotourism remains the preferred economic alternative to less sustainable industries such as mining, agriculture, hydroelectric schemes and others that irrevocably damage biodiversity, wilderness and ecosystem processes;
- Creating a profitable, ethical and responsible business based on conservation that others imitate and implement in regions where we are not active; and
- Measuring and understanding our biodiversity footprint and its management and, where relevant, enhancing indigenous species richness through reintroductions.

The specific impacts on biodiversity conservation – both positive and negative – during the reporting period are discussed in the sections below and in the chapter on environmental management systems that follows.

ENVIRONMENTAL MANAGEMENT SYSTEMS (EMS)

The intention of our environmental management systems (EMS) is to minimise any negative impacts that our operations might have on the environment. Our camps are situated in pristine wilderness areas and, failing such intentions, could undermine the very attractions upon which our operations are based.

EMS comprises mostly our systems to manage our camps' energy usage and related carbon emissions, water use, waste production and disposal, and the usage of materials and products. Minimising any negative impacts on the environment by our camps creates a competitive advantage by enhancing guests' experiences. There are also commercial spin-offs in that our camps operate more efficiently and save on various operational supply and equipment costs.

C

CONSERVATION (continued)

Biodiversity is the **foundation of life on Earth**, and includes the **variety of living organisms** and **ecosystems** on our planet: **biodiversity is also the very basis for our business**.

OUR BIODIVERSITY FOOTPRINT

The biodiversity footprint of the Wilderness Group is the area of land on which we operate. We believe that our presence in these areas makes a contribution towards the conservation of the habitats and wildlife therein. The commercial strategy of the Wilderness Group has in large part been built around selecting areas of operation which ensure that our portfolio of camps and experiences is complementary. In other words, each camp and its associated experiences should not compete with another in the Group, and in fact should complement others with which it might be combined in an itinerary or safari. In this way, we have diversified our product to the extent that we encourage repeat business. This has meant that, as Wilderness has grown and spread geographically, we have sought out areas with complementary (and non-competing) biodiversity.

Our current ecotourism model supports the conservation of a total of 3.1 million hectares (7.6 million acres). Of this, 2.3% is privately owned while 35.3% is communal land and the remaining 62.4% state land within national parks, game reserves and other formally protected areas. Wilderness supports the conservation of these land units in one or more of the following ways:

- By contributing lease or traversing fees which aid the financial viability of the area;
- By contributing *de facto* protection through presence and monitoring; or
- Through active conservation activities such as anti-poaching, vegetation rehabilitation, reintroduction of indigenous species or research.

The fact that this contribution occurs across multiple land ownership structures and has expanded conservation outside of state protected areas indicates the potential of this model to contribute to African conservation, particularly on community-owned land. It also underlines the important responsibility of the Wilderness Group to continue assisting in the conservation of these areas.

Understanding our footprint allows us to focus on areas with differing, perhaps less formally conserved, biodiversity. In addition, we can use this information to seek to create conservation "bridges" or "corridors" to ensure genetic sustainability of sub-populations. This latter initiative has been an important factor behind the Group's historical expansion into already well represented ecosystems, while the former has led to us extending our operation into new areas such as the Congo Basin in west central Africa.

Biomes and extent of presence

The Wilderness Group operates in nine different biomes across the African continent as illustrated by Figure 9 below. More detail can be found in the online appendices: Figure A – Biomes of the African continent, indicating the presence of Wilderness camps.

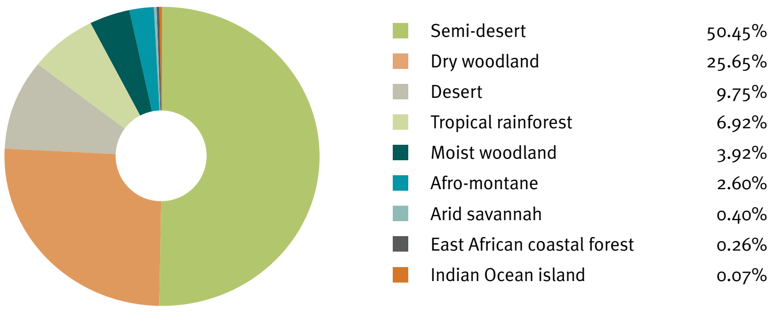


Figure 9 – Composition of the Wilderness operational area by biome (%)

The Congo Basin, the world's second largest expanse of tropical rainforest and the core of the Guineo-Congolese Centre of Endemism, extends across six central African countries and provides shelter for no fewer than 10 000 plant, 1 000 bird, 700 fish and 400 mammal species. For a number of reasons the region has suffered relatively low rates of deforestation compared to the Amazon and other tropical rainforests. It is, however, under significant and growing pressure from logging, mining, the bushmeat trade and further threats.

Centres of endemism

A centre of endemism is an area that contains a high incidence of endemics or the ranges of species which have restricted distribution. Centres of endemism can overlap with biodiversity hotspots and are generally considered high priorities for conservation. We have sought new biomes and centres of endemism that host differing arrays of charismatic fauna and flora that are of interest to our guests. As we have grown, this has resulted in us extending our positive contribution to biodiversity conservation to more and different ecosystems.

Wilderness camps are located in a total of six out of the eight African centres of endemism; Guineo-Congolese Region, Zambezian Region, Karoo-Namib Region, Cape Region, Afro-Montane Region and Seychelles. A map showing African centres of endemism and the presence of Wilderness camps can be viewed online (Online appendices: Figure B – African centres of endemism indicating the presence of Wilderness camps).

Biodiversity inventory

The expansion into the Republic of Congo in the previous year had the effect of adding a number of new species to our biodiversity inventory; more than 400 bird species and some 114 mammal species. Reptiles and amphibians have not yet been adequately surveyed, and thus are not included here, but can be expected to add to the overall inventory in similar, or even greater, proportions.

The number of species of vertebrates occurring on land over which the Wilderness Group has influence (through concessions, leases, traversing and other engagements) is presented as a minimum estimate in Table 4.

Table 4 – Biodiversity inventory of Wilderness operations*

	Total	Botswana	Congo	Malawi	Namibia	Seychelles	South Africa	Zambia	Zimbabwe*
Birds	1 100	417	440	537	352	50	458	545	458
Mammals	280	111	114	135	104	1	120	136	104
Reptiles	190	83	#	80	77	12	85	92	75
Amphibians	50	48	#	33	22	5	30	28	35

* *Excludes urban areas such as the office in Johannesburg, Cape Town, Windhoek, Swakopmund, Victoria Falls, Lilongwe, Brazzaville and Mahé.*

\# *Unknown.*

Inventories of species, as summarised here, are important for a number of reasons:

- As a means of measuring ecosystem health;
- They can be used to assess the conservation importance of specific areas; and
- They can (and must) be used to focus conservation actions.

For the last two reasons, the biodiversity inventory of the Wilderness Group is cross-referenced with the IUCN Red List (see online appendices: Table D), particularly the three most threatened categories of extant species. It is vital that the tourism operations of the Group do not compromise the conservation status of any species and that, wherever possible, we contribute to improving it. That this is possible is evident from the case study on black rhino conservation in Malawi (see page 33). Thus, it is a measure of the conservation achievements of the Group:

- How many species featured on the IUCN Red List are present in our areas of operation;
- What the population trends of these species in our areas are, compared to elsewhere; and
- Whether or not the Group implements or supports any actions designed to improve or monitor their conservation status?

No fewer than 40 species occurring in the operational area of the Wilderness Group fall into the three most threatened categories of the IUCN Red List. Of these, nine are reptiles or amphibians (e.g. Seychelles black mud turtle, loggerhead turtle, Nyika dwarf toad), twelve are mammals (e.g. western lowland gorilla, central chimpanzee, Hartmann's mountain zebra) and nineteen are birds (e.g. hooded vulture, wattled crane, blue swallow). No fewer than five species are classed as Critically Endangered, nine as Endangered and 26 as Vulnerable.

CONSERVATION (continued)

OKAVANGO DELTA – THE WORLD'S LARGEST RAMSAR SITE

Case study

As is covered elsewhere in this chapter, wherever we operate in significant wetland systems like Ramsar sites we endeavour to ensure the integrity of the ecosystem, to raise its profile internationally and through ecological monitoring and other research projects entrench the area's conservation status.

The Okavango Delta Ramsar site, the world's largest at approximately 68 640 square kilometres (6 864 000 hectares), is the site with which we have been associated the longest, having begun our operations here in 1983. It is still at the core of our business with camps and research projects located in many places across the Okavango Delta and extending into the Panhandle and the Linyanti River systems.

This absolutely unique site – the largest inland delta in sub-Saharan Africa – supports 72 small mammal species, 95 species of reptiles and amphibians and an estimated 68 species of fish, with the sharp-tooth catfish being endemic. Some 1 061 plant species have also been recorded. The area's riches also include continentally important populations of IUCN Red List species such as black rhino, cheetah, hooded vulture, southern ground hornbill, slaty egret, wattled crane, African elephant, lion, black footed cat, hippo, white-headed vulture and a significant population of African wild dog. More than this, many cultures and traditional lifestyles are supported by the site as is a booming tourism industry focusing on low-impact ecotourism.

Threats to the area include possible water extraction and/or pollution by the fringe states (Angola, Botswana, Namibia and Zambia) as well as possible hydro-electrical projects and the spread of alien invasive plants.

We continue to play an active role in participating in broad-based management and conservation initiatives and forums concerning the Okavango and its headwaters, lobbying for improved protection efforts and also in initiating, implementing and supporting a number of research and monitoring initiatives.

Projects currently supported by the Wilderness Group (either through funding from the Wilderness Trust, or funding and/or in kind support from Wilderness Safaris Botswana) within the Okavango Ramsar site include:

- Roan habitat project
- Lion genetics project
- Rhino relocation and reintroduction
- Wildlife research – increasing capacity
- Elephants without Borders
- Human-elephant conflict in the Okavango Delta
- Linyanti elephant biodiversity project
- MAWS Sterivac programme
- Okavango biodiversity project
- Okavango-Kalahari wild dog research project
- Anti-poaching activities
- Children in the Wilderness

While the global populations of only three of these species are regarded by IUCN as increasing (the overwhelming majority, 30 species, are regarded as decreasing), most of the populations occurring on land over which Wilderness has influence are either increasing or stable. Of course, the Group cannot alone claim credit for this. The fact that this is the case is due to the work of many different agencies. What is encouraging, however, is that wherever possible or practical, the Wilderness Group does engage in research, monitoring or active management of those species that are regarded as either Critically Endangered, Endangered or Vulnerable.

For example, all five species that are regarded as Critically Endangered are monitored wherever they occur across Wilderness concessions. In some cases, this monitoring extends to specific research either conducted or supported by the Wilderness Group, while in other cases active conservation actions are implemented (black rhino relocations; Seychelles black mud terrapin introductions; hawksbill turtle egg incubation). This commitment by the Group extends to four of the nine endangered species recorded in our areas (two of the nine species are vagrants and active monitoring or research is very difficult). Monitoring is the main activity conducted by the Group but, in some species, work extends to active conservation interventions and research (Seychelles white-eye mist-netting and ringing; wild dog home range and movement research; green turtle and hawksbill turtle egg incubation). Insofar as vulnerable species are concerned, active monitoring, research or conservation interventions were conducted on six species during the reporting period.

During the reporting period, conservation work has also been conducted on near-threatened species such as white rhino, locally threatened species such as roan and sable antelope and on endangered and vulnerable species outside of the Group's operational area (see "Contribution to Conservation").

Water bodies

A number of our camps are located on or adjacent to, and in many cases are even dependent on, significant water bodies. While conventional wisdom might suggest negative impacts on natural water bodies from commercial endeavours, none of our operations have significantly altered any hydrological system. Instead, we believe that our operations have either positively impacted on these systems, or at least helped maintain their integrity.

Negative impacts that could result from safari camp operations like ours are related to either: excessive abstraction relative to the sustainability of the source; accidental discharges of either waste water or fuel; or the use of environmentally harmful chemicals in cleaning or other functions.

Given the small size of our camps (in terms of both guest and staff numbers), the volume of water abstracted is far below normal "industrial" levels. Notwithstanding this, abstraction via borehole or river is always relative to the local rainfall and water table and tailored accordingly. In arid locations, such as the majority of Namibian camps, water usage is monitored closely and measures implemented to mitigate against wastage in areas such as showers, laundries and swimming pools (for further details see: Conservation – Environmental Management Systems). Where water is more abundant, measurement and monitoring is not as comprehensive and usually takes the form of borehole depth monitoring and similar efforts.

In terms of waste water, fuel storage and transport, and cleaning chemicals, a number of measures are in place as a minimum standard across the Group (for further details see: Conservation – Environmental Management Systems).

Conversely, our operations tend to have positive impacts on water bodies in two main respects. Firstly, the presence of an authentic ecotourism operation that is dependent on the existence of a pristine ecosystem ensures that the integrity of that system is monitored and (where necessary or possible) maintained. Secondly, the existence of such an operation on site results in higher profile and public exposure for the site, as well as any potential threats to it. The latter relates primarily to marketing and to education of our guests, staff and partners. In the former case monitoring ranges in extent and depth from simple anecdotal records to in-depth scientific investigations. A number of the current conservation and research programmes are covered in relation to Ramsar sites detailed in Table 5 below.

Table 5 – Important hydrological systems in which Wilderness operations are located

Country	Ramsar site	Major rivers	Major river catchment systems	Other
Botswana	Okavango Delta	Okavango; Linyanti; Chobe; Savuti	–	
Congo	Odzala Kokoua	Lekoli; Mambili	–	
Malawi	–	Shire	Nyika Plateau	Lake Malawi
Namibia	–	Kunene	–	
Seychelles	–	–	–	Indian Ocean
South Africa	Makuleke wetlands Lake Sibaya Tongaland turtle beaches	Limpopo; Luvuvhu	–	Indian Ocean
Zambia	Busanga Swamps	Lufupa; Kafue; Zambezi; Luangwa	–	–
Zimbabwe	–	Zambezi	–	–

Monitoring is the main activity conducted by the Group but, in some species, work extends to active conservation interventions and research.

CONSERVATION (continued)

Objectives for the next three years

Our objectives for the next three years in terms of biodiversity footprint are to:

- Increase the biodiversity footprint of our areas of operation;
- Where commercially viable, expand our ecotourism operations to fragmented and endangered biomes and ecosystems;
- Increase the biodiversity inventories in our existing areas and extend these to enable us to better understand and conserve these areas. This includes continued efforts to catalogue cryptic small mammals, amphibians and reptiles across our entire operating area;
- Expand our monitoring and research initiatives to a greater proportion of IUCN Red List species including specific focus on large birds (e.g. vultures, cranes, Ludwig's bustard, ground hornbill, secretary bird) and large mammals such as central chimpanzee and forest elephant;
- Improve efforts to catalogue hard to survey and taxonomically complex mammals, such as bats and rodents, as well as cryptic species of reptile and amphibians, especially in Odzala-Kokoua National Park in the Republic of Congo. Ongoing efforts to inventory these species groups continue in partnership with specialist institutions such as the Ditsong Museum of Natural History in Pretoria, South Africa; and
- Extend biodiversity inventories to freshwater fish and other species groups in Congo.

In the previous Integrated Report, one of the stated targets was to maintain low densities of beds and vehicles in the areas in which we operate. This target has been achieved in that there has not been an increase in either vehicle or bed densities throughout the Group.

Enhancing our biodiversity footprint

The day-to-day operations of the Wilderness Group contribute in a meaningful way to conservation of a wide array of African ecosystems. We continually attempt to enhance our biodiversity footprint through reintroduction of species and other direct conservation actions such as anti-poaching, fence patrols, snare sweeps, judicious water provisioning and collaboration and logistical support for a wide range of stakeholders. Beyond this, the Group also commits substantial funds and resources to a number of conservation and research projects on specific species and conservation challenges or processes. This contribution is made either through the operating companies themselves, through the independent Wilderness Wildlife Trust, or through generous donations by our guests and other partners.

The Group regards such contributions as both an opportunity to foster improved conservation of Africa's biodiversity and also as an obligation as the result of operating in important conservation areas. It is our aim to entrench and improve biodiversity conservation across all the areas where we operate. As a result, during the reporting period we participated in no fewer than 94 active research and conservation projects across the eight countries of operation. This entailed collaboration with more than 70 independent institutions ranging from state protected area agencies to NGOs and academic institutions from a wide range of countries, including and outside southern Africa. While not all contributions during the reporting period were reported in financial terms, as much of the support is in-kind, logistical or expert guidance, a minimum of approximately BWP6.7 million was spent directly on biodiversity conservation during the twelve-month period. This figure is BWP2 million or 30% higher than the previous year. This is potentially only three quarters of the total sum and must be recognised as a voluntary investment in biodiversity that does not take into account contractual obligations or day-to-day operational expenses related to tourism (and even biodiversity in the case of sustainability staff salaries, for example).

It is important to appreciate the conservation outcomes of this work and investment. These are often difficult to quantify in the short term. However, the longer-running projects (see online appendices: Table E) have directly and indirectly resulted in:

- The reintroduction of threatened species in areas of their former range (e.g. black rhino and wild dog);
- Growth in the populations of threatened species that in some cases has resulted in favourable changes in their IUCN Red Listing (e.g. loggerhead turtle and green turtle);
- Enhanced understanding of the conservation ecology of threatened species that has resulted in improved management of the species either *in situ* or in external areas where they are of more pressing conservation concern (e.g. roan antelope and lion);
- The confirmation of extant conservation corridors linking sub-populations (e.g. elephant, zebra, wildebeest and wild dog movement studies);
- Mitigation of human-wildlife conflict (e.g. Seronga Human-Elephant Conflict study);
- Establishment of biodiversity (e.g. aquatic biodiversity surveys) and population baselines (e.g. wildlife monitoring indices and aerial surveys);
- Removal of artificial and anthropogenic causes of wildlife mortality and ecosystem rehabilitation (e.g. South Luangwa Conservation Society and North Island vegetation rehabilitation), and;
- An understanding of the potential impacts of ecotourism related activities (e.g. offroad driving study).

All projects initiated or supported by the Group are based on producing pertinent conservation outcomes for current challenges in biodiversity conservation, not only within the Group's operational area but also beyond it in related ecosystems.

Our biodiversity conservation objectives for the next three years are to:

- Continue monitoring and, wherever feasible, conserving threatened species and ecosystems;
- Re-establish or reintroduce locally extinct populations into their former ranges where possible (for example continuing to reintroduce native fauna and flora on North Island in Seychelles); and
- Bring a larger founder population of black rhino into the Okavango Delta.

MITIGATING AND MANAGING OUR IMPACT

The Group's footprint of camp or office infrastructure is minimised with very low bed and vehicle densities relative to other forms of tourism. (The Group operates over a total area of 30 784km² with only 2.0km² covered by operational infrastructure, representing only 0.007%. This helps to reduce any potentially negative impact on biodiversity from activities and infrastructure. Any such negative impacts are negligible when compared to the positive impacts of these activities, as detailed above. See Table B in the online appendices for more detail on the operational footprint of the Wilderness Group.

Habitats protected or restored

A large part of the *raison d'être* of the Wilderness Group is the use of its responsible ecotourism model to maximise the conservation (and thus tourism) value of the areas in which it operates; without wilderness there is no Wilderness.

MALAWI BLACK RHINO CONSERVATION

Case study

Liwonde National Park in Malawi lies at the southern end of Lake Malawi along the Upper Shire River and accommodates a great diversity of species. Mvuu Lodge and Mvuu Camp are the only accommodation in the northern part of the park and the former is a renowned upmarket lodge sited on the river under a canopy of ancient trees. The park covers an area of 600 km^2 and is home to a small population of the Critically Endangered black rhino *(Diceros bicornis)*.

The black rhino was historically widespread and common throughout southern Africa. During the late 19th century, and for most of the 20th century, all species of rhino worldwide came under threat from range loss and horn trade. These combined threats resulted in many populations collapsing to the point of near extinction. During most of the 20th century, the black rhino was the most numerous of the world's rhino species – numbering around 850 000 at one stage. Hunting and conversion of land for human settlement and agriculture reduced numbers drastically and, by 1960, only an estimated 100 000 remained. After 1960, these combined threats caused a further 98% collapse in numbers with the population bottoming out at 2 410 in 1995. Numbers have since increased steadily to 4 880 by the end of 2010. In spite of these increases the species is at risk of functional extinction due to ongoing poaching.

In November 2012, we launched an operation in conjunction with the Malawi Department of National Parks and Wildlife to fit tracking devices to a significant portion of Liwonde's black rhino population and thus to enable increased monitoring and security by the parks anti-poaching teams. A modern scientific study at the PhD level was also commenced to provide insight into important elements such as local ecology and recruitment rates and to assist in proactive management. A Nissan 4x4 was donated to the project to enable access to all areas of the park. Active conservation actions such as this assist in enhancing our biodiversity footprint by giving threatened species such as this a greater chance of survival.

CONSERVATION (continued)

TURTLE CONSERVATION ON NORTH ISLAND, SEYCHELLES

Case study

Year after year, two species of turtle return to nest on the beaches of North Island. The hawksbill turtle *(Eretmochelys imbricate)* is listed as Critically Endangered on the IUCN Red List while the green turtle *(Chelonia mydas)* is considered to be Endangered. The survival of these two species is threatened due to factors such as accidental fisheries by catch, habitat loss, pollution, being hunted for their meat and egg poaching.

The environmental team at North Island carry out daily beach patrols to mark any new nests visible from fresh tracks. Due to their sensitivity to artificial light, turtle hatchlings will often become disorientated and move towards the lights instead of moving towards the safety of the sea after hatching. This has a significant effect on their exposure to predators and hence reduces their prospects of survival. Great care has been taken to minimise light pollution from the main areas of the lodge. Nonetheless, any nests that are laid directly in front of the main area or any other significant source of artificial light are carefully dug up (with the orientation of each egg marked and maintained) and relocated to a safer place. Some nests are incubated and then released when they hatch. Nests that become exposed due to beach erosion are also rescued and relocated or incubated. These activities, as well as the data recorded daily, form part of a global turtle database to aid in their long-term preservation.

Wherever necessary, the Wilderness Group engages in habitat conservation, rehabilitation and restoration in tandem with the relevant land owners or land managers (often state protected area agencies), NGOs or indeed under the Group's own auspices. Actions take a variety of forms, from anti-poaching patrols and law enforcement, water provision, alien plant clearing, anti-erosion work, plant propagation, to the funding of independent agencies and so on. This work is done voluntarily and is not a result of concession obligations.

During the reporting period, rehabilitation work continued in a number of locations:

- Alien plant clearing and indigenous plant propagation at North Island in Seychelles;
- Continued rehabilitation of the vegetation at the camp site and surrounding area from previous disturbance at Toka Leya in Zambia;
- Anti-poaching support and water provision at our camps in Hwange National Park in Zimbabwe;
- Fence patrols, snare sweeps and rhino monitoring in Liwonde National Park, Malawi; and
- Reforestation programme for surrounding community land at Chintheche Inn, also in Malawi.

When the site of a camp is shifted or a camp operation is decommissioned, the site is fully rehabilitated. During the reporting period, rehabilitation of the old site of Skeleton Coast Camp in Namibia was completed (see case study on page 40).

Wherever roads need to be closed due to increasing flood levels in certain areas (e.g. Okavango Delta) these roads are closed off and allowed to rehabilitate unless they are part of a wet season/dry season road network that is not in a sensitive area. If necessary, active rehabilitation is carried out by ploughing up any compacted surfaces such as disused airstrips.

Many camps are constructed with unpaved paths on the ground or raised wooden walkways. Many of the rooms are also on raised platforms. This allows free movement of animals throughout camp areas and reduces the footprint of the camp and soil compaction.

Our impact mitigation and management objectives over the next three years are to:

- Maintain bed and vehicle densities at current levels;
- Carry out additional studies on the impacts of roads or footprints of infrastructure and how to mitigate against these impacts; and
- Mitigating anthropogenic impacts on biodiversity – a specific target for this is to install additional turtle-friendly lighting at North Island.

APPENDICES ON THE WEB

(see http://www.wilderness-holdings.com/investor_centre/presentations/current_year)

Figure A – Biomes of the African continent indicating the presence of Wilderness camps.

Figure B – African centres of endemism indicating the presence of Wilderness camps.

Table A – Contributions to conservation by Wilderness and the Wilderness Wildlife Trust (WWT).

Table B – The operational footprint of the Wilderness Group.

Table C – Ramsar sites in which Wilderness operates.

Table D – IUCN Red List species found in operational area of the Wilderness Group.

Table E – Ongoing research and conservation projects supported by the Wilderness Group either financially or through other means.

Environmental management systems (EMS) purpose is to minimise any negative impacts on the environment that might arise from our operations.

GROUP ENVIRONMENTAL MINIMUM STANDARDS (GEMS)

Group Environmental Minimum Standards (GEMS) have been developed and documented. The purpose of these is to provide a framework by which our camps are to be developed, operated and, if required, ultimately decommissioned. Regional management and contractors employed during new camp builds and existing camp refurbishments are required to use the GEMS as an operating guide and minimum standard.

Camp EMS assessments

In order to maintain the environmental integrity of our camps, we regularly evaluate their environmental status and compliance with the GEMS. Biannual EMS assessments were designed for this purpose and these score our camps' compliance and performance, allowing all camps to be consistently assessed according to the same standards.

The results of the assessments are used by management to direct their efforts in maintaining and operating the camps while the results are used at Group level to identify where capital is required to invest in new developments – particularly in older camps. Results from EMS assessments completed in 2013 indicate that as a Group we are 72% compliant with our GEMS. Figures 10 and 11 alongside illustrates the results of the assessments in more detail, indicating which countries and what performance indicators require the most attention to improve.

The biannual EMS assessments have also enabled us to document from a Group perspective the challenges that are occurring in the regions in which we operate and the solutions that were recommended by our environmental departments in these countries:

- As one might expect, **age of some camps** has been identified as a challenge for complying with the GEMS. We have identified the need to conduct detailed EMS assessments when camp refurbishments are being considered so that EMS upgrades are made in tandem with those of décor and design;
- **Budget** allocations are in some instances a hurdle to camps improving their biannual EMS scores. This is a function of poor prioritisation by line management and it will be necessary to include these issues in performance evaluations before staff can be 'educated' to assign the necessary priority to these EMS issues;
- Recognition of the need and buy-in to the GEMS process by camp management is in some cases below the level expected of Wilderness staff. As a result, environmental departments have recommended that management training includes a significant component on the GEMS and its implementation; and
- **Camp size** was in some cases believed to be a challenge in that larger camps tended to be outperformed by smaller camps, apparently due to lack of defined responsibility among staff for the camps' adherence to the GEMS. It has been recommended that a clear structure and defined responsibility be instituted, especially in larger camps. This will also create an improved sense of ownership and motivation for the staff members responsible for the camps' GEMS compliance.

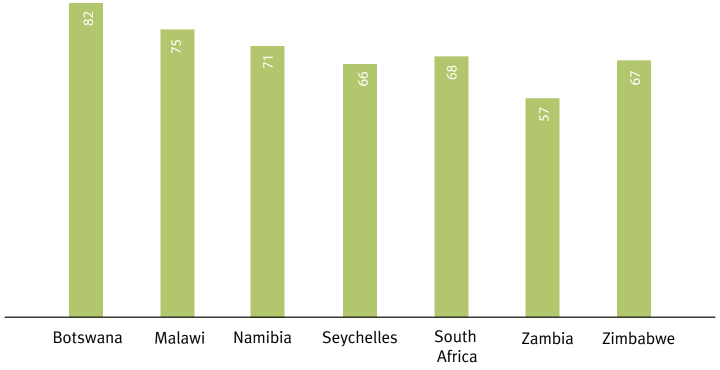


Figure 10 – Average GEMS compliance scores, resulting from EMS assessments performed in 2013 by country

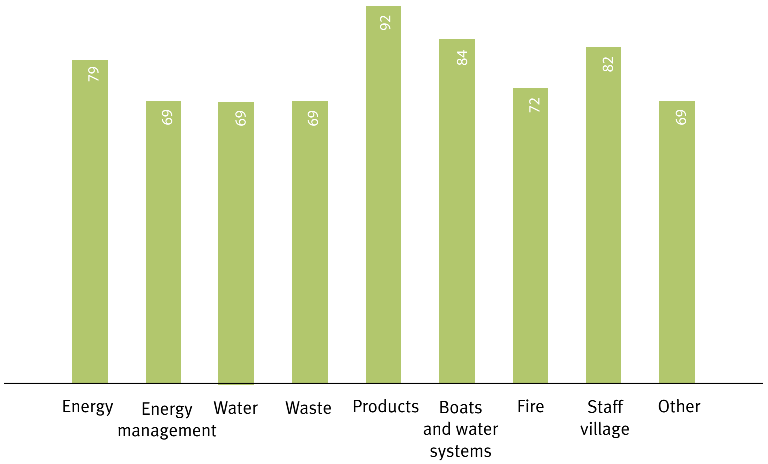


Figure 11 – Average GEMS compliance scores, resulting from EMS assessments performed in 2013 by performance indicators

CONSERVATION (continued)

Goals for 2016

Currently, only 27% of our camps achieve the target 80% compliance with the GEMS. The majority of camps, 55%, score between 60 and 79%. The remaining 18% scored below 60% compliance with our GEMS. We consider this unacceptable and intend that all camps currently in the 60% to 79% compliance category exceed the 80% compliance score by 2016. Those that presently fall below the 60% compliance score are expected to shift into the 60% to 79% range in the same time scale. These targets can be achieved through the implementation of some of the suggested solutions described above, while a greater investment in EMS will also be required. In some instances this will require improved performance under the Commerce C before the necessary capital investment can be justified.

ENERGY AND OUR CARBON FOOTPRINT

We are committed to reducing our dependence on fossil fuels and achieving carbon neutrality of our operational business, excluding vehicles and aircraft for which there are presently no viable alternative technologies. In order to achieve this, our efforts thus far have focused on reducing diesel use through investing in solar power and battery technologies. Diesel generators presently account for 52% of the Group's carbon emissions while also being one of our largest operational costs. In addition, our camps are situated in remote and pristine wilderness areas and delivering diesel to them is a logistical challenge as well as a significant cost. Converting to alternate energies such as solar power is therefore an obvious way in which we can make the greatest positive impact on the Conservation C, as well as making a significant impact on the Commerce C.

Our performance in 2013

During the 2013 financial year we grew our commitment to solar energy from seven to nine wholly solar powered camps: we converted two camps in Botswana and, although still in progress, the two camps in the Republic of Congo have been built as 100% solar powered. In addition, the expansion and refurbishment of Kulala Desert Lodge in Namibia has allowed the camp to be converted to a solar-generator hybrid system, reducing generator use by over 50%. In addition to these nine wholly solar powered camps, a further ten camps operate off smaller solar systems that power each guest unit independently, leaving the generator to only power the main area. Another 30 camps make use of inverter-battery systems that enable them to reduce generator running times from 24 hours to an average of just nine hours daily.

In 2013, the Group consumed 224 072GJ of energy (219 264 GJ as direct energy consumption and 4 808GJ as indirect consumption). As a result, the carbon emissions of the Group reduced by 8% (1 407 tonnes CO_2e) from 17 412 tonnes CO_2e in 2012 to 16 005 tonnes CO_2e in 2013. Carbon emissions associated with our camp operations alone were reduced by 9%, the above-mentioned solar conversions having played a significant role in this reduction. These data are however clouded by the inclusion of the two Congo camps, offset by camp closures in Namibia.

ODZALA – USING ONLY FSC CERTIFIED WOOD FOR CONSTRUCTION

Case study

The GEMS include the requirement that all timber and other relevant building materials used during our camp constructions or refurbishments are Forest Stewardship Council (FSC) certified. This year, the Odzala Wilderness Camps in the Republic of Congo, while still receiving some finishing touches, were constructed using only FSC certified woods from a locally-based credible supplier. The main materials used were 148m^3 of Azobe *(Lophira alata)*, 61m^3 of Bilinga *(Nauclea diderrichii)*, 144m^3 of Kosipo *(Entandrophragma candollei)* as well as 5 185m^2 of Raffia palm *(Raphia sp.)* for roof covering.

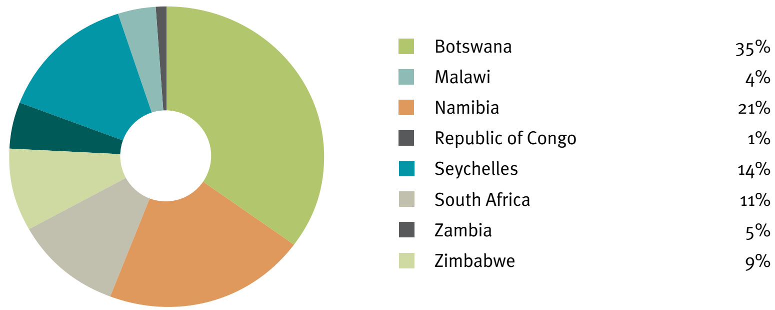


Figure 12 – Contribution towards carbon emissions by country

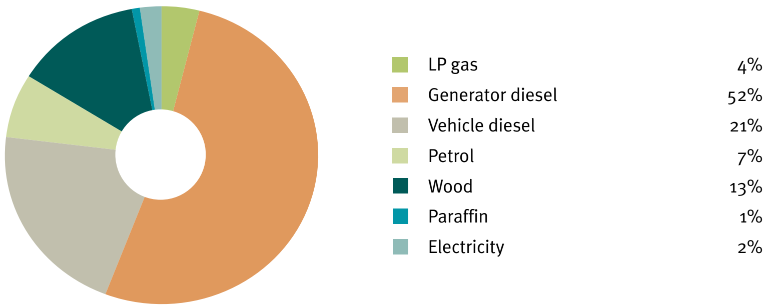


Figure 13 – Contribution towards carbon emissions from camp operations by energy type

Carbon emissions reduced by 8% in 2013 across the Group.

MOMBO AND XIGERA SOLAR PERFORMANCE UPDATE

Case study

In our 2012 Integrated Report we discussed our largest investment into solar power and projected the generator diesel use at Mombo and Xigera in Botswana for 2013. Our target was to achieve a 97% reduction in fuel use, based on the conversion of both camps to 100% solar power and various improvements in camp efficiencies. Our targets have appeared ambitious with Xigera and Mombo achieving 85% and 78% reductions in fuel use respectively. These are still significant savings, reducing fuel consumption across the two operations by 91 454l which amounts to a reduction in carbon emissions of 241 tonnes. The Mombo solar installation experienced some teething problems following the launch of the system which reduced its effectiveness and required the backup generator to run more than was expected. The savings achieved at Xigera were satisfactory and the 85% saving in fuel use seems a more realistic target to set for future camps converted to solar power.

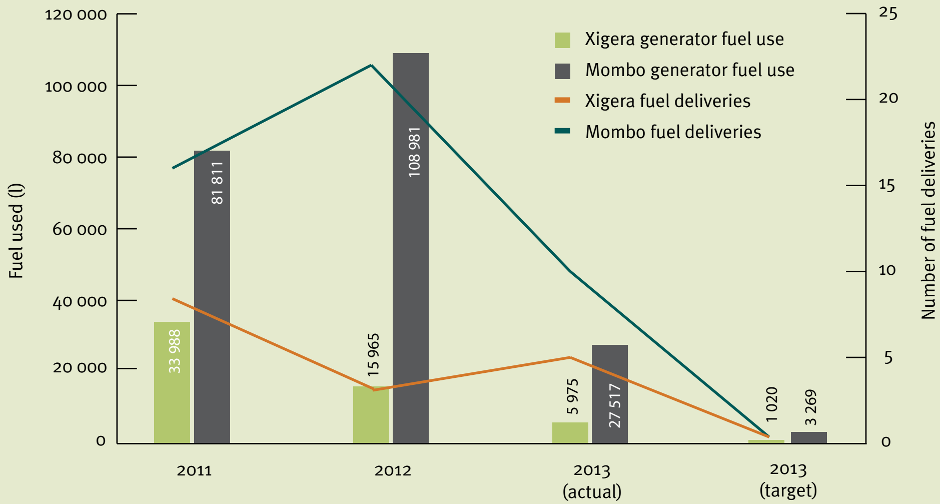


Figure 14 – Actual versus targeted savings in fuel use and fuel deliveries at Mombo and Xigera

CONSERVATION (continued)

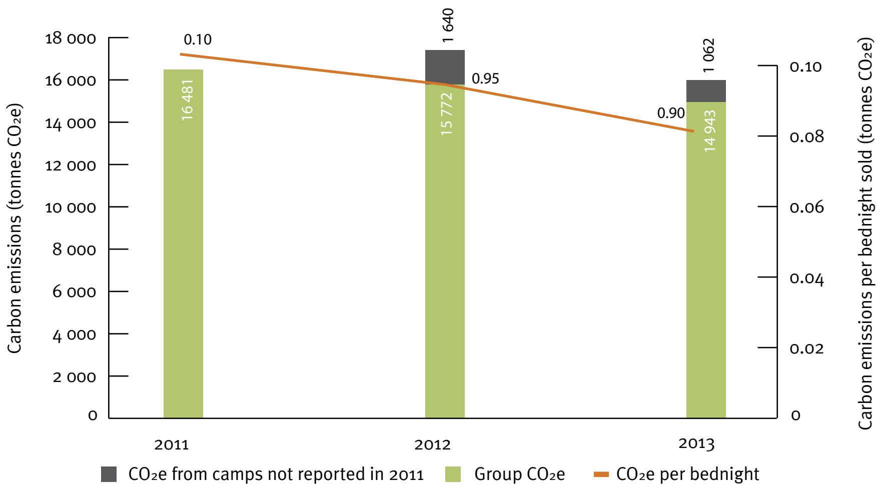


Figure 15 – Group carbon emissions

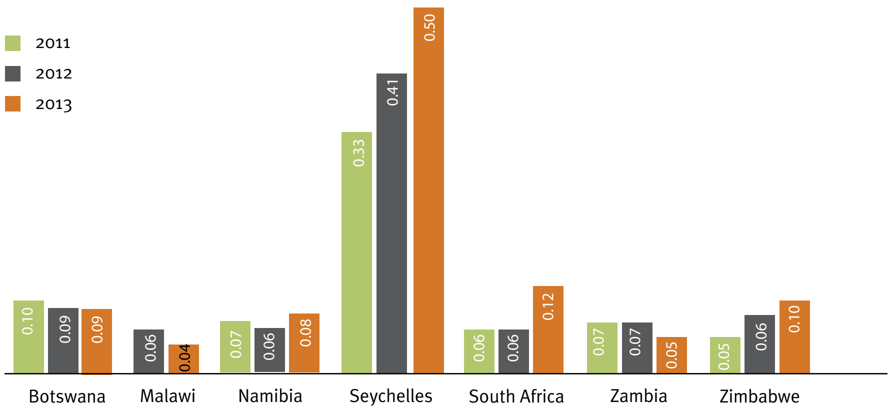


Figure 16 – Carbon emissions per bednight by region (tonnes CO2e)

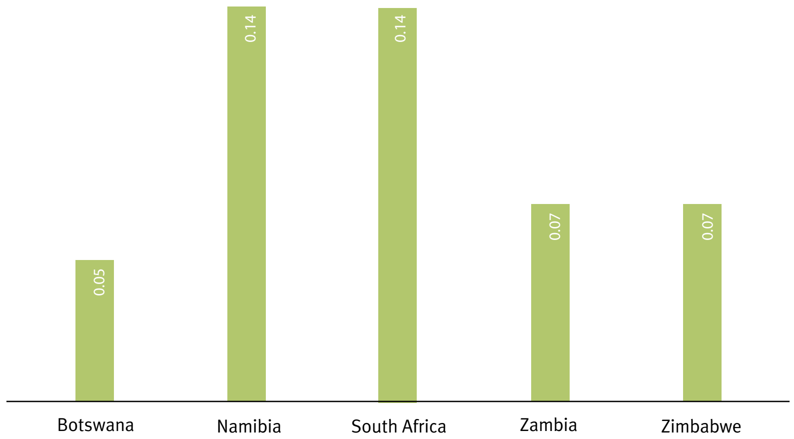


Figure 17 – Carbon emissions per passenger by region (tonnes CO_2e per passenger)

Together with the overall decrease in carbon emissions, the carbon footprint per bednight sold decreased by 7% to just below 0.09 tonnes per bednight[1]. Our Wilderness Air operation achieved a 4% decrease in reported carbon emissions in 2013. However, the 2013 data for the first time include the carbon emissions associated with sub-chartered flights. These amounted to a further 398 tonnes CO_2e for the year. If we normalise for these new data, we in fact reduced emissions by 10%. As a better measure of aircraft efficiency, in 2013 we have measured aircraft efficiency in terms of fuel burn per passenger. The results are shown in Figure 17 above. As the improved flight scheduling system is fully implemented in Botswana, we can expect our Botswana fuel burn per passenger to reduce even further.

Our offices managed to reduce carbon emissions by 16%, most notably as the result of the consolidation of our Zimbabwe and Zambia head offices into a single regional office in Victoria Falls, Zimbabwe.

Our targets for 2016

With further investments in solar power intended for Botswana and Namibia, we expect to achieve a further 10% reduction in carbon emissions in our camp operations over the next three years. Our target for our aviation operation is to achieve a further 4% reduction by 2016 as we continue to improve flight schedules that have already achieved a reduction in flying and greater aircraft load factors in Botswana and Namibia. Taking these targets into consideration, we expect our carbon emissions for the Group to be 14 986 tonnes CO_2e or less by 2016. We expect our carbon emissions per bednight to reduce to close to 0.08 tonnes CO_2e per bednight sold by 2016.

[1] *The CO_2e per bednight has been corrected from the 2012 Integrated Report, which reported carbon emissions of 0.09 tonnes CO_2e per bednight, after corrections in bednights sold were discovered post publication.*

DUMATAU CAMP REBUILD – THE NEW STANDARD FOR WILDERNESS CAMPS

Case study

In 2013, we made progress in improving the environmental designs of our camps with the rebuilding of DumaTau in the Linyanti, Botswana. The camp was in need of a refurbishment and we used the opportunity to move the camp to an improved site and to rebuild it to enhanced EMS standards. We also documented a new Environmental Management Plan (EMP) for the camp which was built on the lessons learned at the previous site.

In accordance with our GEMS guidelines, the camp was built using 418 tonnes of Forest Stewardship Council (FSC) approved wood and positioned off the ground to minimise direct impact, also allowing for easy and effective decommissioning of the camp if required. Other major materials used were 1 341m^2 of canvas, 2 260 bricks, 32 septic tanks and 20 tonnes of cement. Improvements were made to the design of the various bunding areas that ensure no spillage of fuels enters the environment.

Significant improvements were made to various vital camp operational systems. These included:

- **Solar power:** the new DumaTau now operates off a 30kW solar power system. A diesel generator is present for backup purposes only;
- **Solar geysers:** both the staff units and guest tents receive hot water from solar geysers;
- **Solar jars:** DumaTau has reduced the number of paraffin lamps used with the introduction of Console™ solar jars. These are simple systems that have a small solar panel which charges a battery through the day and provides light at night using an efficient LED lamp;
- **Energy saving lights:** the vast majority of the lighting in the new camp uses LED technology, making the camp lighting significantly more efficient;
- **Sewage treatment plant (STP):** the old DumaTau used septic tanks and simple soakaways for the treatment of waste water. The new camp uses a sophisticated above ground STP that treats the water naturally and breaks down solids using bacteria, before allowing the treated effluent to flow back into the environment;
- **Bio-digester:** for the first time in our history, we have invested in a bio-digester. This system takes organic waste from the kitchen and a small portion of the camps' waste water, breaking it down to generate flammable methane gas. This is in turn used in the staff village to cook meals, reducing the use of LP gas. This system has had some teething problems and we are still in the process of learning how to use the bio-digester to its full potential.

DECOMMISSIONING OF SKELETON COAST CAMP

Case study

Wilderness Safaris took over the Skeleton Coast private tourism concession from April 2000. The concession is located within the Skeleton Coast National Park in the Kunene region of north west Namibia. Our right to operate a camp in the concession brought with it the responsibility for managing approximately 16 400km² of the area. We maintained a presence in the area, making observations on wildlife movements and trends in populations. We also assisted the Ministry of Environment and Tourism's (MET) field staff in recording rainfall, performing wildlife census, monitoring larger predators and birds and preventing and reporting illegal activities within the boundaries of the Park. The concession was managed holistically to enhance its habitats for the benefit of the wildlife, as well as to provide tangible socio-economic benefits to the neighbouring communal conservancies.

Skeleton Coast Camp was a 12-bed luxury tented camp designed for low volume, low impact tourism. The Skeleton Coast Research Camp was built to provide a field base for research projects in the area and was located east of the main camp.

Eco-awards Namibia is a mark of distinction for accommodation establishments which are planned and managed according to best practice in responsible tourism and eco-friendly principles. Skeleton Coast Camp was the first ever destination to be awarded the highest score of five out of five desert flowers in this prestigious programme.

After repeated applications and unsuccessful attempts to acquire long-term tenure of the concession and the camp, during which time product quality deteriorated due to our inability to justify camp upgrades resulting from lack of tenure, the Group reluctantly concluded that it could no longer justify ongoing engagement. It was therefore decided that we should withdraw from the concession.

Skeleton Coast Camp and the Skeleton Coast Research Camp were officially closed on 29 February 2012 and we immediately commenced the decommissioning and rehabilitation work. This process took three months to be completed. The decommissioning and rehabilitation was conducted in accordance with our agreement with MET which stated *inter alia* that every aspect of the lodge was to be removed from the site within a specified period of time. This process was conducted in accordance and compliance with Namibia's Environmental Management Act and our Group Environmental Minimum Standards (GEMS). Our aim when decommissioning a site is to leave no evidence of previous operations, an aim we believe we achieved with complete success. In recognition of the high standards of our decommissioning, Eco-awards Namibia awarded Wilderness Safaris a "Special Recognition Award for best operational practice for rehabilitation during the decommissioning of Skeleton Coast Camp".

Before

After

WATER

We operate in a wide variety of landscapes where water availability and quality differ greatly. In many cases, whereas the water is suitable for drinking, it contains high levels of calcium which destroys water meters and makes accurate measurement of consumption difficult. For this reason, not all of our camps are able to accurately measure water usage and we have to rely on extrapolation of results from camps which are able to produce these data. Our Botswana operation was able to provide water data based on extrapolations from seven camps and these were used to calculate water use for our operations in Namibia, Zambia and Zimbabwe. Water data from Malawi, South Africa and Seychelles were based on actual readings.

As alluded to above, water availability across the Group is diverse and some camps have serious shortages of water or very saline ground water. Kalahari Plains Camp in the Central Kalahari Game Reserve in Botswana is a good example. At this camp, we use a rainwater harvesting system off the roofs of the housing to supplement and hopefully reduce use of borehole water. The majority of our camps operate on low pressure systems and therefore use water efficiently, while those on high pressure systems mostly make use of water saving shower heads and dual flush toilets.

Bottled water use is also a concern for us, because of both the cost of supplying and transporting this to camp and the waste disposal problem that it creates in due course. We have had tremendous success with the installation of reverse osmosis systems in our camps treating local water to a state where it is fit for bottling and drinking. This has greatly reduced the use of bottled water since implementation in 2009, with a further average reduction of 34% in bottled water use per bednight in 2013 *(read more in the waste section)*.

Our goals for 2016

As discussed, we will continue to experience difficulty in improving the accuracy of our data on water consumption. We also have doubts about the value of these data in locations such as the Okavango Delta where water is in massive supply and there is no pressing need to reduce consumption. Conversely, in locations such as Namibia where water is scarce, it is important that we reduce consumption. In terms of bottled water, we expect our Namibian operations to reduce bottled water usage to below the 0.5l per bednight which all other regions aside from Seychelles have managed to achieve to date. North Island is very far behind with regard to reducing bottled water use but we do plan to implement an on-site bottling system in 2014. With this planned investment we aim to drastically reduce bottled water use to below 1l per bednight by 2016.

Bottled water use reduced a further 34% per bednight in 2013.

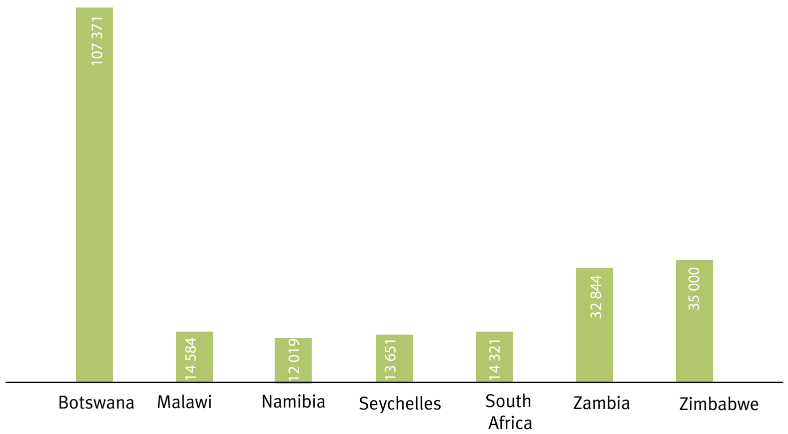


Figure 18 – Water consumption across the Group in 2013 (m^3)

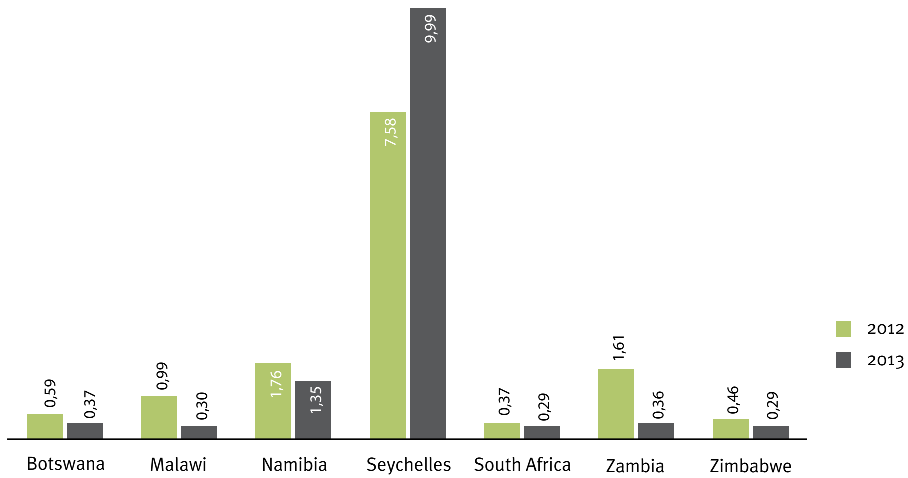
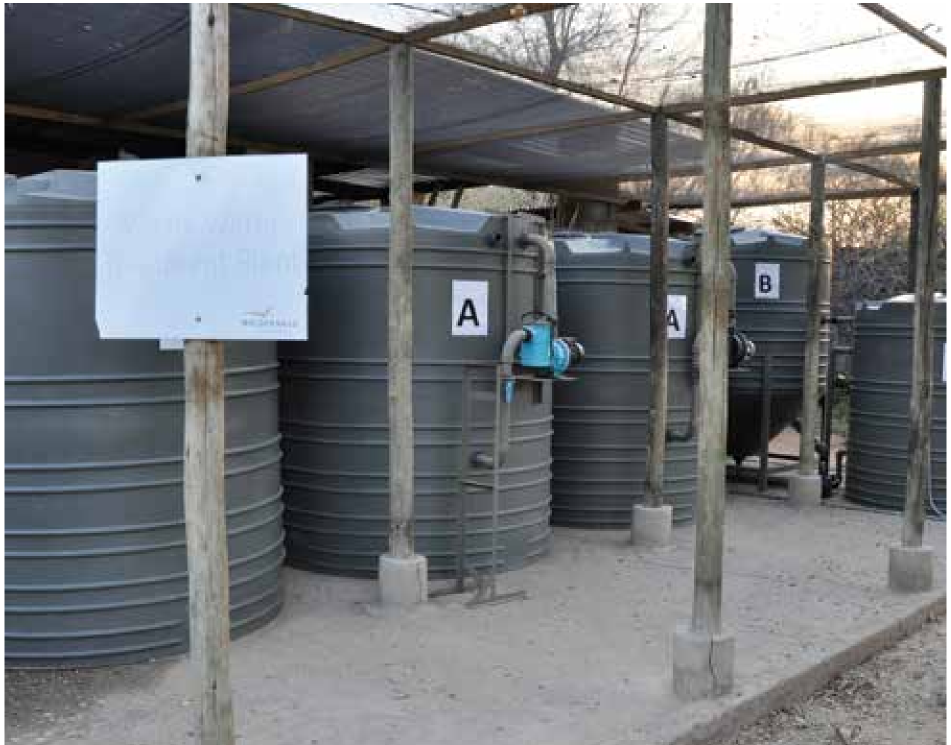


Figure 19 – Bottled water consumption per bednight by country (l)

CONSERVATION (continued)

WASTE

The vast majority of the solid waste in the Group comes from our camps. Organic waste and waste water are the most important categories to manage since, in most cases, this waste is not removed off site. Inorganic waste is collected and sent to the nearest town or city for dumping in landfill, or for recycling. However, recycling opportunities are limited in most of the countries in which we operate, resulting in just 7% of our camps (North Island Seychelles and our South African camps) recycling tin, plastic, paper and glass waste. In 2014, we are expecting new recycling opportunities to arise in Botswana and Namibia. Should this arise, we will embrace this fully. Nonetheless, 91% of our camps already separate the waste, whether recycled or not, to generate a consciousness and an ingrained mind-set that will allow an effortless transition to recycling when this is possible. Approximately 77% of camps also incinerate paper waste on site in order to reduce transport to landfill. As discussed above, bottled water consumption per bednight reduced by 34% in 2013, resulting in fewer plastic bottles being discarded. Assuming that the majority of our guests consume 500ml bottles of water, all regions except for Namibia and Seychelles are consuming less than 500ml of bottled water per bednight.



In areas such as the Okavango where camps are situated in floodplains, or camps bordering rivers such as Toka Leya on the banks of the Zambezi, above ground sewage treatment plants (STP) are installed to ensure that no contamination of ground or surface water occurs.

With respect to organic waste, 75% of our camps dispose of this using pits where the waste is allowed to degrade and once full is covered with soil. This reduces the need for additional trucks coming into our concessions and removing the waste. These areas are carefully managed and designed to make the pits inaccessible to wildlife; however some camps do continue to have problems with ensuring this. The remaining camps have alternate arrangements, such as local pig farmers making use of the waste from some camps in Namibia and South Africa. DumaTau is the only camp with a bio-digester, which makes more effective use of organic waste that produces flammable methane gas used for cooking in the staff village (see case study on page 39).

The management of waste water is another important aspect of EMS that requires especially careful management in areas with high water tables. In areas such as the Okavango where camps are situated in floodplains, or camps bordering rivers such as Toka Leya on the banks of the Zambezi, above ground sewage treatment plants (STP) are installed to ensure that no contamination of ground or surface water occurs. A new STP was installed at the rebuilt DumaTau Camp and similar plants are due to be installed at the Odzala Wilderness Camps before operation in 2014. As a result, this year 35% of our camps now use STPs (27% in 2012) and 65% use simple septic tank systems combined with soakaways (73% in 2012).

Our Wilderness Air operation, together with the many game drive vehicles in our camps, generate significant amounts of used oil. The oil from the camps is stored in drums in bunded areas (impermeable structures that contain any fuel spills) to ensure no potential leaks or spills contaminate the environment. This is then removed from the concessions to the nearest city where it is mostly returned to South Africa for recycling. Similarly, used oil from our aircraft is safely collected and returned to dispensers for safe recycling.

Our goals for 2016

By 2016 we intend to have at least 60% of our camps recycling their inorganic waste. With new recycling agreements looking positive for our Botswana and Namibia operations, this is a realistic target. There is presently no sign of recycling options in Zimbabwe, Zambia, Malawi or the Republic of Congo, but over the next three years we hope to make progress in these countries. The Group needs to enhance efforts in Namibia, in particular, with respect to bottled water usage and expects this operation to reduce this to below a single 500ml bottle per bednight – in line with the other regions' achievements to date. Similarly, North Island in Seychelles needs to improve its efforts to reduce use of bottled water. With planned investments into on-site water bottling as discussed previously we aim to reduce bottled water use at North Island to below two 500ml bottles per bednight.

In terms of organic waste, depending on the success of the bio-digester at DumaTau, we will roll this solution out across the Botswana operation and then onto other regions after 2016. Realistically, we aim to have all Premier camps in Botswana convert their organic waste pits to bio-digesters by 2016.

SUPPLY CHAIN – UNDERSTANDING OUR IMPACT IN NAMIBIA

Case study

In 2013 we began a process to better understand our supply chain and the potential impacts associated with it. Our Namibian operation purchases supplies using a central buying system providing us with a good database to start the process. However, the system was too broad to be useful and therefore needed to be categorised to provide more meaningful results. This allowed us to identify the supplies ordered in greatest quantities and also supplies that may have significant environmental concerns attached.

A total of 56 categories were identified in the central buying system. Each order was quantified according to either mass (kg), volume (l), length (m), or simply quantities of items (e.g. one box of Lays ™crisps). In addition, the monetary spend on the various items was also calculated. Using these various measures we quantified the categories and established a hierarchy in terms of spend and quantity of order. The categories were also rated in terms of the potential environmental impact and our ability to change or improve the supply item or supplier to one with a lower impact. Based on this process, 14 categories were selected for more intense analysis of our supply chain and in order to highlight where our focus needs to move next in terms of measuring the impact and subsequently into how our supply chain can be better understood and subsequently improved.

The graph alongside shows a list of the various supply categories and the quantities ordered in Namibia in 2013. In terms of the weight supplied, our largest category was vegetables at 143 tonnes. Also significant was meat products, at 15 tonnes of beef and 22 tonnes of mutton (including lamb) supplied. Wine was also ordered in significant quantities at 23 456l. The majority of the wine supplied to our camps originates from the Western Cape of South Africa and further studies will determine the impact our orders may have and if preferential suppliers should be selected based on environmental criteria.

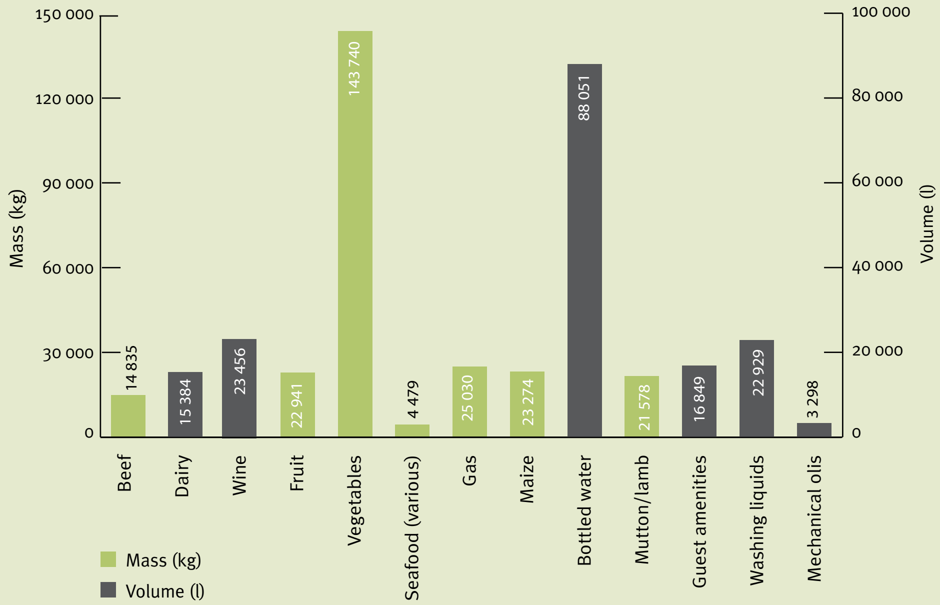


Figure 20 – Supply categories and the quantities ordered in 2013

C

COMMUNITY

People are the heart of our business. The Community section includes all the people related to and part of our business, including guests, staff, community partners, shareholders, NGOs, governments and academic researchers.

HIGHLIGHTS

INTERNAL COMMUNITY

29 employees completed the Wilderness Business School

2 594 persons employed

1 556 members of staff received vocational training

First Employee Engagement Survey conducted in November 2012

EXTERNAL COMMUNITY

BWP8.48 million was paid to community partners in terms of contractual arrangements

BWP2.0 million contributed to various community development projects

572 children attended Children in the Wilderness camps

1 264 children attended Children in the Wilderness eco-clubs





Due to the dynamic range of stakeholders and for the purpose of managing the Community C more effectively, we have divided it into two 'sub-Cs':

- **The internal community** is our staff. They are the interface between our Company and our guests – as well as other stakeholders – and therefore fundamental to our operations. We strive to ensure that they are fulfilled, rewarded and act as valued ambassadors of the Company;
- **The external community** comprises our neighbours, the rural communities that either own the land on which we operate or live adjacent to these areas. (Many of our staff are drawn from these communities and thus form part of both internal and external communities.) We believe in honest, mutually beneficial and dignified relationships with our rural community partners in ways that deliver a meaningful and life-changing share of the proceeds of responsible ecotourism to all stakeholders. Our mechanisms include community-centric employment, joint ventures, education and training, social and health benefits, capacity-building and infrastructure development. External community also includes other stakeholders, including our guests, agents, NGOs, and governments.

GUEST SATISFACTION

One of our most important groups of community stakeholders is the guests who travel with us and stay in our camps. Our guests form part of both our external and internal community. It is obviously critical that our guests enjoy and are inspired by their visits and we continually monitor the extent to which this is happening. This is done through both external (Trip Advisor) and internal mechanisms. Figure 21 shows that since November 2010 there has been a steady improvement in guest opinions of Wilderness.

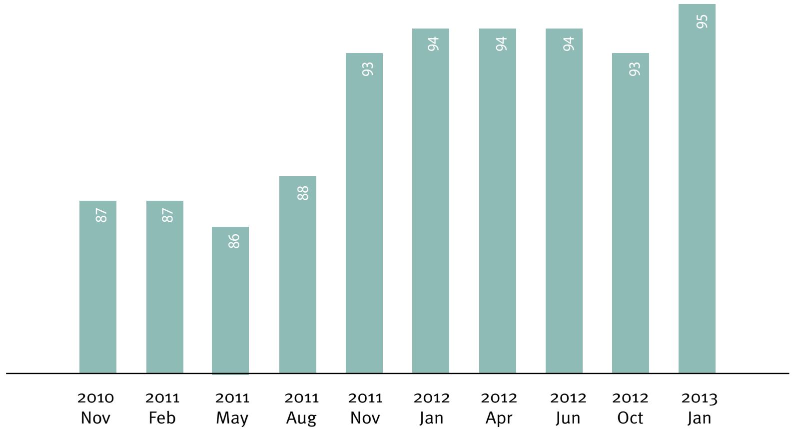


Figure 21 – Trip Advisor results indicating level of guest satisfaction (%)

COMMUNITY (continued)

The graph below shows what proportion of our guests felt that their visit exceeded their expectations and aggregates their views on accommodation, food and activities. 81% of all our guests consider that their expectations were exceeded, an improvement on the nearly 80% who felt the same in the prior period. The Zambezi region (Zimbabwe and Zambia) produced the highest average result for the reporting period.

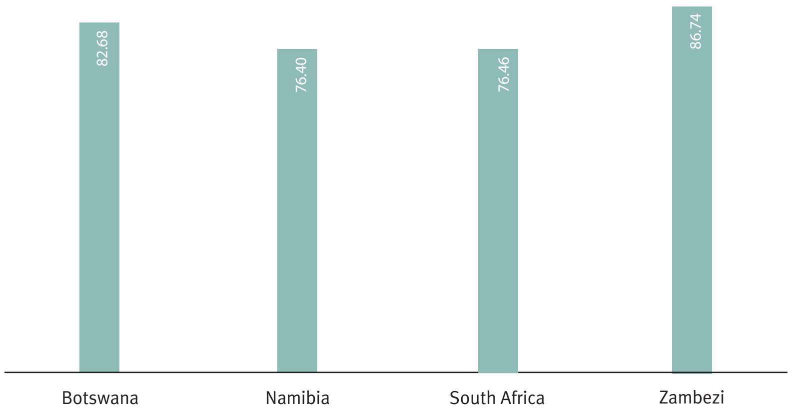


Figure 22 – Visit 'exceeds expectations' (%)

Figure 23 illustrates the percentage of guests who would recommend Wilderness to friends and family. Over 99% of guests in all regions would recommend Wilderness to friends and family, an improvement on the 90% average last year.

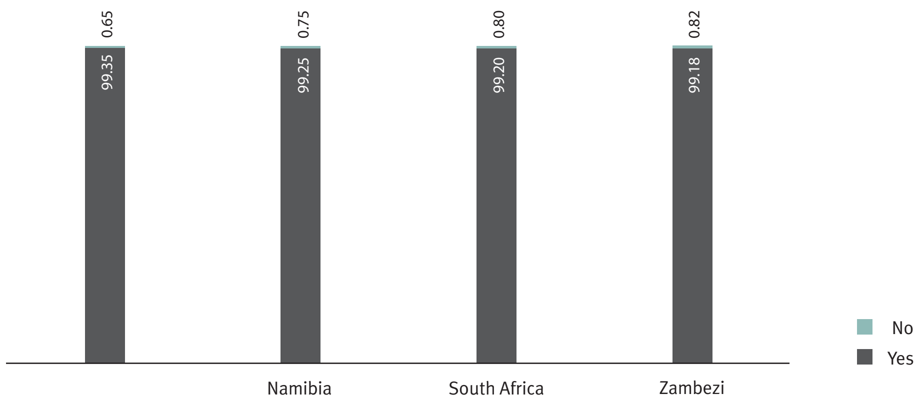


Figure 23 – Percentage guests who would recommend Wilderness to friends and family (%)

Looking in from the outside:
Views from our stakeholders

TRAVEL PARTNER:

Travel Beyond

Travel Beyond is a partner in the US for Wilderness Safaris. We voluntarily market and manage the Wilderness brand in the Americas and worldwide through our online presence and joint PR efforts. Travel Beyond was the first company in the USA to plan travel to Southern Africa (since 1975) and we have worked closely with Wilderness Safaris since their inception in the 1980s in Botswana. Each of our 10 Safari Consultants has on average a decade of experience in planning tailor-made safaris to sub-Saharan Africa and working with Wilderness Safaris. One of our Safari Consultants even managed one of the Wilderness Safari properties in Africa first-hand. We truly believe that the Wilderness Safari properties offer the most exclusive safari experiences and are among the top camps and lodges in all of Africa and the Seychelles.

Travel Beyond's team work closely with Wilderness Safaris on a daily basis to craft the highest quality and most unique safari experiences to be had in Africa for our clients. Each of our consultants has had the privilege of visiting the Wilderness portfolio of properties on annual trips to Africa and the Indian Ocean islands, thus allowing our team to gain the most current and comprehensive first-hand knowledge on the Wilderness Safari camps and lodges. Travel Beyond's collective knowledge of both the Wilderness portfolio and our destination knowledge of Africa is unparalleled.

The long-standing relationship between Wilderness Safaris and Travel Beyond can be attributed to the like-minded focus of our business models and our mutual passion for Africa, the conservation of its wildlife, cultures and the "upliftment" of its local communities. Wilderness Safaris, like Travel Beyond, has been a pioneer in the safari industry for over three decades and our partnership continues to grow to the benefit of the areas we promote and the clients who experience Africa with Wilderness Safaris and Travel Beyond.

Craig Beal
CEO/Owner|Travel Beyond

COMMUNITY PARTNER:

From the KwaMpukane Community Trust

Our relationship started in 2007 with Wilderness Safaris and it is an on-going relationship where the local community are involved in a project.

This engagement benefits the community in various ways:

- Through job opportunity
- Through shareholding we have in the project
- Through new community projects being started
- Through education project at school
- Through donations received

We choose to engage with Wilderness Safaris because they were here not only to take away but to give back to the community.

The engagement process is sufficient because Wilderness Safaris in each and every decision making they don't just decide but they consult us first.

In terms of how Wilderness responds to key topics and concerns, their responses are always positive and they are willing to listen and to take steps ahead.

SJ Ngubane
Chairperson KwaMpukane

Our journeys change people's lives:

Our first trip with Wilderness Safaris was in 2002. This was our second trip to Africa. We fell in love with the warm hospitality we received from the people in Botswana and life in the African bush on our first trip. We were returning to Botswana to once again to enjoy its people and scenes like lilac breasted rollers in flight, lion cubs rubbing cheeks with their mothers and elephants at sunset in the Okavango Delta.

From the literature Wilderness sent us, my husband and I noticed that we could visit a school as part of our safari. We knew that we had a huge luggage allowance when going over the Atlantic, but not once we landed in Africa and began our safari. Not believing in waste, we decided we could fill our luggage allowance with needed school supplies.

Our first step was to contact Wilderness to see what supplies the school needed. Their generous response was to contact the school and provide us with the list as well as committing to deliver the supplies from Johannesburg to our final destination outside Kasane, Botswana.

Armed with the accurate needs list, we set about gathering supplies. On top of hitting all of the back-to-school sales, we asked our friends to also donate materials. Their response was outstanding, and we were able to bring 64 kilos of supplies.

Visiting the school and delivering the supplies was an amazing and affirming experience. The school was well built, however when we gave the principal the supplies, she told us, as she opened the bag which included three dozen rulers, that there was not a ruler in the school. We had observed the children playing soccer with a ball of rags wrapped in plastic. We knew the ten soccer balls would be put to good and joyful use.

The experience clearly fixed in my mind both the need and the possibilities. Over our next two trips with Wilderness, we continued to bring supplies for more schools and an orphanage. Our experiences in bringing needed supplies to communities led me to ask our travel agent why everyone did not do this during their travels. He said, "Because they don't think about it."

That was my 'Aha' moment. I decided that I would find a way to enable people to easily find the information they needed to "pack for a purpose." Michelle Puddu, from Wilderness Safaris, stayed in contact with me and was an invaluable resource. She provided very useful feedback and contacts throughout the process of setting up our all-volunteer non-profit organisation Pack for a Purpose (www.packforapurpose.org).

Since our inception in December 2009, we have grown from 29 lodges and tour companies to over 300 in over 45 countries across the globe. Pack for a Purpose travellers have brought over 9 000 kilos of needed supplies so far. I am thrilled that I have been able, with a small team of talented and dedicated volunteers, to create a website for travellers that positively impacts community-based projects around the world.

Working on Pack for a Purpose allows me to assist others effecting improvements in the health, education and overall well-being of the global community every day. I am able to carry on the tradition of the women in my family from my great grandmother, grandmother and mother of giving back to community. As a traveller, I realised that I was part of the community I was visiting for the duration of my stay and beyond my stay because of the memories and experiences that became forever a part of me. By working on the internet, I have gained a global network of friends. Pack for a Purpose has introduced me to inspiring accomplished people and provided me with joy and a new purpose. Whatever I give to Pack for a Purpose, I receive back in quantities beyond measure.

Rebecca Rothney
Pack for a Purpose

C

Internal community: Our people define our culture, drive our performance, embody the knowledge base and are the key to our success. Because of these realities, we recognise our people as being at the heart of our business.

This is what drives us to employ the best people we can find and then to train and develop them so they have a long and rewarding career with Wilderness. Our people are as diverse as the countries where we operate and more than 70% of our staff come from remote, rural communities. Understanding their backgrounds, perceptions and cultures is central to the way we do business. We acknowledge and value this diversity as it enables us to expand our creativity to respond to the increasingly diverse world of our guests. We strive to employ and develop local talent throughout our business and offer a work environment where all people enjoy equal employment opportunities and respect.

WORKFORCE

In February 2013, the Group had a workforce of 2 594 employees, compared to 2 847 in 2012 and 2 423 in 2011. A number of restructuring processes were implemented during the course of the year in order to streamline certain operations and this explains the changes in numbers. The downturn in the global economy had a profound impact on tourism and on Wilderness with regard to staffing levels and motivation. We will continue to manage the workforce effectively to mitigate employment risks in terms of recruitment, retention, motivation and training.

Our people are as diverse as the countries where we operate and more than 70% of our staff come from remote, rural communities.

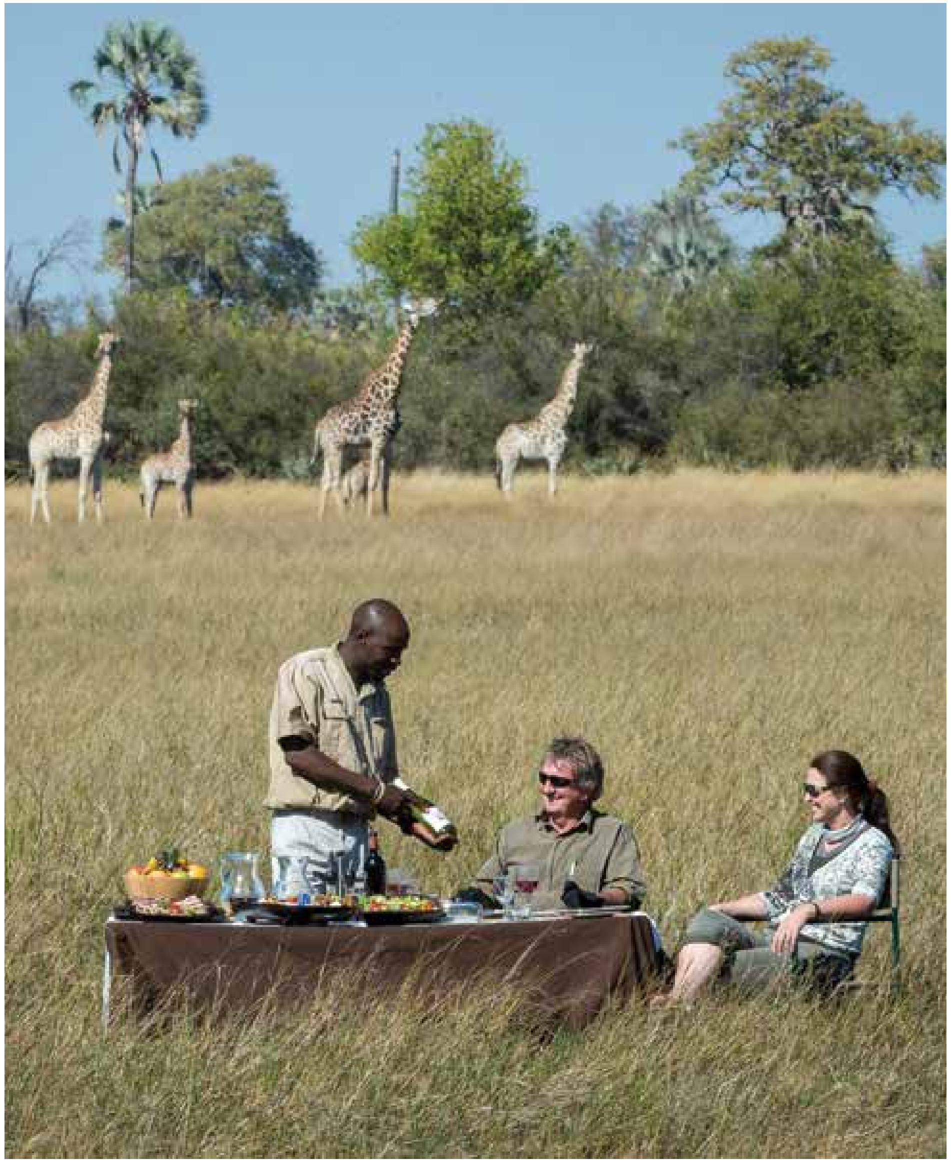


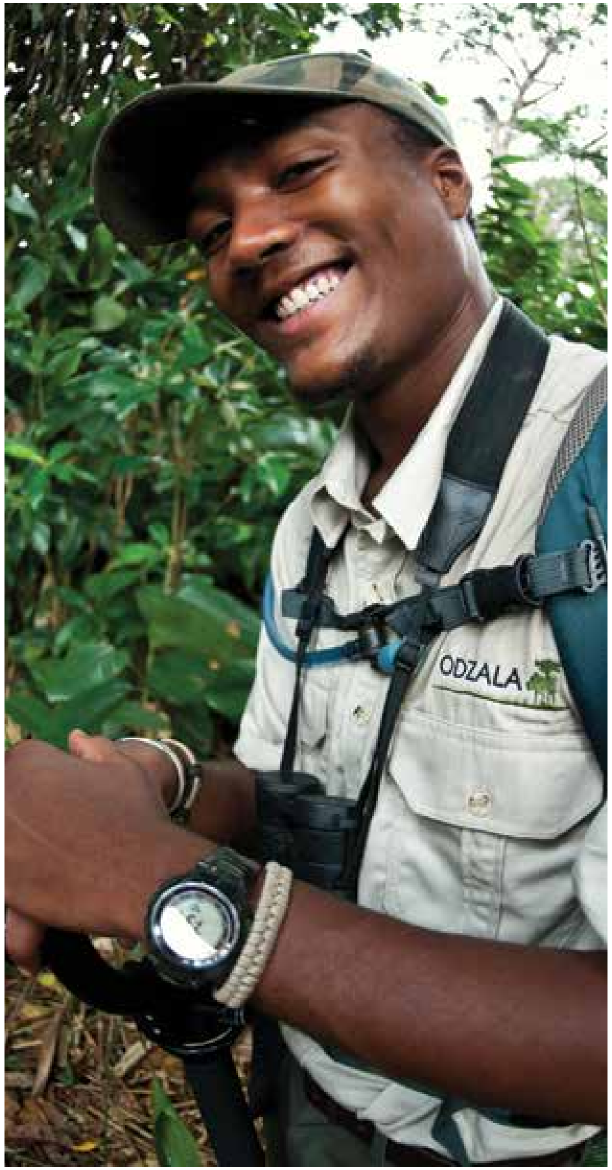
Table 6 – Employees by category across the Group

	Botswana	Congo	Malawi	Namibia	Seychelles	South Africa	Zambia	Zimbabwe	Total
Permanent	1 005	–	210	416	80	314	13	153	**2 191**
Fixed term	31	9	–	104	41	4	84	68	**341**
Seasonal*	–	–	–	–	–	–	51	–	**51**
Casual	–	–	–	–	4	–	–	7	**11**
Total	**1 036**	**9**	**210**	**520**	**125**	**318**	**148**	**228**	**2 594**
Full-time	1 036	4	210	507	125	317	13	221	**2 433**
Part-time	–	5	–	13	–	1	135	7	**161**

Table 7 – Gender and age breakdown of employees

	Botswana	Congo	Malawi	Namibia	Seychelles	South Africa	Zambia*	Zimbabwe	Total
Male									
18 – 30	205	1	70	85	35	21	41	42	**500**
31 – 50	311	4	108	163	48	67	72	119	**892**
Over 50	29	1	–	13	5	16	5	23	**92**
Total	**545**	**6**	**178**	**261**	**88**	**104**	**118**	**184**	**1 484**
Female									
18 – 30	182	1	18	107	17	70	17	16	**428**
31 – 50	298	2	14	142	17	133	13	26	**645**
Over 50	11	–	–	10	3	11	–	2	**37**
Total	**491**	**3**	**32**	**259**	**37**	**214**	**30**	**44**	**1 110**

** The camps in Zambia close from November to April as they become inaccessible due to the high rainfall; hence seasonal employment occurs during the months when the camps are operating. On average, 144 people are employed on seasonal contracts in Zambia between May and November. Most of the seasonal employees are subsistence farmers and, when the camps close, return home to farm their land and look after their livestock.*



COMMUNITY (continued)

Employee diversity

Wilderness endeavours to create a workplace that accepts and respects all employees, recognising the unique contributions that individuals with different backgrounds can make while creating a work environment that maximises the potential of all our people.

We believe that understanding each other and moving beyond simple tolerance encourages our people to embrace and celebrate the rich diversity of our staff body. Diversity and inclusion are fundamental to the Group and are considered essential elements of our management philosophy and training strategy.

We recognise the diversity of our people and believe that skills and talent are not defined by race, cultural heritage, religion, sex/gender, age, origin, disability, gender identity, sexual orientation, education or background. All talent is nurtured to give all people equal opportunity to a long and rewarding career with the Group.

Minority and racial groups are not monitored across the organisation; however, for legislative purposes and employment equity, this information is maintained for South Africa and Namibia.

Table 8 – Employment equity figures for Namibia and South Africa

	Namibia		South Africa			
	Black/ Coloured	White	White	Black	Coloured	Indian
Male						
18 – 30	65	20	6	13	2	–
31 – 50	148	15	31	36	–	–
Over 50	9	4	13	2	1	–
Total	**222**	**39**	**50**	**51**	**3**	**–**
Female						
18-30	90	17	26	33	6	5
31 – 50	125	17	79	35	11	8
Over 50	6	4	9	2	–	–
Total	**221**	**38**	**114**	**70**	**17**	**13**

Workforce nationalities

The Group remains committed to employing citizens of the countries where we operate. Where this is not possible due to lack of skills, education or knowledge, then employment of expatriates is considered. A comprehensive and transparent process is followed with regard to recruitment and all external applicants and employees have a fair and equal chance of being employed or promoted, provided they have the skills, experience, qualifications and competencies to fill the position. Wilderness continues to localise as many positions as possible and to ensure that the workforce is demographically representative of the countries where we operate.

Table 9 – Workforce nationalities

	Citizens			Non-citizens			% non-citizens		
Country	2013	2012	2011	2013	2012	2011	2013	2012	2011
Botswana	926	947	788	110	113	104	11	11	12
Congo	5	n/a	n/a	4	n/a	n/a	44	n/a	n/a
Malawi	205	237	n/a	5	5	n/a	2	2	n/a
Namibia	510	623	635	10	18	5	2	3	1
Seychelles	84	62	69	41	68	54	33	52	43
South Africa	305	351	327	13	11	6	4	3	2
Zambia	140	149	226	8	17	24	6	10	10
Zimbabwe	224	246	257	4	–	–	2	–	–
Total	2 399	2 615	2 302	195	232	193	8	8	8

Workforce turnover

Market volatility has required that we continue to manage our business effectively to ensure that the offering is in line with market requirements and that the business is streamlined and agile. The downturn in the hospitality sector has led to structural changes in the Group with a 9% reduction in our workforce, mainly through closure of lodges and associated retrenchments. Staffing levels also fluctuate during the year due to specific camps being closed during low season or, in the case of Zambia, during the rainy season. We actively engage with our employees, unions, government, communities and other stakeholders to ensure that the impact of this on our people and the environment is minimal. The Company unfortunately lost some key people during the reporting period, however this has given other employees opportunities to further their careers.

Table 10 – Workforce turnover

Categories	Botswana	Malawi	Namibia	Seychelles	South Africa	Zambia	Zimbabwe
Men							
18 – 30 years	51	15	39	14	18	7	8
31 – 50 years	56	19	55	24	19	14	19
Over 50 years	2	1	6	2	9	2	1
Total	**109**	**35**	**100**	**40**	**46**	**23**	**28**
Women							
18 – 30 years	54	–	42	–	21	9	8
31 – 50 years	50	–	47	10	34	10	4
Over 50 years	–	–	1	–	3	–	1
Total	**104**	**–**	**90**	**10**	**58**	**19**	**13**
Reason for turnover							
Resignations	135	11	101	23	68	9	31
Dismissals	39	20	9	13	–	4	1
Deaths	3	–	1	–	–	–	2
Absconded	6	–	4	–	–	–	–
Retrenched	4	–	52	–	7	7	–
Contract not renewed	11	3	22	14	23	21	6
Retired	15	1	1	–	6	1	1

Congo has only been operational for six months with employees on a six-month fixed term contract and hence no labour turnover has been recorded.

Table 11 – Workforce turnover percentage of the Company

Botswana	Malawi	Namibia	Seychelles	South Africa	Zambia	Zimbabwe	Total
21	17	37	40	33	28	18	**26**

COMMUNITY (continued)

WILDERNESS LEADERSHIP DEVELOPMENT

Case study

The first programme of the Wilderness Business School ended in October 2012 when the 29 participants presented their final business improvement projects to a panel comprising Wilderness executives and stakeholders. In total, five projects were presented by teams of participants after working on these projects for three months following the final two modules of the School. Module 3 'Service Delivery' was held in Cape Town in March 2012 and Module 4 'Operational Process and Efficiencies' was held in June in Victoria Falls, Zimbabwe.

Feedback from the participants has been most encouraging and positive and has aided the Company in the process of leadership development. Not only did the programme focus on international business practices, it allowed the participants from different business units to interact and to gain a deeper and broader understanding of the business as whole.

A second programme will be run in 2013, together with a refresher course for the first intake. The leadership development programme of the Wilderness Business School has been a vital platform to share knowledge and information and gain an understanding and buy in on specific company aspects such as the Strategic Plan, Vision, Mission and Values.

TALENT MANAGEMENT

The volatile market conditions place particular demands on us to remain agile and responsive while increasing operational efficiencies. In order to increase productivity and ensure we have the right talent, in the right roles, our employment policies are continually reviewed and updated to reflect our belief in offering a competitive workplace environment for all people. Our recruitment policy is continually evaluated to ensure it is professional and that the process gives all candidates, internal and external, a fair and equal opportunity for selection and placement. We remain committed to high standards in the provision of our services and reject all forms of tokenism and paternalism in our endeavour to achieve equity and fairness.

We believe that talent drives performance and therefore we invest in talent management to select the best person for each job. During the course of the reporting period, various restructuring processes were implemented which also provided mobility for some employees and the opportunity to work in other regions. This has proven to be successful for both the individuals and the businesses concerned. The Company will continue to evaluate the merits of the mobility programme and, if possible, give more employees this valuable opportunity. Unfortunately, this programme is restricted in many areas of operation due to work permit challenges that are faced in some of our host countries.

The Values of the Company were updated and rolled out together with the revised Vision and Mission. This has been enthusiastically embraced by the employees and has forged the relationship between them and the Company, thus building commitment and support specifically during periods of change.

EMPLOYEE BENEFITS

The report of the Remuneration and Nomination Committee (see page 88) spells out the Group's remuneration policies. Our remuneration policy ensures that all employees are paid a fair and equitable market-related package according to their level of skill, competency, experience and qualifications as well as the role and level of responsibility they fulfil.

No changes to employee benefits have occurred over the reporting period. All statutory requirements are adhered to in each country of operation. These requirements vary by country but generally the Group ensures that employees based in the bush (temporarily, seasonally or permanently) receive housing, transport to and from their place of work before and after their leave cycle, as well as food, rations and uniform.

Full-time and permanent employees have the opportunity to join a medical aid fund, with the Company covering 50% of the cost of the individual employees. In Namibia and South Africa, full-time permanent employees are required to join the Company pension/provident fund.

On approval by the Remuneration Committee, and taking into consideration the financial performance of the Group, performance bonuses and incentives may be awarded to permanent employees.

REMUNERATION POLICY

No explicit imbalance in remuneration is evident in the business. However, remuneration between the various regions may seem to be disparate due to local legislation. In some instances, camp-based positions earn less than office-based positions, although on a similar band. This is due to the fact that office-based personnel have higher living costs and do not benefit from lodging and food as do camp-based staff. Often couples are employed as camp managers and the overall responsibility is usually given to the man, hence he receives a higher remuneration due to the responsibility the position carries.

NOTICE PERIODS IN REGARD TO OPERATIONAL CHANGES

The Company believes that all people have the right to timely and effective consultation when operational changes are being contemplated. Such consultation is done with employees and other relevant parties (where applicable) to minimise any adverse consequences that may arise from changes. The minimum notice period regarding significant operational changes remains unchanged and is one month before the intended date of implementation and usually communicated both verbally and in writing. If deemed necessary and appropriate, the Company may give longer notice periods.

COMPLIANCE WITH INTERNATIONAL LABOUR STANDARDS

Respect and recognition for all people, cultures and genders continues to be a fundamental principle in Wilderness. Ensuring a safe, respectful and fair workplace is of prime importance in all the regions where we operate. We aim to meet or exceed all relevant global labour standards ethically and with dignity.

The Group strives to:

- Provide the opportunity for all our people to enjoy freedom of speech, free from fear and victimisation;
- Promote progress and better standards of life for all our people;
- Reduce and ultimately eliminate any social and economic inequalities and imbalances that may exist in our operations and promote a fair and equitable working environment;
- Promote and strengthen integration into society by contributing to the reduction of any disparities in economic development in the working environment in the countries where we operate;
- Eliminate all prejudiced assumptions about qualifications and experience;
- Develop skills and empower our workforce;
- Pragmatically balance the requirements of non-discrimination and job security; and
- Ensure that all employees have the opportunity to attend training and development which incorporates understanding and tolerance of all cultures.

All HR policies and programmes are based on the International Human Rights Charter as well as the labour standards within each host country. Although our employees are not specifically trained on the International Human Rights Charter, the principles thereof are incorporated in all aspects of operation and are the foundation for the Wilderness Credo and employment contracts.

COMMUNITY (continued)

Case study

EMPLOYEE ENGAGEMENT SURVEY

In November 2012 an employee engagement survey was carried out to establish a measure and understand the experience that employees have working for the Group and their levels of commitment. This survey was conducted with the aim of understanding what needs to be improved to develop the Wilderness culture of engagement, passion and commitment.

A combination of online and paper-based questionnaires were used with a total of 1 104 valid responses received, equating roughly to a 67% response rate taking into account employees on leave and closure of some of the camps.

The questionnaire was specific and developed for Wilderness by an outside company. The various questions were specifically chosen to provide information on certain elements and then examined in more detail to understand the critical areas that need input for improvement. Most of the questions focused on the employees' personal experience within the business units where they work, rather than their perceptions of Wilderness as a whole.

In the survey, employees' recognition of the Company, its brands and products, our workplace culture and environmental responsibility and the quality and empathy of the various business unit managers received the highest satisfaction ratings. Growth and development opportunities, as well as recognition and people management, scored the lowest.

Based on the results of the survey, the Company has committed to improve employees' experience and address the weaknesses identified. This was the first study of this kind to be done and is the benchmark against which future surveys will be measured. It is hoped to repeat this process annually.

DISCRIMINATION

No incidents or violations involving either the rights of indigenous people, or any other form of discrimination, were reported over the reporting period. The Group has an explicit policy that no person under the age of 18 will be employed and in turn this will protect the rights and welfare of children. The Group has an Ethics hotline where employees can report any incidents of corruption, discrimination, unethical behaviour or fraudulent activity. This is an anonymous hotline and all incidents reported are investigated and, if necessary, appropriate action is taken.

COLLECTIVE BARGAINING AGREEMENTS

We respect the rights of our people as contained in the Universal Declaration of Human Rights which includes their right to associate freely and bargain collectively through a work union of their choice without victimisation or retaliation. Currently, 314 employees or 12% of our workforce are represented by a trade union, compared to 10% in 2012. Collective bargaining agreements are in place in Zimbabwe, South Africa and Namibia. Union negotiations took place in Namibia, South Africa and Zimbabwe and these focused on wage agreements and employment conditions. The Company will continue to bargain in good faith and maintain good relationships with the various work unions.

HEALTH AND SAFETY

The health and safety of our people remains one of our top priorities. We aspire to create a workplace with minimal risk of accidents, injury or health issues. Health risks experienced in our operations are those associated with chronic diseases such as malaria, TB, asthma, HIV and hypertension.

First aid training continues to be a matter of priority for all employees and it is compulsory for all our guides and managers to have valid first aid certificates.

Peer Educators play an important role in the welfare of our employees in the camps and regions. We continually ensure that they are given updated training to ensure they are well versed to assist their peers in all matters relating to health. In cases where this is beyond their capabilities, they refer this to the relevant health care professionals.

Our health and safety statistics have improved over the last year. Workplace injuries decreased by 90% and 15% fewer sick leave days and 37% fewer unpaid leave days were taken. We are delighted to report that, for the second year in a row, no work place fatalities occurred.

The total recordable injury frequency rate, which is an index of all work-related fatalities and all injuries caused in the working environment, decreased compared to the prior year. The work-related injury rate is used to classify work-related injuries and illnesses and helps us identify any problems that may exist in order to improve our health, safety and wellness programme in the Group.

Table 13 – Work-related injury rate

	Lost time incident rate *	Lost days
2013	0.35	13 055
2012	0.74	16 514

**Lost time incident rate – Sum of lost workday injuries, based on lost-time incidents per 200 000 hours worked. This index shows the number of injuries that rendered the injured unfit for duty.*

Table 12 – Health and safety statistics

Category	Botswana	Congo	Malawi	Namibia	Seychelles	South Africa	Zambia	Zimbabwe
Injuries	1	–	2	4	3	–	2	–
Paid sick leave days	3 039	14	468	316	347	573	446	1 066
Lost days due to unpaid absenteeism	6 186	–	282	160	–	157	–	–
Work-related fatalities	–	–	–	–	–	–	–	–

3 510 days were lost due to a strike at Pafuri which ended on 2 August 2013 and staff returned to work on 6 August 2013.

We are delighted to report that, for the second year in a row, no work place fatalities occurred.

C

COMMUNITY (continued)

PREVENTATIVE HEALTH CARE

We engage in a wide variety of preventative health care and wellness initiatives to ensure that the workforce remains healthy and productive. The following is an illustrative sample of the major activities conducted:

- The Namibian operation is a member of NABCOA (Namibia Business Coalition on Aids) and has contracted them to train all the Peer Educators in the camps and offices. NABCOA visits various camps on a monthly basis and gives presentations to the staff. At the same time, updated training is given to the Peer Educators on all topics related to HIV and wellness in general;
- International health days such as the World Diabetes Day, Anti-tobacco Day, World Malaria Day, World TB Day, World Aids Day are recognised to promote prevention, education and awareness of various health issues that may impact on the health of our people. Posters and educational materials are displayed and distributed throughout the business;
- The revised Botswana government protocols for HIV care and treatment came into effect on 1 April 2012. The changes are based on the WHO guidelines for developing countries. The Company health care professional attended the government workshops regarding the changes and thereafter held workshops to disseminate the information to employees in the camps and offices;
- 2013 brought significant change to first aid training for managers and guides. The Wilderness emergency response training focuses on decision making skills, judgement and techniques needed by staff to confidently and safely manage emergencies in remote areas. This is supported by continued competency based learning through monthly execution of scenario participation. The rollout of this programme was conducted with the assistance of AfricaSafe-T;

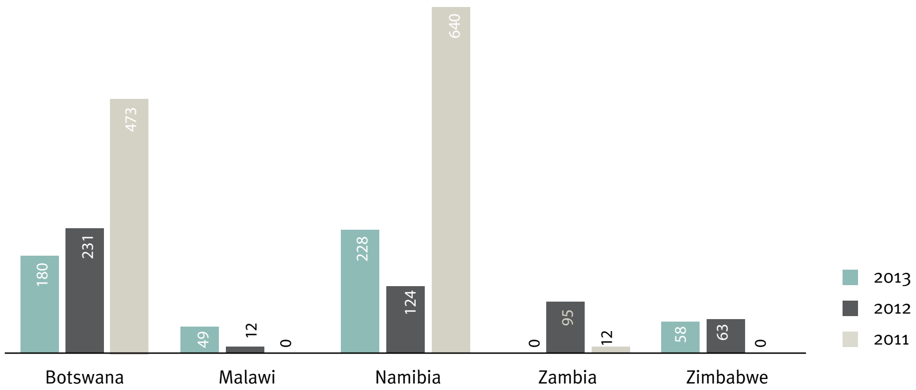


Figure 24 – Employees tested for HIV

Note: Due to the restructuring process, Zambia did not carry out any internal HIV testing. However, employees were encouraged to visit clinics and government facilities to keep track of their status and receive the necessary counselling and treatment. Due to this, no statistics are available for Zambia for the reporting period.

- North Island Seychelles established a welfare committee which was tasked to implement welfare initiatives and develop a monthly welfare calendar. Initiatives to date have included employee of the month and year, a new induction process and policy, recognition of specific welfare issues such as cancer and drug and alcohol abuse, an anonymous counselling hotline and monthly staff day trips. HR established a centre of excellence that provides training, welfare and recreation facilities to staff on the island. The emergency response plan was updated and training was presented to all employees;
- As part of the HIV programme in South Africa, the Company, together with the medical aid fund, ran a wellness day in the offices where all employees had the opportunity to have a confidential HIV test. The wellness day also gave employees the opportunity to test their glucose levels and blood pressure. A biokineticist was available to test employees' levels of fitness and a dietician was on hand to assist with all diet-related questions and concerns; and
- Most of the citizen employees in the Congo have not been exposed to the hospitality industry, so considerable on-the-job training took place. All managers also received first-aid training.

Table 14 – HIV prevalence rate for last three years

	Positive		
Country	2013	2012	2011
Botswana	9%	5%	7%
Malawi	18%	52%	n/a
Namibia	10%	8%	3%
Zambia	n/a	9%	17%
Zimbabwe	14%	33%	n/a

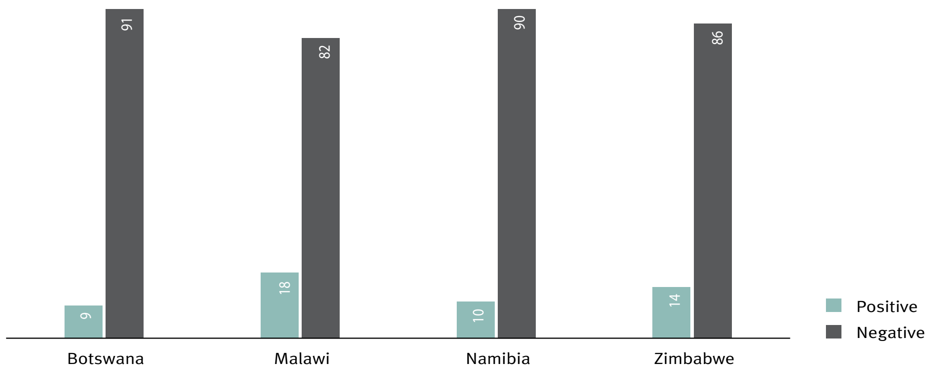


Figure 25 – HIV prevalence rate (as percentage of staff tested)

SERVICE STRATEGY AND INITIATIVES

Case study

The Service Strategy continued in 2012 from the solid foundation created in 2011. The focus in 2012 was on Service and developing a Service Culture within the business. One of our greatest achievements was systemising methods for capturing guest feedback and we now have the ability to properly measure our service. This feedback allows us to critically examine and continually improve our offering to our guests. At Wilderness, we recognise that our greatest marketing tool is word of mouth and this has been used as a powerful tool in consistently driving a service culture and a "can do" attitude through our business.

In 2012 we investigated each area of our offering and identified what we do well and what needs improvement. We spent much of the year on our food concept and on developing skills in compiling menus, placing the right employees in the right positions and offering a great deal more comprehensive training in our kitchens. Although we have only recently developed the platform it is obvious that we are starting to reap the results.

We continue to work closely with Lobster Ink in our training initiatives. This year, greater emphasis has been placed on the practical assessment of our staff and this process has been encouraged by management. The engagement of management has been a key focus with an understanding of the responsibility to drive, motivate and constantly encourage employees to use the learning platform.

A Wilderness course has been designed and developed on the Lobster Ink Training platform. This comprises 150 individual lessons tailored around the Wilderness Standards, departments, history, geographic locations, projects and people. Over 30 Wilderness camps and 150 employees were filmed in the development of this course and various training manuals were scripted to create a dynamic visual learning experience to create a unique Wilderness qualification. This course represents the true cultural, procedural and practical understanding of the Wilderness Way – an open invitation to everyone involved with Wilderness to showcase their abilities, dedication and ambition.

Wilderness continues to demonstrate focus and determination in our service initiatives and it is our aim to empower, inform and inspire our people in the pursuit of the highest levels of guest service.

COMMUNITY (continued)

PERFORMANCE MANAGEMENT

HR continues to play a critical role by creating and sustaining a workplace culture with people management practices and initiatives that encourage, reward and support behaviour focused on quality service. Biannual performance and career development assessments are conducted for all middle and junior level employees. 89% of our employees received performance reviews during the reporting period and this is a 2% increase over the prior year.

TRAINING AND DEVELOPMENT

Training and development continues to play a vital role in the upliftment of the communities where we operate as well as to create career opportunities for our people. The Group human capital initiatives continued to focus on building capacity and confidence to maintain momentum and employee resilience in ensuring that all our employees have the appropriate resources to deliver high quality service to our guests. We are committed to giving our people the knowledge and skills to take them forward in their careers, as well as to improve their lives and lifestyles.

Programmes for skills management and lifelong learning are offered by the Company to assist all employees in managing their careers. The three platforms that are currently in play in the business include a full-time operational training department in each host country, the Lobster Ink training platform in each host country, as well as the Wilderness Business School.

Various training programmes were run in each area of operation depending on the needs of the region as well as the skill level of the employees, for example:

- The Botswana training department successfully retained all accreditations after the BOTA (Botswana Training Authority) five year audit ensuring that it can continue as an accredited school and leader in hospitality and guiding training in the country;
- Twelve Botswana trainees received their internationally recognised management certificate when they graduated from the fourth management course. Eight Wilderness trainers received their full accreditation from BOTA as trainers and assessors. The Company believes that it is imperative to have good working relationships with various stakeholders and government departments and therefore agreed to include six students from the Department of Wildlife and National Parks in the guide training course;
- Wilderness Air also conducted various training programmes during the reporting period. Formal courses included a supervisory skills, dangerous goods training, occupational health and safety, safety management course, financial management for non-financial managers and a Basic English language course. The pilots received ongoing training with regard to safety and flying as well as licence renewals. Training at Northern Air Maintenance included aircraft mechanic courses, a taxation course for the financial team, management training, PT6A engine training, safety management training, turbine tracker training, Cessna 208 maintenance training, aircraft structure, as well as avionics and radio training;
- New courses were designed and delivered in Namibia specifically focusing on managers, emerging managers and chefs. The Wilderness Hospitality + One course was rolled out and 54 managers were trained on these standards;
- Various training courses were held across the regions to give our guides the necessary motivation and knowledge to improve their skills and the guest experience; and
- There was a renewed focus on the training and development of employees in the Travel Shops. A new training course was launched which included both formal, systems training and informal on-the-job training to ensure that the consultants were well skilled in all aspects relating to bookings and our products.

Table 15 – Average hours of formal training per employee per annum

	Botswana	Congo	Malawi	Namibia	Seychelles	South Africa	Zambia	Zimbabwe
2013	269	3	3	95	14	115	15	23
2012	95	n/a	2	66	8	68	13	19
2011	51	n/a	n/a	17	35	43	43	15

Lobster Ink training platform

The Lobster Ink platform has been rolled out in Namibia, Botswana, Zambia and Zimbabwe and South Africa. This platform has proven to be successful due to its easy accessibility and the flexibility it affords employees. They can view the various modules at their own pace and in their own time. The modules have been based on service and hospitality and, with the design of the new Wilderness course, it is hoped that it will be rolled out to other business units in the near future.

Table 16 – Staff activity and average test results using the Lobster Ink training platform

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	YTD
Botswana													
Staff active on system	52	95	118	106	107	117	96	65	61	61	63	61	192
% staff active on system	15	27	34	29	29	30	24	16	16	14	9	14	72
Average no. tests per student	19	14	12	16	17	12	13	10	13	8	10	7	47
Average % per test	77	89	87	76	77	77	77	75	73	75	70	74	78
Namibia													
Staff active on system	87	86	106	91	67	55	71	42	44	42	46	58	174
% staff active on system	25	25	30	27	20	16	21	13	13	12	12	19	57
Average no. tests per student	5	8	8	10	8	7	7	5	5	6	5	6	30
Average % per test	72	73	74	72	73	72	75	71	71	70	73	63	75
Zambezi													
Staff active on system	22	22	54	37	31	54	51	35	25	31	19	21	116
% staff active on system	9	9	23	16	13	22	23	22	11	16	10	11	59
Average no. tests per student	4	10	6	7	8	6	1.5	1	5	7	8	6	21
Average % per test	76	82	75	76	76	80	73	80	75	76	73	73	80

TRAINING SUCCESS STORIES

Case study

Eunice Gwendolyn Karigus was born and bred in Windhoek and started with Wilderness in 2010 as a scullery lady. She was initially introduced to the Company as an intern, as part of a community empowerment programme run by Jermain Ketji, our community liaison manager. Her ability to work with guests and her service oriented nature was quickly recognised and she was promoted to a waitress after a month.

While waitressing, Queen (as she is known) received basic administrative and reception training and would assist management on busy days. She spent a year at Kulala Desert Lodge until 2012 when she was moved across to our Premier Camp in the area, Little Kulala. Queen settled in to this Premier Camp easily; she was mentored well by the managers here and was swiftly promoted to Front of House Supervisor.

In 2013 The Emerging Managers programme was implemented in Namibia and Queen was chosen as one of four Emerging Managers with the aim of training her as an assistant manager for Wilderness Namibia in 2014.

When **Onneetse Mazunga** finished her 'O' Levels she was considering becoming either a teacher or a nurse. Unfortunately, even though she had great marks at school, she was turned down for two years running. Feeling disillusioned she decided, instead, to apply to the Botswana Wildlife Training Institute.

She was accepted in 2002 and completed a Certificate in Tourism. Her passion for wildlife and nature was boosted when she went to Mombo Camp, in 2004, to visit her boyfriend. This visit inspired her to join Wilderness Safaris and she was employed as a hostess/Front of House Supervisor.

Wilderness Safaris noticed her enthusiasm and willingness to work and she was soon put on the Localisation Management Training Programme. In 2006 she qualified as a Camp Manager and has been employed as such since then. She has managed both Classic and Premier Camps and is now one of the strongest and longest-standing managers in the Company working as the General Manager of Kings Pool.

External community: Includes all our guests, communities with whom we engage, communities who live in or around the conservation areas where we operate and other partners, including NGOs, governments, academic researchers, etc.

This chapter focuses on the rural communities with whom we engage because of the impact that they can and most likely will have on the future of our business.

OUR COMMUNITY ENGAGEMENT GOALS

The profitability and sustainability of our business depends upon the health of the wilderness areas in which we operate and the ecosystems and species they seek to conserve. This will be determined by the attitudes and behaviour of communities living in or adjacent to protected areas who frequently bear the costs of conservation through human-wildlife conflict (HWC) and the opportunity costs of not being able to use conserved areas for settlement or agriculture. As a result, there is a direct correlation between the success of our business and the 'goodwill' and support of surrounding communities.

Our community engagements and development activities recognise these realities and broadly aim to ensure that neighbouring communities value conservation areas and thus will ensure their long-term sustainability. We endeavour to achieve this through finding ways to translate conservation and ecotourism successes into meaningful, real and visible socio-economic benefits for local communities.

Our Children in the Wilderness (CITW) programme is our main external community engagement. This aims to reduce poverty, improve living conditions and enhance local education systems. This is done through improving school infrastructure, introducing eco-clubs, scholarship programmes, feeding schemes and the promotion of small community businesses. Working together, improving social welfare, promoting education and developing environmental leaders, we hope to inspire the children to care for their natural heritage so that they can become the custodians of these areas in the future.

OUR COMMUNITY ENGAGEMENT METHODS

In order to achieve our goals we have implemented a wide range of engagements with local communities, including:

- Our Children in the Wilderness (CITW) programme;
- Various formal community partnerships;
- Preferred employment of local community members;
- Preferred use of local suppliers of good and services; and
- Development of various community and social welfare projects.

Community development projects and CITW will be described later in this chapter.

As part of our commitment to our 4Cs sustainability framework and rural communities' pivotal role in this, we feel it is important to give back where we can. To do this, we support local socio-economic development and efforts to raise conservation awareness and reduce poverty. Our position close to many remote, rural areas gives us the opportunity to assist in community development and to develop partnerships with communities living in and around the conservation areas. Based on socio-economic surveys and experiences to date we have developed a Group Community and Culture Strategy for 2013-2016. The strategy includes our vision and mission, with achievable goals and objectives, which will be measured and accordingly updated and adjusted.

Our relationships with communities and other stakeholders are either formal or informal and depend on the specific project and its requirements. The nature of the relationship will determine the degree of involvement of community members, the level of benefits they receive and the extent of capacity building, skills development and training.

- Formal relationships include any contractual agreements and take the following forms:
  - Employment and the associated payment of wages and salaries;
  - Joint ventures of various kinds;
  - Formal contracts with local suppliers;
  - Contractual agreements with communities in terms of employment, suppliers, etc; and
  - Formal, as well as on-the-job skills training and development;
- Informal relationships are not contractually binding but are no less important and have developed in all regions. These include:
  - The Children in the Wilderness programme, including annual camps and eco-clubs;
  - Other community projects, including libraries, scholarships, feeding schemes, vegetable gardens, etc.;
  - Sale of locally-made curios to guests;
  - Provision of administrative, logistical and other support to NGOs, academic researchers and communities in our areas; and
  - Empowerment and upliftment impacts that result from joint ventures, participation in local decision-making and improved social welfare.

> "Ultimately conservation is about people. If you don't have sustainable development around these (wildlife) parks, then people will have no interest in them, and the parks will not survive".
>
> *Nelson Mandela*

COMMUNITY (continued)

COSTS OF CONSERVATION – HUMAN-WILDLIFE CONFLICT (HWC)

Case study

In a world with an ever-increasing human population and ever-reducing wilderness areas there is bound to be conflict between people and wildlife. In Africa, the problem is exacerbated by the number of communities living on the boundaries of wildlife management areas and National Parks, and the general lack of fences. Wilderness tries to mitigate this conflict through education, training and, most importantly, benefit sharing. For instance, the Wilderness Wildlife Trust (WWT) has sponsored the printing of a booklet for livestock farmers in South Africa, promoting new methods of ethical farming aimed at reducing conflict with predators. The project supports predator rescue, treatment and relocation and provides farmers with the tools they need to reduce conflict. We have also funded anti-poaching and fence patrol teams in various areas in order to mitigate conflict and provide local employment.

In almost all our areas of operation local communities experience some form of human-wildlife conflict. In our socio-economic surveys it was found that approximately 79% of the community respondents had experienced problems with wild animals in their villages. The animal mentioned most often was elephant, followed by lion. Other animals included hyaena, hippo, jackal, cheetah, baboons and bushpigs. Human-wildlife conflict of this nature can be a major cost associated with conservation and the associated ecotourism.

Ecotourism is frequently advanced as a means to promote conservation and therefore can result in an increase in wildlife numbers, which may result in increased incidences of HWC. The long-term survival of conservation and ecotourism as land uses therefore requires either a mitigation of the costs associated with them or an increase in the benefits from them. The best solution is a combination of mitigating costs and increasing benefits. Intangible benefits, such as skills training and development, also play an important role in garnering community support

Some specific projects to date have included:

- Providing communities with access to safe drinking water;
- Building infrastructure in communities, including classrooms, libraries, etc.;
- Introducing feeding schemes to provide children with at least one meal a day;
- Managing numerous school scholarships;
- Various environmental projects; and
- Introducing vegetable gardens.

Overall, in order to achieve our vision and mission, our specific strategic objectives include:

- ensuring that local communities derive a fair and equitable share of benefits from conservation and ecotourism;
- enhancing local levels of education;
- reducing poverty; and
- improving social welfare.

A reduction of poverty is also achieved through the employment of local people and the consequent increase in rural household incomes. This falls into our Human Resource/Internal Community strategy.

MEASURING OUR PROGRESS

To date, we have measured progress in community development and engagement by recording the monetary amounts given to projects or communities (in terms of joint ventures), as well as the approximate number of people impacted or affected by these. These projects have largely been introduced as and when funding has been allocated to them. Although tangible projects, such as infrastructure, are often more "popular" for donors, Wilderness tries to direct donations towards intangible projects, such as capacity building and education scholarships, which are often more important for long-term sustainability and poverty reduction. In the reporting period, new accounting practices were introduced for our Children in the Wilderness (CITW) programme. These practices have resulted in a more accurate reporting of the costs associated with the programme, as well as the inclusion of all camp-related expenses. This has, therefore, resulted in a change in the figures relating to CITW and also to our overall community development projects. A quarterly community and culture newsletter is distributed to all our regions, interested guests and other stakeholders. The newsletter details all community projects and engagements during the quarter in each region and further assists us in monitoring the progress of projects (all newsletters can be found at www.wilderness-safaris.com).

RURAL COMMUNITY PARTNERS

Our community development projects and community engagements involve working with a number of different partners. These include various community trusts (e.g. Mpukane Trust at Rocktail Beach Camp, Okavango Community Trust at Vumbura and Little Vumbura), the Makuleke Communal Property Association (CPA) at Pafuri Camp, community conservancies (Torra, Sesfontein, Anabeb, Doro !Nawas and Marienfluess in Namibia), as well as governments (e.g. National Parks in Malawi, South Africa, Zambia and Zimbabwe). A number of our projects also involve working with Non-Governmental Organisations (NGOs). Our community and conservation projects also receive attention from academic researchers, a number of which we now have working in all our regions (see Wilderness Wildlife Trust: www.wildernesstrust.com). Other rural community partners include local suppliers of goods and services, local community guides for village visits, local craft makers and our local staff.

Our strategy for achieving harmonious relationships with community partners

In order to achieve harmonious relationships with our community partners we wanted first to understand the communities with whom we are engaging: their socio-economic situation, demographics, attitudes towards ecotourism and conservation, what their needs are and how we can best partner with them to improve their social welfare and encourage local socio-economic development.

To this end we conducted socio-economic community surveys in six of our countries of operation: Botswana, Malawi, Namibia, South Africa, Zambia and Zimbabwe. A total of more than 1 800 community interviews were conducted. The data collected in these interviews has been analysed, reported and published in academic, peer-reviewed journal articles, as well as a forthcoming doctoral dissertation in Resource Economics at the University of Cape Town. Below is a list of the publications in the reporting period and based on the collected data:

Snyman, S. (2012a). The role of ecotourism employment in poverty reduction and community perceptions of conservation and tourism in southern Africa, *Journal of Sustainable Tourism*, 20(3), 395-416.

Snyman, S. (2012b) Ecotourism joint ventures between the private sector and communities: An updated analysis of the Torra Conservancy and Damaraland Camp partnership, Namibia, *Tourism Management Perspectives*, 4, 127-135.

Snyman, S. (2012c). The impact of land management systems on community attitudes towards tourism and conservation in six southern African countries, *Parks*, 8(2), 20-31.

Snyman, S. & Spenceley, A. (2012). Key sustainable tourism mechanisms for poverty reduction and local socio-economic development in Africa, *Africa Insight*, 42(2), 76-93.

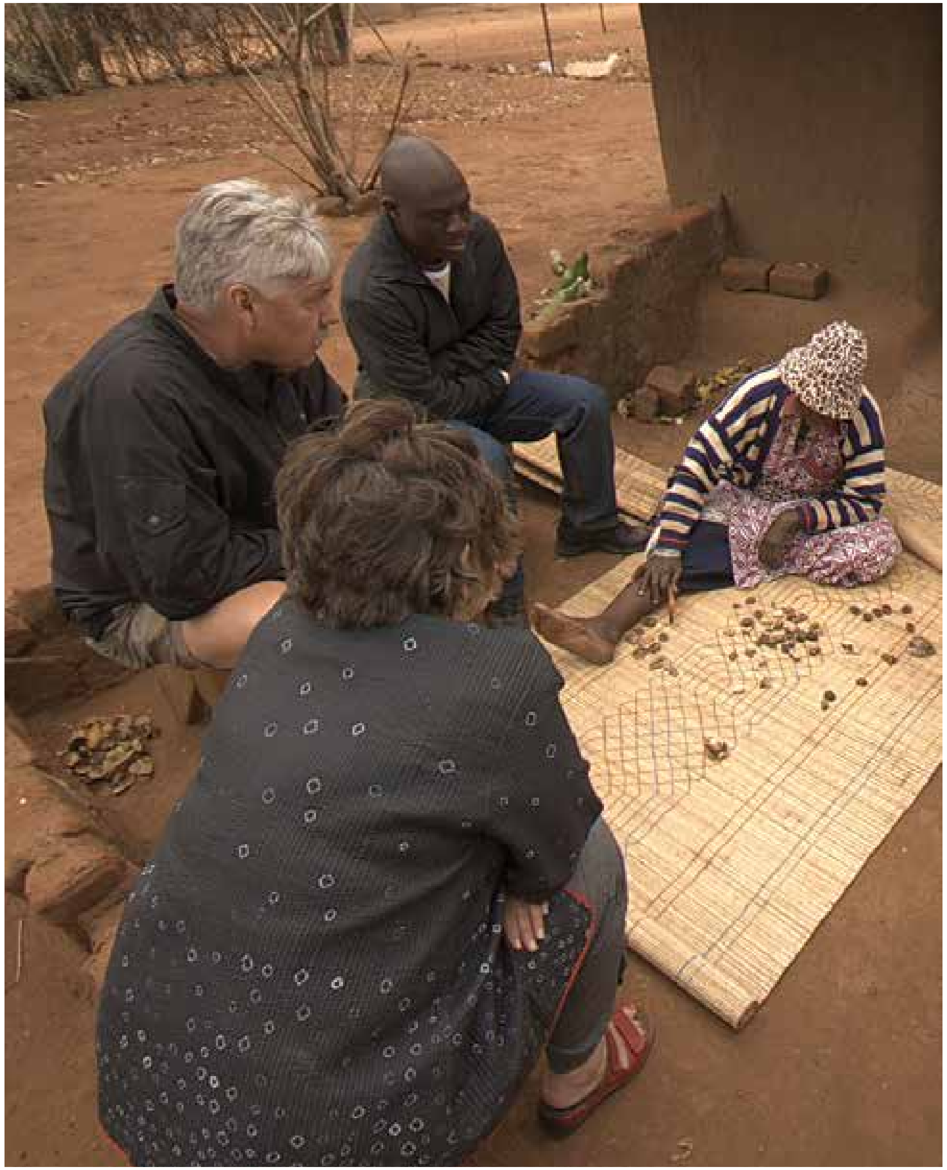
Spenceley, A. & Snyman, S. (2012). High-end ecotourism's role in assisting rural communities in reaching the Millennium Development Goals. In Bricker, K., Black, R. & Cottrell, S. (eds), *Sustainable Tourism & the Millennium Development Goals: Effecting Positive Change*. Jones & Bartlett Learning, LLC, 89.-106.

The surveys and time spent in villages also provided important information with regard to possible partner organisations with whom we can work, for example NGOs, academic researchers, local support institutions, etc.

Contractual and other community partnerships

Tourism operations in Africa have entered into a variety of equity/ownership and community partnership arrangements. Benefits from these vary according to the nature of the agreements. The level of community involvement depends on the specific conditions of the equity arrangement, with a large amount of

COMMUNITY (continued)



involvement occurring in community-based tourism (CBT), and a more limited amount in public–private partnerships (PPPs). The Group has entered into a variety of different partnerships depending on the country and conservation area concerned. Research has shown (Snyman, 2012) that, where communities have some form of involvement in the ecotourism operation, they are generally more positive about ecotourism and conservation. This has always been recognised at Wilderness and we have therefore attempted to include local communities in our ecotourism operations, preferably formally, but where this is not the case, informally, for example:

- **Public Private Partnerships (PPPs)**: We are involved in a number of PPPs with the National Park agencies in the region. Our camps in Kafue National Park in Zambia, Hwange National Park in Zimbabwe and Liwonde National Park in Malawi bring together the expertise of the National Parks in biodiversity conservation and ours in ecotourism and business. Our community development and engagement in these partnerships is largely informal and voluntary. We implement numerous such projects around Hwange and Liwonde National Parks;
- **Joint Ventures (JVs): The Wilderness Group and various community partners.** The Wilderness Group has entered into a number of joint ventures. These are formal, contractual agreements with communities or community trusts. In some such situations, the community is involved in the ownership of the respective camp as shareholders (e.g. Rocktail Beach Camp; Damaraland Camp; Doro Nawas Camp) or is paid lease fees based on occupancies and turnover (e.g. Banoka Bush Camp). In both cases they are sharing in the benefits of the joint venture and there are benefits and costs for both parties. Ownership in the operation brings with it a sense of pride and responsibility, but also a level of risk;
- **A tripartite agreement between the Wilderness Group, government and the community** exists at Pafuri Camp, where we partner with South African National Parks and the Makuleke community. We built the camp and operate, manage and market it, in partnership with the Makuleke community as landowners, and with SANParks responsible for conservation activities. This partnership has helped to raise the profile of the region;
- **Community as landlords:** In Namibia, the Community Based Natural Resource Management (CBNRM) programme devolved power to local conservancies and gave them stewardship over their land. In these cases, the Conservancy is our landlord and for Damaraland Camp and Doro Nawas Camp we have developed formal joint ventures. Whereas, in Marienfluss Conservancy, Serra Cafema Camp pays the conservancy lease fees and the community are our landlords, rather than formal joint venture partners;
- **Non-Wilderness private landowners – management contracts:** Some of our engagements are with private sector partners who own the camps and for whom we either manage and/or market, depending on the specific agreement;
- **Pure private sector – with philanthropy.** In cases such as Mombo Camp and other camps in the Okavango Delta in Botswana, as well as in Hwange National Park, the camps are owned by Wilderness and any engagement with local communities is voluntary, through various philanthropic efforts. Engagement with communities in these cases also results from employing local staff and investing in their skills training and development; and
- **Partnerships with NGOs** – In the Republic of Congo we have partnered with African Parks, who are responsible for conservation in Odzala-Kokoua National Park where our two camps are located.

LOCAL ECONOMIC BENEFITS OF ECOTOURISM DEVELOPMENT – ODZALA WILDERNESS CAMPS, REPUBLIC OF CONGO

Case study

During the construction of ecotourism camps there is frequently a large injection of cash into the local economy through the use of local labour, supplies and consumables. Such benefits can serve to offset the costs of conservation discussed in text box on page 62. During the construction of the Odzala Wilderness Camps in the Republic of Congo during 1 December 2011 to 31 August 2012, there was a total investment of BWP1 804 140 (approximately BWP200 460 per month). This is broken down as follows:

Wages – unskilled and semi-skilled labour

- Between 30 and 100 people worked on the project each day over the nine-month period;
- This number included between 200 and 250 different people;
- Total wage bill of BWP1 156 500.

Local services

- Local transport was used to transport building materials from Etoumbi to Mbomo and through to Lango/Ngaga as a result of the larger trucks not being able to cross the pontoon;
- The services of Etoumbi residents were used;
- Total cost was BWP115 650.

Local consumables/rental

- Supplies of food stuffs and drink from Mbomo and Etoumbi and rental of a space in Etoumbi;
- Total cost of BWP107 940.

Local raw materials and beneficiated products

- Assorted building materials were obtained locally in a socially equitable and environmentally sustainable way with goods bought from Mbomo and many of the villages south to Ebana:

	BWP
– Bamboo poles	7 710
– Liana ties	15 420
– Okala (saplings for roof frames)	38 550
– Rattan	77 100
– Locally sourced timber	92 520
– Woven raffia palm panels	192 750
Total	424 050

COMMUNITY (continued)

Table 17 – Joint venture and other payments to community partners

	Camp	Nature of engagement	Details	Annual value (BWP)	Staff costs* (BWP)	Total payments (BWP)
Namibia	Damaraland	Formal joint venture	20% of ownership was given over to the community annually from years 10 to 15 of the partnership. Once they owned 100% of the camp, the community sold 60% back to Wilderness. The community currently has the remaining 40% equity stake.	638 172**	341 780	979 952
	Doro Nawas	Formal joint venture	55:45 partnership between Wilderness and the Doro !Nawas Conservancy.	395 073	371 741	766 814
	Palmwag Palmwag campsite Desert Rhino	Public-private-community partnership	Wilderness pays the 'Big Three' (Torra, Anabeb and Sesfontein) Conservancies 10% of turnover for Palmwag Lodge[1] and Desert Rhino camp. 20% of turnover is paid for the Palmwag campsite. We also pay the Ministry of Environment and Tourism (MET) concession fees to operate in the Palmwag concession area.	852 132	316 463	1 168 595
	Serra Cafema	Private sector-community partnership	Wilderness pays the Marienfluss Conservancy 8% of turnover as well as a fixed annual fee.	940 656	242 759	1 183 415
South Africa	Pafuri	Public-private-community partnership	A tripartite agreement between Wilderness, SANParks and the Makuleke community, where Wilderness pays 8% of turnover to the community.	1 069 340	3 836 000	4 905 340
	Rocktail Beach	Public-private-community partnership, including a joint venture with the community	A partnership between Wilderness and the KwaMpukane Community Trust. A BEE partner owns 10% and 17.5% is owned by KwaMpukane Community Trust. 8.5% of revenue, as well as annual turtle viewing fees, are paid to iSimangaliso Wetland Authority.	78 570	1 935 185	2 013 755
Botswana	Vumbura Plains Little Vumbura	Formal joint venture	A joint venture exists which pays lease fees to the Okavango Community Trust (OCT).	2 500 000	8 859 245	11 359 245
	Banoka Bush Khwai Discover Wilderness Tented	Private sector-community partnership	Wilderness pays the Khwai Development Trust (KDT) an annual lease fee.	2 500 000	3 057 547	5 557 547
	Moremi Tented	Private sector-community partnership	Wilderness pays the Sankuyo Community Development Trust an annual lease fee.	300 000	1 399 019	1 699 019
Republic of Congo	Ngaga Lango	Private sector-NGO-community partnership	5% of accommodation revenue is paid to the Odzala-Kokoua Foundation – a partnership between African Parks and the Congolese Government. African Parks is currently in consultation with the 70 local village associations to identify socio-economic development needs which will lead to the provision of education and health facilities in the villages surrounding the park.	61 600	1 156 500	1 218 100
			Total	**9 335 543**	**21 516 239**	**30 851 382**

* *Staff costs include wages, bonuses, training, uniform, transport and food.*
** *This figure includes an amount of BWP55 944 paid to the community for laundry, road maintenance and car guard*

[1] *Subsequently, we have withdrawn from this camp and also from the campsite.*

JOINT VENTURE PARTNERSHIP BETWEEN WILDERNESS SAFARIS AND THE MPUKANE TRUST AT ROCKTAIL BEACH CAMP

Case study

Rocktail Beach Camp (RBC) is situated in the iSimangaliso Wetland Park, which was listed as a World Heritage site in 1999. The camp is located in the vicinity of two international Ramsar Wetland sites behind coastal dunes that date back 25 000 years. KwaMpukane is a local settlement adjacent to the Park, where a number of RBC staff come from. The settlement was established by people displaced through forced removals and by homesteads that moved further inland owing to a lack of fresh water in areas now incorporated into the Park. Besides the rich biodiversity created by eight interlocking ecosystems that make up the park, iSimangaliso also has a rich cultural heritage, including a tradition of fishing systems in the ocean and lakes, that goes back 700 years.

RBC is a joint venture with the KwaMpukane Community Trust and a local Black Economic Empowerment (BEE) partner with these partners holding 17.5% and 10% of the equity respectively. The majority of the staff employed at RBC are from KwaMpukane and have received tourism skills training and development.

RBC pays a monthly lease fee to iSimangaliso Wetland Authority totalling 8.5% of revenue earned, as well as payments for turtle permits which enables guests to accompany the turtle research team to track turtles on the beaches.

CITW ECO-CLUB COLLAGE COMPETITION IN THE MAKULEKE COMMUNITY

Case study

Children in the Wilderness South Africa received a generous donation of 10 bicycles from GDF Suez (some of their executives participated on the Tour de Tuli (http://www.childreninthewilderness.com/tour-de-tuli.html) and we decided to make children from the CITW Makuleke Eco-Clubs recipients of these bicycles (two bicycles per school).

We held an environmental/conservation competition at the five Makuleke schools in October 2012 to determine the winners. The competition objectives were to 'think green' and recycle old Wilderness brochures while encouraging children to consider one of the following statements and come up with their ideas and 'draw' their answer into a collage: What I can do to conserve nature? or What can I do to help save our planet? The competition was open to members of the 2012 CITW Eco-Clubs. All competition entrants had to do their own collage. We supplied all five Makuleke schools with the necessary materials.

The winners were selected by a judging panel consisting of a Makuleke CPA Exco member, a CITW representative and a representative from GDF Suez. The winners were presented with their bikes at each school. Every entrant was given a GDF Suez shirt for their participation – so everyone was a winner. The competition was well received and gave the children a chance to be creative, learn something new and recycle old brochures.

Hlulani Chauke (14) who won a bike said: "*I would like to thank my teacher for showing me the importance of preserving the environment. I can't believe that I won a bicycle today. I have been longing to have one but I couldn't because my father died five years ago*".

CHILDREN IN THE WILDERNESS (CITW)

Insight, care and commitment are required to conserve Africa's pristine wilderness and wildlife areas. If we are to ensure that these places continue to exist – in this generation and those to come – we need rural children to understand the importance of conservation and its relevance in their lives. Hence, our Children in the Wilderness programme: an environmental and life skills educational programme for children. The programme focuses on the next generation of decision-makers: inspiring them to care for their natural heritage and to become the custodians of these areas in the future. CITW is a non-profit organisation supported by Wilderness.

A Wilderness camp is closed for a few days each year, and 16-30 children between 10 and 17 years old, pre-selected from neighbouring schools and communities, are hosted in the camp. The Camp Director, with a full complement of volunteers and mentors, runs an educational and fun-filled programme. A structured camp curriculum is followed in all regions in order to ensure sustainability, continuity and to allow for measurement and assessment.

New developments

Exciting new developments in the CITW programme in the reporting period included the introduction of eco-clubs in more of our regions, including Zimbabwe and South Africa. Malawi has successfully been running eco-clubs for a number of years. Lessons learned from this were used in the establishment of the eco-clubs in other areas. The eco-clubs, which take place at the rural schools, follow a structured curriculum and, depending on the region, take place weekly, monthly or every three months. Eco-clubs give all learners who are interested in the environment a chance to meet, learn, discuss and expand their knowledge of environmental issues. We are also able to reach more children in the communities and on a more regular basis. Children participating on the CITW camps are usually selected from these eco-clubs.

The interactive, fun sessions are designed to also be informative. Environmental projects and tasks are earmarked and organised in cooperation with the community members and teachers. The children are encouraged to participate in the planning process and come up with their own ideas in order for them to take ownership of their clubs and the projects. The eco-clubs are increasingly providing positive community development while reaching a wider community.

Mentor training

Mentor training is an important part of the eco-clubs. In order to ensure that the eco-clubs are sustainable and truly make a difference, we equip the mentors to manage them. Our mentor training aims to develop local community members and Wilderness camp staff by improving their understanding of environmental issues and enabling them to better implement school and village projects and initiatives. This project assists in addressing the critical teaching skills shortage in environmental education in southern Africa.

New, updated website

We have a new-look CITW website, with easy access to information on all the camps, eco-clubs and projects. The site also includes an easily accessible donation section to channel funds raised to the correct projects (www.childreninthewilderness.com).

Table 18 – Breakdown of Children in the Wilderness statistics for the reporting period

Country	Number of CITW camps	Number of children	Number of volunteers (Wilderness staff and others)	Number of teachers	Number of children attending eco-clubs	Total costs of programme (in BWP)
Botswana	4	96	114	8	24*	925 230
Limpopo	3	48	27	2	70	274 154
Malawi	3	90	84	13	679	411 912
Namibia	3	58	68	2	–	718 567
South Africa	2	70	82	6	290	580 641
Zambia	4	84	3	9	–	543 871
Zimbabwe	5	126	46	9	225	1 127 011
Total	**24**	**572**	**424**	**49**	**1 264**	**4 581 386**

** Botswana has introduced eco-clubs in 2013, this figure is for their Environmental Stewardship Programme (ESP) for past CITW campers*

Total spending on CITW camps in the 2012 reporting period was BWP2.1 million. This increased to BWP4.58 million in the current report. It should be noted here however that this year's reporting included all expenses related to the running of the CITW programmes, including eco-clubs, camps, staff salaries and stationery. The number of children attending camps increased from 537 to 572 (6.5% increase), despite the Seychelles not running a CITW camp in the reporting period, as their programme is only every two years.

Arlene – Mentor, Pafuri Camp – *"I like most that the children are led to believe they are special, they matter and they can achieve much".*

Nchuchu, 12-year-old girl, Limpopo Valley camper – *"Wilderness areas are important to us as they attract tourists to our country. It is the first time I learned about wild animals".*

Muston Bwanali, 14 years old, Malawi camp – *"We need to be planting more trees for our own generation".*

Mable Mbewe, 12, Toka Leya Camp, Zambia – *"For the first time in my life during camp I saw Victoria Falls".*

COMMUNITY (continued)

COMMUNITY DEVELOPMENT PROJECTS

Our community development projects in each country are divided into four categories: Education, Infrastructure, Social Welfare and Conservation. The majority of our community development projects are funded either by cash, in-kind or specific donations from guests, NGOs, Wilderness camps or offices and various corporates. Wilderness administers and distributes these donations as specified, or as required. Staff and transport used in the management and implementation of these projects all also form part of Wilderness' in-kind donation.

Overall, our donations to communities increased from BWP2.25 million in 2011 to BWP3.36 million in 2012 (an increase of nearly 50%) and was BWP2.04 million in 2013. Fundraising is done largely by each of the individual countries, though funds are also raised through the Wilderness Wildlife Trust and for CITW through the annual Nedbank Tour de Tuli mountain bike race. (www.childreninthewilderness.com/taunde-tuli.html).

Table 19 – Summary of community development project donations and number of people impacted*

Country	Total donations (in BWP)	Approximate number of people impacted
Botswana	659 710	577
Malawi	29 618**	2 226
Namibia	342 593	803
South Africa	150 870***	4 900
Zambia	6 607	735
Zimbabwe	856 938	8 560
Total	**2 046 336**	**17 801**

* *The figures in Table 19 are, in general, lower than last year's figures as costs for the CITW camps were previously included in some of the country community development project donations. This year we have separated the two in order to more accurately reflect the community development and CITW project costs.*

** *BWP1 962 of this amount was raised by H.E.L.P. Malawi (our NGO partner based at Mvuu Camp – see www.helpchildren.org)*

*** *BWP118 611 of this amount is paid to Iliso Care Society in Khayelitsha by Il Diamante, one of our travel partners, who donate money to Iliso for each of their guests.*

Visit our online appendix for a detailed breakdown of the above community development projects (www.wilderness-holdings.com/investor_centre/presentations/current_year).

GOING FORWARD

In the coming year we will be introducing a Wilderness Regional Community Development Project Team. This team will include members who have experience and are actively engaged in community development and/or community partnerships in the different regions. The team will advise on all new regional community projects, as well as various other aspects of community engagement.

CITW MALAWI COMMUNITY PROJECTS AND ECO-CLUBS

Case study

Our Malawi Children in the Wilderness (CITW) programme has been active since 2003. Each year there has been growth in the programme and the introduction of numerous successful community development projects. Malawi CITW's eco-club programme is extensive and reaches more than 650 children in remote, rural areas of Malawi. As part of this programme, the children are engaged in tree nursery projects looking at reforestation in a country with one of the highest deforestation rates in southern Africa. In 2011, CITW Malawi became involved in the Chintheche Inn Reforestation Project, the children subsequently taking part in the process of tubbing, seeding, distributing and planting. In 2012, project director Master Banda and the children propagated over 28 000 trees of a variety of different species, which were in turn distributed to over 15 local community clubs and schools. CITW eco-club members from the Southern site (at Nanthomba School, adjacent to Liwonde National Park) raised 30 000 seedlings of different tree and fruit species. The seedlings were distributed to the local village conservation clubs, schools and churches in the surrounding communities.

CITW Malawi has also run a scholarship programme for disadvantaged children, with sponsorship from well-wishers and supporters, for seven years. So far, the programme has helped 144 needy children to access higher education, something that they would have not been able to do without a scholarship. Aside from coordinating the sponsors' funding, CITW also organises the feedback process between the child and his/her sponsor. Currently 81 children are being sponsored in various secondary schools. From among those who have finished their secondary schooling, four students are studying at Teachers Training Colleges, one student is studying at the Malawi College of Accountancy and one is studying at the Malawi College of Health Sciences. The scholarship programme has been supported by generous donations from the Global Fund for Children (USA), Rosemary Pencil Foundation (USA) and other individual supporters. The importance of formal education in terms of securing future employment cannot be overemphasised.

The programme has also been involved in fence patrols around Liwonde National Park in order to assist in mitigating human-wildlife conflict (see case study on page 62). A photography and electronic media course has provided children with important new skills and has increased their confidence. This project is supported by the Global Fund for Children and Adobe Systems (USA).

In partnership with the Malawi CITW projects, H.E.L.P. Malawi (www.helpchildren.org), an NGO based at Mvuu Camp, supports and administers numerous projects in the villages adjacent to Liwonde National Park, including Nanthomba School, Nandumbo Clinic, entrepreneurial projects, scholarship programmes, etc.

C

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CULTURE

Culture to a large degree gives context to the other three Cs, as Culture impacts on and is affected by all the other Cs. An important part of integrating culture into our camps and guest activities is having an understanding of its meaning and especially of the different ethnic groups within Wilderness. To this end, socio-economic surveys conducted in 2009 and 2010 provided important information on our staff and the communities with whom we work and engage. Encouraging staff to be proud of their culture and to integrate it into guest activities allows our guests and other staff to learn about Africa's diversity.

HIGHLIGHTS

Annual Wilderness Heritage Day celebrated in all countries, camps and offices

Culture was incorporated more effectively into more guest activities and camp information

Raising awareness, increasing knowledge and enriching all involved is an important part of all our cultural activities

The Oxford Dictionary defines **culture** as:

- The arts and other manifestations of human intellectual achievement regarded collectively: *20th century popular culture*
  - a refined understanding or appreciation of culture: *men of culture*
- The ideas, customs, and social behaviour of a particular people or society: *Afro-Caribbean culture [count noun]:people from many different cultures*
  - [with modifier] the attitudes and behaviour characteristic of a particular social group: *the emerging pop culture*

Our understanding of culture incorporates all of the above and is essentially a celebration of the diverse histories and traditions, languages, clothing, singing and dancing of the various different ethnic groups within our staff and within the communities with whom we engage. Cultural diversity gives character and uniqueness in our camps and on our guest experiences.

More than 40 different ethnic groups have been identified among our neighbouring communities during socio-economic surveys:

• Botswana	Bayei, Bambukushu, Basarwa, Bakgalagadi, Xhanakwe, Batawana and European
• Congo	Bakongo, Sangha, Teke and M'Bochi
• Malawi	Yao, Lomwe, Nyanja, Tumbuka, Tonga, European
• Namibia	Herero, Himba, Damara, Riemvasmaker and European
• Seychelles	Seychellois and European
• South Africa	Tsonga, Zulu, European
• Zambia	Kaonde, Nyanja, Ngoni, Tonga, Bemba and European
• Zimbabwe	Ndebele, Tonga, Shona and European

At least 27 of these ethnic groups are represented in our staff body.





WHY DO WE INCORPORATE CULTURE?

At a time of increasing globalisation the protection, conservation, interpretation and presentation of the heritage and cultural diversity of any particular place or region is an important challenge for people everywhere. Due to the ethnic diversity in the areas in which we operate and the number of different cultural groups whom we employ, Wilderness encourages and supports an ethic of acceptance and tolerance amongst staff, as well as between guests, staff and local communities. Our business offers a holistic experience and part of this relates to learning and awareness of different cultures and their specific traditions.

HOW DO WE INCORPORATE CULTURE?

Culture consists of a number of dimensions and there are many different ways to celebrate these through our business. First and foremost, employing staff from different ethnic groups in each country brings the Culture C directly into the camps and offices. From here, staff celebrate their culture through day to day interactions, singing, dancing and story-telling in the camps, allowing them to educate and inform guests and other staff about their traditions and customs. Wherever possible, we also offer visits to local villages and various cultural experiences in the areas around where we operate. Table 20 presents some of the activities on offer in our countries of operation.

Our business offers a holistic experience and part of this relates to learning and awareness of different cultures and their specific traditions.

Table 20 – Cultural activities in our camps

Activity	Country	Camps
Traditional dancing		
Ndebele cultural and jammering evenings	Zimbabwe	Davison's Camp, Makalolo Plains, Little Makalolo and Linkwasha
Local traditional dancers from villages adjacent to Liwonde National Park	Malawi	Mvuu Camp and Mvuu Wilderness Lodge
Local Zulu dancers from Mpukane village	South Africa	Rocktail Beach Camp
Traditional story-telling/stories/talks/bedtime stories		
Traditional story-telling	Zimbabwe	Davisons Camp; Ruckomechi
Traditional African animal stories as pillow drops	Zimbabwe	Davisons Camp
Local village visits and tours		
Okavango Community Trust village visits	Botswana	Vumbura Plains, Little Vumbura
Khwai village tour	Botswana	Banoka Bush Camp
Ngamo, Ziga village visits	Zimbabwe	Davison's Camp, Makalolo Plains, Little Makalolo and Linkwasha
Kwenje village, Njobvu Cultural Lodge, Mvera community visit	Malawi	Mvuu Camp, Mvuu Wilderness Lodge

CULTURE (continued)

HIMBA PEOPLE OF NAMIBIA

Case study

The Himba are a group of semi-nomadic pastoralists who live in the Kaokoland area of Namibia. They are descendants of a group of Herero herders who fled to the north-west of Namibia after being displaced by the Nama people.

The Himba rub their bodies with red ochre and fat to protect themselves from the sun and the women also use mixtures of aromatic herbs in their skin rub to fragrance their bodies. The Himba make numerous beautiful jewellery items, mostly from iron, ostrich shells and, more recently, from PVC pipes. Their intricate designs have become popular amongst Western tourists. Himba homes are cone-shaped and made from palm leaves, cattle dung and mud. During the course of the year, Himba families move between different settlements in search of grazing for their cattle.

The ritual fires and fire line of the Himba are an important part of ancestor worship and respect for these cultural traditions should always be observed when visiting a Himba village. The fire may only be generated by means of ritual fire-sticks (*ozondume*) of which each lineage-head keeps a special set. The fire is encircled by stones and symbolises sustained contact between the living and deceased members of the family. Its extinction would, therefore, indicate serious neglect on the part of the village head.

Source: http://www.namibiatourism.com.na/himba/ and http://www.namibian.org/travel/namibia/population/himba.htm and Malan, JS Peoples of Namibia. Rhino Publishers, 1995.

Table 20 – Cultural activities in our camps (continued)

Activity	Country	Camps
Local village visits and tours (continued)		
Local fishing village visit	Malawi	Chintheche Inn
Visits to Sinde village	Zambia	Toka Leya
Fonteine village visit	Namibia	Damaraland Camp
Himba village visit	Namibia	Serra Cafema
Makuleke village visits	South Africa	Pafuri Camp
Cape Town township tours, Jewish tours and Robben Island visits	South Africa	Wilderness Touring
Visits to Thulamela cultural site	South Africa	Pafuri Camp
Village visits to Mpukane village and quad bike rides	South Africa	Rocktail Beach Camp
Local choirs/dance groups		
Chilimika Dance Group	Malawi	Chintheche Inn
Bandawe Choir	Malawi	Chintheche Inn
Mbira musical evenings	Zimbabwe	Little Makalolo
Traditional food		
Traditional Creole food and the utilisation of local produce from the Island offered to guests on a daily basis (e.g. star fruit jam, lemon grass team etc.)	Seychelles	North Island
The meal includes traditional fare such as peanut sauce, sadza, relish and *braaied nyama* (meat)	Zimbabwe	Davison's Camp, Makalolo Plains, Little Makalolo and Linkwasha
Traditional food cooking class	Zambia	Lufupa River Camp and Lufupa Tented Camp

Activity	Country	Camps
Local crafts/curios		
Local craft market in Ngamo village	Zimbabwe	Davison's Camp, Makalolo Plains, Little Makalolo and Linkwasha
Welcome notes written on locally-made elephant dung paper (Makhanga Women's Group)	Malawi	Mvuu Camp and Mvuu Wilderness Lodge
Local craft market held at Mvuu Camp	Malawi	Mvuu Camp and Mvuu Wilderness Lodge
Demonstration of how to make a traditional fishing rod	Zambia	Lufupa River Camp and Lufupa Tented Camp
Local craft corner	South Africa	Pafuri Camp
Cultural events		
Bushman walk experience	Botswana	Kalahari Plains Camp
Kaonde cultural evening	Zambia	Lufupa Tented Camp, Lufupa River Camp, Shumba, Busanga Bush Camp, Toka Leya
Traditional and cultural workshops	Zambia	Lufupa River Camp, Lufupa Tented Camp
Zambia politics and history	Zambia	Lufupa River Camp, Lufupa Tented Camp
Damara Living Museum visit	Namibia	Doro Nawas Camp
Guest weddings with traditional Creole elements offered (e.g. customs, food and décor)	Seychelles	North Island
Celebration of local cultural events in Seychelles (e.g. the Creole festival)	Seychelles	North Island
History and cultural orientation of Seychelles included in the Employee Handbook	Seychelles	North Island
Community and culture newsletters		
Quarterly newsletter which includes a section on one of our represented ethnic groups, as well as information on cultural activities available in the camps.	All regions	All camps

CULTURE (continued)

POTENTIAL SOCIO-CULTURAL IMPACTS

Ecotourism can have both positive and negative socio-cultural impacts. Our aim is to promote positive impacts and mitigate negative impacts, wherever possible. Cultures are continuously changing and adapting. Some socio-cultural changes may, therefore, be a natural progression of the culture, whereas others may be caused by increased contact with other cultures and their associated different values. Changes resulting from ecotourism may or may not be negative, as some traditional behaviours may, by contemporary standards, themselves have been problematic.

Social impacts are largely the result of the immediate effects of ecotourism on local people, their livelihoods and the way they live, whereas cultural impacts occur in the long term and include changes in social values, behaviours and attitudes. Below is a list of potential impacts that ecotourism can have on local communities:

Table 21 – Potential positive and negative impacts ecotourism may have on local communities

Positive impacts	Negative impacts
• Can enhance the cultural aspects of an area, through continued interest in local, cultural and historical lifestyles • Greater awareness and acceptance of other cultures • Build self-esteem, confidence and pride in one's community and one's self • Visitors may internalise local fashions in art, clothing, jewellery, music, etc. • Lessen the out-migration of youth to urban areas, and thereby assist in keeping rural families closer together	• Western influence on language, clothes, behaviour • Move away from traditional lifestyles • Changes in value systems, moral conduct, community organisations and traditional practices • 'Demonstration effect', where locals copy the behaviours of tourists, or where their welfare is reduced when they are exposed to new products which they cannot afford • Loss or misuse of cultural artefacts • Commoditisation of cultures • Communities may take advantage of tourists by over-charging, theft, etc. • Can lead to suspicion between community members, tensions and hostility

The Wilderness Ethics Charter and Codes of Conduct for Cultural Tourism (http://www.wilderness-the4cs.com/images/pdf/Wilderness%20-%20Ethics%20Charter%20(Integrated%20Report%202011).pdf) guides our cultural tourism and community engagements to ensure that all activities raise awareness, increase knowledge and enrich all involved. Excerpts from the Codes of Conduct, as well as information on the country's ethnic groups, will be included in all guest pre-travel booklets to ensure that visitors understand and are respectful of local cultures.

Case study

ANNUAL WILDERNESS HERITAGE DAY

To specifically highlight culture, to instil pride in our staff regarding their own culture and to educate guests and other staff about this diversity, we have introduced an Annual Wilderness Heritage Day to be held on the last Friday in August each year.

On the 31st August 2012, staff in camps and offices in all regions celebrated the first such Day by wearing their traditional/cultural outfits, serving traditional food, dancing, singing and telling stories. Guests in camp on the day were part of the celebrations and also enjoyed dancing, singing, story-telling and seeing the staff in their traditional/cultural outfits.

Governance Report

WILDERNESS
FOR THE LONG RUN

CORPORATE GOVERNANCE

HIGHLIGHTS

- The Board continues to commit to good corporate governance practices to ensure a sustainable and successful business
- Establishment of a Safety Review Board to oversee all Group systems with respect to accident prevention and emergency response
- Establishment of an Investment Committee to oversee material transactions
- Board restructured to improve executive capacity and support our operations in Botswana

The Board believes that excellent corporate governance is fundamental to ensuring a sustainable and successful business. The Company complies fully with the guidelines of the BSE Code of Corporate Governance. In addition, although listing on the BSE only requires compliance with King II, the Company has voluntarily adopted the principles of King III.

COMPLIANCE WITH KING III

The Company believes that compliance with recognised best practices will provide superior levels of performance in terms of sustainable returns to all stakeholders. The Company takes into consideration not only the interests of the Company and its shareholders but the wider environment such as guests, suppliers and employees, to name a few. A representative illustration of our stakeholders is included on page 7 of this report.

This report is prepared in compliance with the principles of King III. Where the directors have found it impractical to apply certain recommended practices, the rationale is explained under the relevant section.

LEADERSHIP AND OVERSIGHT

The Company has a unitary Board structure.

Mr Robert Polet resigned from the Board in November 2012 and Mr Charles de Fleurieu was appointed in his place. Subsequently, early in 2013, the Board agreed that it should be realigned to improve executive capacity and also to further support operations in Botswana. To that end Messrs Andrew Payne, David van Smeerdijk and Russel Friedman retired from the Board. Mr Van Smeerdijk continues in his role as head of marketing and sales of Wilderness Safaris. In addition, Malcolm McCulloch retired as Chairman of the Board and will continue to serve as a non-executive member of the Board. The Board thanks these gentlemen for their many years of loyal service to the Group.

The Board was pleased that Parks Tafa has agreed to serve as the Chairman of the Board and he will be supported by Michael Tollman as Deputy Chairman. Keith Vincent, formerly the COO, is serving as the acting CEO and the Board will announce the new CEO in due course. The Wilderness Holdings Limited Board and committees post year end comprise:

Board of Directors		
Non-executive directors Malcolm McCulloch John Hunt Parks Tafa Gavin Tollman Jochen Zeitz **Independent non-executive directors** Charles de Fleurieu Rolf Hartmann Roux Marnitz Marcus ter Haar Michael Tollman	**Chairman** Parks Tafa **Deputy Chairman** Michael Tollman **Lead independent director** Roux Marnitz	**Executive directors** ***Acting Chief Executive Officer*** Keith Vincent ***Chief Financial Officer and Chief Sustainability Officer*** Derek de la Harpe

Board committees		
Audit Committee Rolf Hartmann (Chairman) Marcus ter Haar Michael Tollman *By invitation* Corporate office management External audit	**Risk Committee** Malcolm McCulloch (Chairman) Rolf Hartmann Roux Marnitz Michael Tollman Keith Vincent *By invitation* Corporate office management	**Remuneration Committee** Rolf Hartmann (Chairman) Roux Marnitz Michael Tollman *By invitation* Corporate office management Group Human Resources Manager
Investment Committee Charles de Fleurieu (Chairman) Derek de la Harpe Marcus ter Haar Gavin Tollman *By invitation* Corporate office management	**Safety Review Board** Roux Marnitz (Chairman) Derek de la Harpe Dave Bennett Russel Friedman Richard van der Wel *By invitation* Corporate office management	**Sustainability Committee** Jochen Zeitz (Chairman) John Hunt Derek de la Harpe Chris Roche Dr Holly Dublin *By invitation* Corporate office management

The Board retains full and effective control over the Group and monitors the executive management and decisions in the subsidiary companies. The Board assumes overall responsibility for the Group and its activities, including risk management and governance. The Board is also responsible for setting the direction of the Group through the establishment of strategic objectives and key policies. Finally, the Board is guided by a board charter and is supported in its role by the Board committees detailed above.

The Board charter regulates how its business is to be conducted. The charter sets out the responsibilities of the Board members collectively. More specifically, the charter confirms the Board's responsibility for the adoption of strategic plans, monitoring of operational performance and management, determination of policies and processes to ensure the integrity of the Group's risk management and internal controls, as well as the nomination, orientation and evaluation of directors.

The non-executive directors draw on their experience, skills and business acumen to ensure impartial and objective viewpoints in decision-making processes and standards of conduct. The Board considers the mix of technical, environmental, social, entrepreneurial, financial and business skills of the directors to be balanced, thus enhancing the effectiveness of the Board.

Keith Vincent is acting Chief Executive Officer. The separation of this role of CEO from that of the Chairman ensures a balance of authority and precludes any one director from exercising unfettered powers of decision-making.

The Chairman of the Board, Parks Tafa, although non-executive, is not independent in terms of King III recommendations because he acts as a legal adviser to the Group. Although the Chairman cannot be classified as independent in terms of the governance criteria, the Board is of the view that he brings valuable expertise, experience and skills to the Company and will exercise independent judgement. Furthermore, in accordance with the recommendations of King III, Mr Roux Marnitz was appointed on 24 May 2011 as a non-executive lead independent director (LID) whose main function is to provide leadership and advice to the Board, without detracting from the authority of the Chairman, when the Chairman has a conflict of interest. The LID also leads those discussions which deal with the succession of the Chairman and the Chairman's performance appraisal.

To fulfil their responsibilities adequately, directors have unrestricted access to timely financial and other information, records and documents relating to the Group.

INDEPENDENCE OF DIRECTORS

The independence of directors is reviewed annually by the Remuneration and Nomination Committee following a detailed analysis of the circumstances of all independent non-executive directors. The Remuneration and Nomination Committee has satisfied itself that these directors meet the criteria for independence in terms of King III.

BOARD EVALUATION

An evaluation was undertaken in November 2011 in which the directors reviewed the performance of the Board as a whole, through a questionnaire-based process. The results confirmed that the Board operates effectively. An evaluation was not conducted during the 2013 financial year pending the restructuring of the Board as mentioned above. It is intended to improve upon the evaluation process and to include self-assessments of the Board committees in the current year.

NEWLY APPOINTED DIRECTORS

In terms of the Company's constitution, new directors may only hold office until the next annual general meeting at which time they will be required to retire and offer themselves for re-election. Mr Charles de Fleurieu was appointed to the Board on 1 November 2012 and will offer himself for re-election at the annual general meeting.

CORPORATE GOVERNANCE (continued)

ROTATION OF DIRECTORS

Under the Company's constitution, a third of the directors retire by rotation each year and are eligible for re-election by shareholders at the annual general meeting. The Remuneration and Nomination Committee, having concluded its assessment, recommends the re-election of the retiring directors John Hunt, Parks Tafa, Gavin Tollman and Jochen Zeitz. These retiring directors are eligible and have offered themselves for re-election at the coming annual general meeting.

RETIREMENT

There is no set retirement age for executive and non-executive directors. The period in office is reviewed on an individual basis by the Board on the recommendation of the Remuneration and Nomination Committee.

INDUCTION OF DIRECTORS

New directors are provided with an induction programme and materials which deal with directors' fiduciary duties and introduce the directors to the concept of the 4Cs platform. The Board believes that sustainable business practices in the dimensions of commerce, conservation, community and culture form the sustainability platform for the business. The 4Cs sustainability platform is discussed on pages 1 and 10 of this report.

DIRECTOR TRAINING AND DEVELOPMENT

All directors are expected to keep abreast of changes and trends in the business and in the Group's environments and markets.

Board meetings are held at site at least once a year to familiarise the directors with the operational and environmental aspects of the business. Training programmes on directors' duties and corporate governance are available to the directors on request.

COMPANY SECRETARY

The Group operates in six countries and company secretaries are appointed in each country to ensure all national statutory requirements are adhered to. The Group Company Secretary is responsible for providing guidance to the Chairman and directors, both individually and collectively, on their duties, responsibilities and powers. The Group Company Secretary advises on corporate governance as well as compliance with legislation and the BSE and JSE Listings Requirements. Through this office the Group Company Secretary is responsible for facilitating the distribution of information in a timely manner. This information includes items such as agenda items for Board meetings, corporate announcements, investor communication and any other developments which may affect the Group. The Board is of the view that the Group Company secretary has the requisite qualifications and expertise.

All directors have access to the advice of the Group Company Secretary and, through the office of the Group Company Secretary, to independent professional advice at the Company's expense.

CONFLICTS OF INTEREST

On a quarterly basis, the Company actively solicits from its directors details regarding their external shareholdings and directorships which potentially could create conflicts of interest while they serve as directors on the Wilderness Board. The declarations received by the directors are closely scrutinised by both the Chairman and the Company Secretary and are tabled at the beginning of each quarterly Board meeting. Where a conflict arises directors are required to recuse themselves from the discussions. As far as possible the Company requires directors to avoid any potential conflicts of interest.

SHARE DEALINGS

The Company has a share dealing policy to regulate dealings by its directors and applicable employees in the Company's shares.

No Group director or employee may deal, directly or indirectly, in the Company's shares on the basis of previously unpublished, price-sensitive information and during certain "closed periods". The closed periods include the periods between the Company's interim and financial year-end reporting times and the dates on which the relevant results are published, and any time when the Company is trading under a cautionary announcement.

BOARD MEETINGS

A minimum of four Board meetings are scheduled each financial year to consider strategic and key issues, financial matters, operational performance and any specific proposals for capital expenditure and investment. Additional meetings are convened on an *ad hoc* basis to consider extraordinary items of importance which may require urgent attention.

For ease of reference, the attendance, independence, classification and length of service of directors has been consolidated in the table below:

Board and committee attendance	Years' service (rounded to the nearest year)	Board meeting attendance	Audit Committee		Remuneration and Nomination Committee		Risk Committee		Sustainability Committee		Safety Review Board	
			Member	Attendance	Member	Attendance	Member	Attendance	Member	Attendance	Member	Attendance
Non-executive directors												
Independent												
C de Fleurieu	1											
R Hartmann	3	4/4	✔	3/3	✔	3/3	✔	1/3				
R Marnitz	3	4/4			✔	2/3	✔	3/3			✔	4/4
P Tafa	3	4/4										
M ter Haar	3	3/4	✔	3/3								
M Tollman	3	2/4	✔	2/3	✔	3/3	✔	2/3				
Non-independent												
M McCulloch	8	4/4					✔	3/3				
J Hunt	3	4/4							✔	2/2		
R Polet	2	2/4										
G Tollman	3	2/4										
J Zeitz	3	4/4							✔	2/2		
Executive directors												
D de la Harpe	3	4/4							✔	2/2	✔	4/4
R Friedman	3	3/4									✔	3/4
A Payne	3	4/4					✔	3/3				
D van Smeerdijk	3	4/4										
K Vincent	8	4/4					✔	2/3				
Other												
C Roche	n/a								✔	2/2		
Dr. H Dublin	n/a								✔	2/2		
D Bennett	n/a										✔	3/4
R van der Wel	n/a										✔	4/4

n/a = not a member of the main Board.

CORPORATE GOVERNANCE (continued)

AUDIT COMMITTEE

Composition: Rolf Hartmann (Chairman), Michael Tollman, Marcus ter Haar

All members have been re-nominated by the Board, subject to shareholder approval at the annual general meeting, to serve on the committee for the financial year ending 28 February 2014.

The committee operates within defined terms of reference as set out in its charter and the authority granted to it by the Board and meets at least twice a year with more meetings being held when necessary. The external auditors, internal auditors, Chairman, Chief Executive Officer and Chief Financial Officer are invited to attend. The external auditors have unrestricted access to the Audit Committee and meet with the committee members, without management present, at least once a year.

The activities of the Audit Committee are set out in the Report of the Audit Committee on page 87. The Chairman of the Audit Committee reports on the committee's activities at each Board meeting.

The Audit Committee ensures that there is appropriate independence relating to non-audit services provided by the external auditors, in accordance with the Group approved policy. Pre-approved permissible non-audit services performed by the external auditors include taxation and due diligence services. Prohibited non-audit services include valuation and accounting work where their independence might be compromised by later auditing their own work.

Contrary to King III, the Audit Committee recommends the approval of the integrated report to the Board in so far as it relates to its activities. The Board has mandated the Sustainability Committee to oversee and make recommendations on the content of the sustainability section of the integrated report. The role and activities of the Sustainability Committee are discussed below.

The Chairman of the Audit Committee will be available at the annual general meeting to answer queries about the work of the committee.

INVESTMENT COMMITTEE

Composition: Charles de Fleurieu (Chairman), Derek de la Harpe, Marcus ter Haar, Gavin Tollman

The Investment Committee was established in February 2013 as a sub-committee of the Board to evaluate material transactions and capital expenditure, and make recommendations to the Board.

The Investment Committee comprises executive and non-executive directors, who are appointed by the Board.

The committee will operate within terms of reference which are in the process of being defined by the Board and will meet at least twice a year.

RISK COMMITTEE

Composition: Malcolm McCulloch (Chairman), Rolf Hartmann, Roux Marnitz, Michael Tollman, Keith Vincent

The Risk Committee comprises executive and non-executive directors. The Chief Financial Officer, Sales and Marketing Director and senior management are also invited to the meeting.

The committee operates within defined terms of reference as set out in its charter and the authority granted to it by the Board and meets at least twice a year. The committee assists the Board in reviewing the risk management process and significant risks facing the Group. The committee sets the Group's risk strategy in liaison with the executive directors and senior management. In doing so, it makes use of generally recognised risk management and internal control models and frameworks in order to maintain a sound system of risk management and internal control as described later in this report.

SAFETY REVIEW BOARD

Composition: Roux Marnitz (Chairman), Derek de la Harpe, Dave Bennett, Russel Friedman, Richard van der Wel

The Safety Review Board was established in January 2012 as a sub-committee of the Risk Committee to assist that committee with its duties relating to safety and associated risks. The Safety Review Board is responsible for overseeing overall Group systems with respect to accident prevention and emergency response.

The Safety Review Board comprises executive and non-executive directors and senior management, who are appointed by the Risk Committee. The meeting is also attended by the Group's aircraft and flight safety officer who provides a monthly report to the Safety Review Board.

The committee operates within defined terms of reference as set out in its charter and the authority granted to it by the Risk Committee and meets at least twice a year. The terms of reference include :

- Ensuring that Group operations develop systems and procedures to prevent accidents from occurring;
- Review of reports on Group's accident preparedness, amongst others;
- Providing guidance with respect to actions that would further reduce accident risk and improve emergency reaction procedures; and
- Review, test and/or rehearse current emergency response procedures from time to time to ensure appropriate reaction to major emergencies.

REMUNERATION AND NOMINATION COMMITTEE

Composition: Rolf Hartmann (Chairman), Roux Marnitz, Michael Tollman

The committee is comprised of independent non-executive directors.

The committee operates within defined terms of reference as set out in its charter and the authority granted to it by the Board and meets at least twice a year. The Chairman, Chief Executive Officer and Chief Financial Officer may be invited to attend these meetings, but they may not take any part in decisions regarding their own remuneration.

The committee is responsible for making recommendations to the Board on the Group's framework for executive remuneration and to determine specific remuneration packages for each of the executive directors and certain senior managers of the Group. The report of the Remuneration and Nomination Committee is included on page 88.

SUSTAINABILITY COMMITTEE

Composition: Jochen Zeitz (Chairman), Derek de la Harpe, John Hunt, Chris Roche, Dr Holly Dublin

The Sustainability Committee comprises executive and non-executive directors, senior management and an external adviser. The committee meets at least twice during the year and more frequently if required.

The committee operates within defined terms of reference as set out in its charter and the authority granted to it by the Board. The Board believes that sustainable business practices in the dimensions of commerce, conservation, community and culture (the 4Cs) form the sustainability platform for the business. The 4Cs sustainability platform is discussed on page 11 of this report.

ACCOUNTABILITY AND CONTROL

The Board recognises its responsibility to retain full and effective control over the Group to ensure sustainable growth and to act in the best interests of the Group and its stakeholders. The Board has created a Risk Committee and Safety Review Board dedicated to monitoring the risk management process and reporting to it on the likelihood and impact of risks materialising, as well as mitigation initiatives and their effectiveness.

Furthermore, to enable the directors to meet their responsibilities, management sets standards and implements systems of internal control aimed at reducing the risk of error, fraud or loss in a cost-effective manner. These controls include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties. The controls are independently monitored throughout the Group. All employees are required to maintain the highest ethical standards in ensuring that the Group's business practices are conducted in a manner which are in all reasonable circumstances beyond reproach.

The directors are of the opinion that the internal accounting controls are adequate, so that the financial records may be relied on for preparing the financial statements and maintaining accountability for assets and liabilities. This opinion is based on the information and explanations given by management and the auditors, and on comments by the auditors and the results of their audit.

DIRECTORS' RESPONSIBILITY FOR THE ANNUAL FINANCIAL STATEMENTS

The directors accept ultimate responsibility for the preparation of the financial statements and related financial information that fairly represent the state of affairs and the results of the Group.

The annual financial statements as set out in this report have been prepared in conformity with International Financial Reporting Standards and are based on appropriate accounting policies which have been consistently applied and are supported by reasonable and prudent judgements and estimates.

RISK MANAGEMENT

The Board has established a framework to review all strategic risks impacting the Group. The major risks facing the Group have been identified and mitigating strategies have been implemented, the effectiveness of which are monitored by the Risk Committee. These risks have been assessed taking into account the severity of the impact on the Group's business if such identified risks were to come to fruition. Some of the key risks that are identified, monitored and managed are:

- Dependence on a single country as the dominant market;
- Flying activities;
- Exchange rate volatility;
- More restrictive policies and/or regulation in the countries where the Group has lease concessions; and
- Maintaining service offering particularly in the current economic environment which has resulted in significant cost pressures.

The most significant risks have recently been reviewed and incorporated into the Group Risk Register to test the effectiveness of the risk controls.

The Board is satisfied with the process of identifying, monitoring and managing significant risks as well as with the internal controls and systems that are in place to manage the identified risk and measure the impact thereof. Accordingly, the Board does not believe it is necessary to appoint a Chief Risk Officer, as recommended by King III.

CORPORATE GOVERNANCE (continued)

INTERNAL AUDIT

Internal audit is an independent appraisal function which examines and evaluates the activities and the appropriateness of the systems of internal control, risk management and governance. Internal audit operates within the authority granted to it by the Audit Committee and the Board.

The Company previously outsourced the internal audit function to Ernst & Young. A risk register process has been completed with emphasis on high risk areas. The register is kept updated and reported on to the Risk Committee at each meeting. As internal controls have significantly improved to the satisfaction of both the Audit Committee and Risk Committee, after due consideration, it was decided to in-source the internal audit function to monitor these risks. To this end, the contract with Ernst & Young was terminated and the Board thanks them for their valuable contribution.

MANAGEMENT REPORTING

The Group has established management reporting disciplines which include the preparation of forecasts by operating entities. Monthly results and the financial status of operating entities are reported against approved budgets. Profit projections and cash flow forecasts are reviewed regularly, while working capital, borrowing facilities and bank covenant compliance are monitored on an ongoing basis.

ORGANISATIONAL INTEGRITY AND ETHICS

The Group operates on the basis of decentralised management across several countries. All employees are required to maintain the highest ethical standards in ensuring that the Group's business practices are conducted in a manner that, in all circumstances, is above reproach. The directors believe that the required ethical standards have been met during the year under review.

The Company has implemented an 'ethics hotline' to enable employees to report instances of corruption, fraud and other forms of unethical behaviour. This service is managed by Deloitte's Tip Offs Anonymous where absolute anonymity is guaranteed. The Audit Committee reviews all reported incidences of corruption, fraud and other forms of unethical behaviour. The hotline is available at our major centres in Botswana, Namibia and South Africa.

GOING CONCERN

The directors' assessment on the Group as a going concern is set out on page 99.

REPORT OF THE AUDIT COMMITTEE

The committee is pleased to present its report for the financial year ended 28 February 2013. The report is presented in accordance with the recommendations contained in King III.

The committee operates within defined terms of reference as set out in its charter and the authority granted to it by the Board. During the period under review the following activities, among others, were carried out:

- Reviewed and commented on the annual financial statements and the accounting policies and ensured that the annual financial statements of the Group comply with all statutory requirements;
- Monitored compliance with accounting standards and legal requirements;
- Reviewed the quality and effectiveness of the external audit process, the external auditor's report to the committee and management's responses;
- Reviewed interim reports, results announcements and other releases of price-sensitive information;
- Reviewed significant judgements and/or unadjusted differences resulting from the audit, as well as any reporting decisions made;
- Recommended the re-appointment of Deloitte & Touche, M Marinelli and M Rayfield as the registered independent auditors;
  - Set the terms of Deloitte & Touche's engagement;
  - Determined the fees to be paid to Deloitte & Touche and ensured that the fees are fair and equitable;
  - Maintained a non-audit services policy which determines the nature and extent of any non-audit services that Deloitte & Touche may provide to the Group;
- Ensured that the Group's existing combined assurance model addresses the significant risks facing the Group;
- Formed an integral component of the risk management process and, amongst others, monitored:
  - Financial reporting risks;
  - Internal financial controls;
  - Fraud risks as they relate to financial reporting; and
  - Information technology (IT) risks as they relate to financial reporting;
- Played an oversight role in respect of the internal audit function to ensure its effectiveness;
- Reviewed developments in corporate governance and best practice and considered their impact and implications on the Group and in particular ensured that the principles of King III are embedded throughout the Group;
- Satisfied itself that the Chief Financial Officer is appropriately qualified and experienced to fulfil his role and that the Finance function is suitably resourced and skilled to carry out its obligations; and
- Reviewed the text of various reports, including the going concern statement, corporate governance report and directors' report for inclusion in the integrated annual report for the year ended 2013.

ANNUAL FINANCIAL STATEMENTS

The Audit Committee has evaluated the consolidated annual financial statements for the year ended 28 February 2013 and ensured that they comply, in all material aspects, with the requirements of the Act and appropriate International Financial Reporting Standards. The committee has therefore recommended the annual financial statements for approval to the Board. The Board has subsequently approved the financial statements, which will be open for discussion at the forthcoming annual general meeting.

CONCLUSION ON FULFILMENT OF DUTIES AND OBLIGATIONS

Given the above, the committee is of the opinion that it has appropriately addressed its key responsibilities in respect of:

- Internal control;
- Financial accounting control;
- Selected stakeholder reporting that relates to the Audit Committee; and
- Statutory and regulatory requirements.

Rolf Hartmann
Chairman

REPORT OF THE REMUNERATION AND NOMINATION COMMITTEE

The committee is pleased to present its report for the financial year ended 28 February 2013. This report sets out the Group's remuneration philosophy and recommendations in accordance with King III. The report and the recommendations of the Remuneration and Nomination Committee will be submitted to shareholders for consideration at the annual general meeting.

REMUNERATION PHILOSOPHY

The remuneration philosophy applies to all Group operations. It is the Group's philosophy to:

- Appropriately compensate employees for the services they provide the Company;
- Attract and retain employees with skills required to effectively manage the operations and growth of the business; and
- Motivate employees to perform in the best interests of the Company and its stakeholders.

Remuneration levels are positioned relative to other comparable organisations, the current economic environment, and individuals' personal performance and the Company's business model. Remuneration comprises elements of fixed remuneration and performance-based (at-risk) remuneration.

REMUNERATION STRUCTURE

The mix of fixed-to-variable remuneration, including the mix of short- and long-term incentives, differs depending on the level of the employee. Senior executives have a larger proportion of their total remuneration subject to variable performance of the Group. The components of the remuneration structure are detailed below:

Fixed	Variable	
Remuneration	Short-term incentive (STI) – annual	Long-term incentive (LTI) – three to five years
• Salary • Employee benefits • Retirement funding	One of the following: • Annual bonus – cash payment of a 13th cheque or thereabouts, subject to individual and Company performance • Travel Shop performance-based incentive scheme – cash payment dependent on EBITDA targets • Executive incentive scheme – cash payment dependent on EBITDA and other targets	Wilderness Group 2011 Share Plan: • Share appreciation rights • Performance shares

These various elements are discussed further below.

REMUNERATION

The basic element of remuneration is a base salary that is required to attract and retain a given set of skills, competencies and experience.

Employee benefits and retirement funding

Other components of reward are given to certain employees. These are subject to local competitive practice and legislation. The Company provides, where appropriate, through third parties, additional elements of compensation:

- Life insurance, comprising a fixed amount or multiple of fixed remuneration;
- Disability insurance, comprising an amount to partially replace lost compensation during the period of medical incapacity or disability;
- Medical benefits, providing reimbursement of supplemental or primary medical expenses including hospitalisation, facility doctor or emergency room visits, prescription medication and dental expenses. These plans include annual limits and involve employees cost sharing to promote efficient purchasing; and
- Retirement savings, comprising full or partially matched (with employee) contributions towards retirement savings, subject to local competitive practice and legislation.

Short-term incentives (STI)

Employees have an element of STI based remuneration, comprising one of the following:

- **Annual bonus.** An annual bonus is payable at the discretion of the Company and provides rewards based on a combination of individual and Company performance relative to targets set at the beginning of each year. Employees who qualify for an annual bonus do not qualify for the executive incentive scheme or travel shop performance based incentive scheme.
- **Travel Shop performance-based incentive scheme.** For the year under review all Travel Shop employees have individual scorecards with performance measures that are aligned with the Travel Shop budget and strategy. The performance measures are split into team (60%) and individual (40%) measures. The individual must achieve 20/40 for their individual performance measure to qualify for the individual and/or team incentive award. The incentive award is determined by the performance score gained through a performance review process. Awards will only be made if the Travel Shop has attained its Gross Profit budget. High performing individuals can receive a maximum incentive of three times their monthly salary, creating a salary/incentive ratio of 80/20. Staff who qualify for the Travel Shop performance-based incentive scheme do not qualify for the annual bonus or executive incentive scheme.
- **Executive incentive scheme.** The executive incentive scheme is part of the Company's short-term incentive structure and is offered to executive and senior management. The incentive measures qualitative and quantitative factors on a 30/70 basis. Rewards will only be made if the Company achieves a minimum of 15% growth in adjusted EBITDA compared to the prior period. Rewards can be further withheld should the individual not achieve the qualitative factors that align values towards the Company's 4Cs philosophy. Once more than 25% growth in adjusted EBITDA is achieved the employee can receive the maximum incentive. Achievement of established performance objectives results in the payment of at-risk remuneration of between 20% and 60% of the employee's fixed package. No payment is made if performance does not achieve threshold levels. Staff who qualify for the executive incentive scheme do not qualify for the annual bonus or Travel Shop performance-based incentive scheme.

Long-term incentive (LTI)

Wilderness Group 2011 Share Plan

Shareholders approved the Wilderness Group Share Plan on 28 March 2011. The Plan forms part of the Company's long-term incentive structure and is designed to reward executive, senior management and key personnel over the long term, being a three- to five-year period. The scheme consists of two methods and employees may be issued both or one type of incentive.

The two methods are summarised as follows:

	Share appreciation rights	Performance shares
Method	Conditional right to acquire shares at a future date. Value of the shares acquired is calculated by reference to appreciation in the value of the shares between grant and exercise. Grant price is set by reference to volume weighted average price of shares at least seven to 21 days preceding the date of grant, as determined by the board. The exercise price is the price on the date of exercise.	Conditional award to receive a specified number of shares at a future date at nil cost.
Vesting period	Three equal tranches on the third, fourth and fifth anniversary of the grant date, subject to continued employment and the satisfaction of Company performance conditions.	Three years from the date of grant. Vesting is subject to continued employment with the Group and the satisfaction of the Company performance conditions.
Exercise period	Commences on the vesting date and expires on the sixth anniversary of the date of grant.	Not applicable.
Participation and award levels	Any salaried employee is eligible to participate at the invitation of the board. Deemed salaries are applied to determine the allocation quantum. This negates the impact of differing salaries which are attributable to regional influences, qualifications and length of service.	
Performance criteria	As determined by the board from time to time.	
Termination of employment	In the event of a no fault termination all rights shall vest and become exercisable and then shall be settled with effect from the date of termination of employment.	In the event of a no fault termination all shares shall vest and become available to be settled with effect from the date of termination of employment.
	In the event of a fault termination all rights not yet vested shall be cancelled.	In the event of a fault termination all shares not yet vested shall be cancelled

The performance conditions for the 2011 award are:

- **Share appreciation rights:** 10% annual compounded growth in HEPS.
- **Performance shares:**
  - 12% to 15% annual compounded growth in HEPS for 100% targeted number of shares. Performance is measured in year three; and
  - 15% to 20% annual compounded growth in HEPS for 100% to 200% targeted number of shares. Performance measured in year three. Results between 15% and 20% growth per annum are pro-rated.

Number of rights and awards granted

	Balance at 1 March 2012	Granted during the year	Lapsed during the year	Balance at 28 February 2013
Executive directors				
D de la Harpe	183 569	223 449	–	407 018
Senior management	1 859 065	2 578 451	82 861	4 354 655
Other	1 666 667	2 069 537	91 054	3 645 150
Total incentive scheme	**3 709 301**	**4 871 437**	**173 915**	**8 406 823**

Under the scheme, eligible employees may be awarded performance shares, share appreciation rights, or both. The maximum number of shares attributable to the scheme is 16 170 000. The maximum number of shares that may be acquired by any one participant in the scheme is 0.5% (1 155 000 shares) and in aggregate is 7%.

REPORT OF THE REMUNERATION AND NOMINATION COMMITTEE (continued)

Movements are as follows:

	Share appreciation rights	Performance shares
At 1 March 2012		
Previously awarded in 2011	2 467 233	1 242 068
• Awarded in 2012	3 126 782	1 744 655
• Lapsed – Terminations	(127 881)	(46 034)
At 28 February 2013	**5 466 134**	**2 940 689**
Subsequent to year end		
• Lapsed – Terminations	(68 391)	–
At 31 May 2013	**5 397 743**	**2 940 689**
Total number of rights/awards attributable to the scheme as at 28 March 2011		16 170 000
Total number of rights/awards granted and outstanding as at 28 February 2013		(8 406 823)
		7 763 177

NON-EXECUTIVE DIRECTORS' REMUNERATION

Non-executive directors elected not to receive any form of remuneration during the year under review.

However, with the establishment of two new committees during the year, being the Safety Review Board and the Investment Committee, plus special task sub-committees to attend to various matters from time to time, the Board feels bound to remunerate non-executive directors for their valuable time and expertise. Therefore the Board has agreed to introduce remuneration for non-executive directors for the year ending 28 February 2014, as set out below, to be approved by shareholders at the Company's annual general meeting on 30 August 2013.

Non-executive remuneration for the financial year ending 28 February 2014:

	BWP
• Chairman of the Board	480 000
• Deputy Chairman	200 000
• Non-executive directors	100 000
• Chairman of the Audit Committee	50 000
• Chairman of the Investment Committee	50 000
• Chairman of the Remuneration and Nomination Committee	50 000
• Chairman of the Risk Committee	50 000
• Chairman of the Sustainability Committee	50 000
• Chairman of the Safety Review Board	50 000

EXECUTIVE DIRECTORS' REMUNERATION

The directors have not entered into fixed service contracts.

TOP EARNERS

King III recommends the disclosure of the salaries of the three most highly paid employees other than directors in the Company. We understand that the intention here is to disclose if such salaries are material and of shareholder interest. While Wilderness is committed to the spirit of the recommendation, the board has decided that it is not necessary, nor in the Company's interests, to disclose such salaries based on the fact that the salaries are influenced by geographical situation and exchange rates. However, it can provide the assurance that such salaries are below those of executive directors and are market-related.

DIRECTORS' EMOLUMENTS

BWP	Salaries	Fees	Benefits and bonuses	Employee provident and medical aid	Total
2013					
Malcolm McCulloch		480 000			480 000
Keith Vincent	1 897 500		126 500		2 024 000
Andrew Payne*^	1 754 226		130 560	204 171	2 088 957#
Russel Friedman*^	742 941			90 393	833 334
David van Smeerdijk*^	1 512 738		113 249	185 994	1 811 981
Derek de la Harpe*	1 300 255		117 620	170 001	1 587 876

* *Where directors' emoluments are paid in Rands, the amounts reflected are the values calculated using an average exchange rate of R1.08 to the Pula.*

\# *This amount excludes a severance payment of (BWP1 958 397) to Mr Payne who retired from the board in February 2013 and terminated his employment with the Company at the end of June 2013.*

^ *Early in 2013 the board agreed that it should be realigned to improve executive capacity and also to further support operations in Botswana. To that end Messrs Andrew Payne, David van Smeerdijk and Russel Friedman retired from the board.*

BWP	Salaries	Fees	Benefits and bonuses	Employee provident and medical aid	Total
2012					
Malcolm McCulloch		480 000			480 000
Keith Vincent	1 790 100		149 175		1 939 275
Andrew Payne**	1 688 191		156 867	194 213	2 039 271
Russel Friedman**	1 102 227			205 367	1 307 594
David van Smeerdijk**	1 456 073		136 068	176 742	1 768 883
Derek de la Harpe**	1 251 834		235 534	161 370	1 648 738

** *Where directors' emoluments are paid in Rands, the amounts reflected are the values calculated using an average exchange rate of R1.06 to the Pula.*

Rolf Hartmann
Chairman

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Represents core performance indicators

Represents additional performance indicators

Annual Financial Statements

WILDERNESS
FOR THE LONG RUN

DIRECTORS' REPORT

To the members of Wilderness Holdings Limited (Wilderness or the Company)

NATURE OF BUSINESS

Wilderness is an investment holding company whose principal subsidiaries are invested in safari consulting (tour operating and destination management), transfer and touring (air and road), camp, lodge and safari exploration operations, as well as finance and asset management.

Wilderness is dedicated to responsible tourism throughout the areas in which we operate. Our goal is to share these wild areas with guests from all over the world, while at the same time helping to ensure the future conservation of Africa's spectacular wildlife heritage and sharing the benefits of tourism with local communities.

LISTINGS

The Company has been listed on the Botswana Stock Exchange, with a secondary inward listing on the Main board of the JSE Limited, since 8 April 2010.

The abbreviated name under which the Company is listed on the BSE and the JSE Limited is "Wilderness" and the Company's Clearing House Code is "WIL".

FINANCIAL RESULTS

Group attributable earnings for the financial year ended February 2013 were BWP30 million (2012: BWP11 million) representing earnings per share of 12.80 thebe (2012: 4.91 thebe). Headline earnings per share were 11.13 thebe (2012: 3.76 thebe).

Full details of the financial position and results of the Wilderness Group are set out in these financial statements.

DIVIDENDS

Dividends are proposed and approved by the board of directors of the Company. In the event that a dividend is declared, it is envisaged to declare a final dividend in May/June each year due to the annual cashflow cycle of the business.

During the year under review the following dividend was paid to shareholders:

Declaration date	24 May 2012
Last date to trade ordinary shares cum dividend	8 June 2012
Record date	15 June 2012
Amount paid per ordinary share	
• Botswana (thebe)	8.6
• South Africa (cents)	9.2
Payment date	27 June 2012

WITHHOLDING TAX

In terms of the Republic of Botswana Income Tax Act, as amended, withholding tax amounting to 7.5% was deducted from the gross dividend paid to all Botswana residents.

In terms of the Income Tax Act of 1962, as amended, with effect from 1 April 2012 a withholding tax of 15% shall be deducted from gross dividends paid to all South African resident shareholders.

ACCOUNTING POLICIES

There was no change in accounting policies during the year.

STATED CAPITAL

There was no change to the stated capital during the year under review. Full details of the share capital of the Company at 28 February 2013 are contained in note 19 to the financial statements.

DIRECTORS' INTERESTS IN SHARES

At 28 February 2013, the directors of the Company during the year held direct and indirect interests in 186 682 202 of the Company's issued ordinary shares (2012: 144 995 092). Details of shares held per individual director are listed below:

2013	Direct beneficial	Indirect beneficial	Direct non-beneficial	Indirect non-beneficial	Total	%
Executive directors						
Andrew Payne	10 063 593	–	–	–	10 063 593	4.36
Russel Friedman	9 982 494	–	–	–	9 982 494	4.32
Dave van Smeerdijk	6 303 735	–	–	–	6 303 735	2.73
Keith Vincent	9 884 701	–	–	–	9 884 701	4.28
Total	**36 234 523**				**36 234 523**	**15.69**
Non-executive directors						
John Hunt	11 000	–	–	–	11 000	–
Malcolm McCulloch	10 063 593	–	–	–	10 063 593	4.36
Gavin Tollman	–	–	–	80 061 435	80 061 435	34.66
Jochen Zeitz	2 310 000	–	–	58 001 651	60 311 651	26.11
Total	**12 384 593**			**138 063 086**	**150 447 679**	**65.13**
Total executive and non-executive directors' interests	**48 619 116**			**138 063 086**	**186 682 202**	**80.82**

During the year Wine Investments Limited, represented by Gavin Tollman, increased their shareholding to 34.66%. Puma SE and Kering SA, represented by Jochen Zeitz, together with his personal direct interest, increased their shareholding to 26.11%. David van Smeerdijk sold shares during the year.

2012	Direct beneficial	Indirect beneficial	Direct non-beneficial	Indirect non-beneficial	Total	%
Executive directors						
Andrew Payne	10 063 593	–	–	–	10 063 593	4.36
Russel Friedman	9 982 434	–	–	–	9 982 434	4.32
Dave van Smeerdijk	7 913 771	–	–	–	7 913 771	3.42
Keith Vincent	9 884 701	–	–	–	9 884 701	4.28
Total	37 844 499				37 844 499	16.38
Non-executive directors						
John Hunt	11 000	–	–	–	11 000	0.01
Malcolm McCulloch	10 063 593	–	–	–	10 063 593	4.36
Gavin Tollman	–	–	–	48 335 000	48 335 000	20.92
Jochen Zeitz	2 310 000	–	–	46 431 000	48 741 000	21.10
Total	**12 384 593**			**94 766 000**	**107 150 593**	**46.39**
Total executive and non-executive directors' interests	**50 229 092**			**94 766 000**	**144 995 092**	**62.77**

DIRECTORS' REPORT (continued)

SHARE SCHEME

Shareholders approved the Wilderness Group 2011 Share Plan on 28 March 2011.

Under the scheme, eligible employees may be awarded performance shares, share appreciation rights, or both. The maximum number of shares attributable to the scheme is 16 170 000. The maximum number of shares that may be acquired by any one participant in the scheme is 0.5% and in aggregate is 7%.

Employees participate in the share scheme to the extent that they are awarded share appreciation rights and/or performance shares and accept them. Both awards are subject to certain performance criteria and shall not vest until the performance criteria have been met. The performance shares expire on the third anniversary of the award date and the share appreciation rights shall expire on the sixth anniversary of the award date.

Movements are as follows:

	Share appreciation rights	Performance shares
At 1 March 2012	2 467 233	1 242 068
Previously awarded in 2011		
• Awarded in 2012	3 126 782	1 744 655
• Lapsed – Terminations	(127 881)	(46 034)
At 28 February 2013	**5 466 134**	**2 940 689**
Subsequent to year end		
• Lapsed – Terminations	(68 391)	–
At 31 May 2013	**5 397 743**	**2 940 689**
Total number of rights/awards attributable to the scheme as at 28 March 2011		16 170 000
Total number of rights/awards granted and outstanding as at 28 February 2013		(8 406 823)
		7 763 177

DIRECTORS' EMOLUMENTS

The directors' emoluments are detailed in the Remuneration Report on page 88.

DIRECTORATE AND SECRETARY

Robert Polet resigned from the board in November 2012 and Charles de Fleurieu was appointed in his place.

Just prior to the year end the board agreed that it should be realigned to improve executive capacity and also to further support operations in Botswana. To that end Andrew Payne, David van Smeerdijk and Russel Friedman retired from the board. David van Smeerdijk continues in his role as head of marketing and sales of Wilderness Safaris.

In April 2013, Malcolm McCulloch retired as Chairman of the Board and will continue to serve as a non-executive member of the board. The board thanks these gentlemen for their many years of loyal service to the group.

The board was pleased to announce that Parks Tafa has agreed to succeed Malcolm McCulloch as the Chairman of the Board and he will be supported by Michael Tollman as Deputy Chairman. Keith Vincent, formerly the COO, is serving as the acting CEO and the board will announce the new CEO in due course.

Contact details for the South African and Botswana company secretaries are provided on the inside back cover of this report.

DETAILS OF SUBSIDIARIES

Details of the Group's interests in its subsidiaries are set out on pages 135 and 136 of this report

MATERIAL AND OTHER RESOLUTIONS

Details of resolutions of a significant nature passed by the Company and its subsidiaries during the year under review, were as follows:

Ordinary resolution passed at the annual general meeting held on 28 August 2012:

- Repurchase by the Company of its shares.

DONATIONS

The Company supports Children in the Wilderness (CITW) and the Wilderness Wildlife Trust (TWWT). The Company donates up to 2% of its bednights to CITW on an annual basis. The costs to the Company of these donations are marginal costs (food, cleaning materials) associated with hosting the children in the camps. CITW provides education and training for local children and their communities. TWWT seeks to address the needs of existing wildlife populations, and to conserve threatened and endangered species.

SHAREHOLDER SPREAD

A comprehensive analysis of shareholders, together with a list of shareholders beneficially holding directly or indirectly in excess of 3% of the ordinary shares of the Company as at 28 February 2013, is set out on page 97.

DIRECTORS' RESPONSIBILITY AND APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

The directors are required to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the Group as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Group and all employees are required to maintain the highest ethical standards in ensuring the Group's business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the Group is on identifying, assessing, managing and monitoring all known forms of risk across the Group. While operating risk cannot be fully eliminated, the Group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

GOING CONCERN

The directors have reviewed the Group's cash flow forecast for the year to 28 February 2014 and, in the light of this review and the current financial position, they are satisfied that the Company and Group have or have access to adequate resources to continue in operational existence for the foreseeable future.

The annual financial statements set out on pages 100 to 132 which have been prepared on the going concern basis, were approved by the board on 22 May 2013 and were signed on its behalf by:

Keith Vincent
Acting Chief Executive Officer

Derek de la Harpe
Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WILDERNESS HOLDINGS LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying consolidated and separate annual financial statements of Wilderness Holdings Limited, which comprise the consolidated and separate statements of financial position as at 28 February 2013, consolidated and separate statements of comprehensive income, consolidated and separate statements of changes in equity, consolidated and separate statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 100 to 132.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance, about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated and separate annual financial statements give a true and fair view of the consolidated and separate financial position of Wilderness Holdings Limited, as at 28 February 2013, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards.

Deloitte & Touche
Certified Auditors
Practising Member: M Marinelli (19900028)
Gaborone

19 July 2013

Deloitte & Touche
Certified Public Accountants (Botswana)
Deloitte & Touche House
Plot 64518
Fairgrounds
Gaborone
Botswana

GROUP STATEMENT OF COMPREHENSIVE INCOME

For the year ended 28 February

	Notes	2013 BWP'000	2012 BWP'000
Continuing operations			
Revenue	3	1 205 074	1 066 243
Cost of sales		(690 529)	(604 373)
Gross profit		514 545	461 870
Other gains		22 889	4 382
Operating expenses		(419 605)	(393 965)
Net foreign exchange (losses)/gains	4	(8 928)	5 494
Operating profit for the year before items listed below		108 901	77 781
Impairment losses	4	(14 000)	(4 371)
Depreciation and amortisation	4	(46 982)	(45 718)
Profit on sale of business	7	–	2 047
Operating profit	4	47 919	29 739
Interest received		1 260	2 508
Financing costs	5	(9 465)	(7 529)
Unrealised foreign exchange loss on loans		(7 260)	(8 207)
Share of earnings/(losses) of equity-accounted investments, net of tax	13	66	(492)
Profit before taxation		32 520	16 019
Taxation	6	(4 816)	(7 824)
Profit for the year from continuing operations		27 704	8 195
Profit for the year from discontinued operations	7	–	–
Profit for the year		27 704	8 195
Other comprehensive (loss)/income:		(3 156)	4 647
Exchange differences on translating foreign operations		(3 156)	4 647
Total comprehensive income for the year		24 548	12 842
Profit/(loss) for the year from continuing and discontinued operations attributable to:			
Owners of the Company		29 561	11 344
Non-controlling interest		(1 857)	(3 149)
		27 704	8 195
Total comprehensive income/(loss) for the year from continuing and discontinued operations attributable to:			
Owners of the Company		27 418	15 657
Non-controlling interest		(2 870)	(2 815)
		24 548	12 842
Earnings per share (thebe)			
– Basic	8	12.80	4.91
– Diluted	8	12.79	4.91

GROUP STATEMENT OF FINANCIAL POSITION

As at 28 February

	Notes	2013 BWP'000	2012 BWP'000
ASSETS			
Non-current assets		474 047	451 100
Property, plant and equipment	10	382 372	382 334
Goodwill	11	34 855	30 917
Intangible assets	12	8 863	2 539
Investment and loans in associates	13	11 390	10 373
Loans receivable	14	1 768	2 053
Deferred tax assets	15	34 799	22 884
Current assets		319 065	287 451
Inventories	16	17 889	20 615
Trade receivables	17	24 944	11 066
Other receivables and prepayments		72 440	54 805
Current tax receivable		14 467	13 087
Cash and cash equivalents		189 325	187 878
Non-current assets held for sale	18	1 386	–
Total assets		794 498	738 551
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company		344 728	334 845
Stated capital	19	153 703	153 703
Foreign currency translation reserve		15 406	17 549
Common control reserve		(73 324)	(73 324)
Other non-distributable reserves		16 374	12 414
Share-based payment reserve		4 651	1 622
Retained income		227 918	222 881
Non-controlling interest		(7 259)	(3 633)
Total equity		337 469	331 212
Non-current liabilities		130 249	145 709
Long-term liabilities	20	101 574	113 409
Loans from related parties	21	555	581
Deferred tax liabilities	15	28 120	31 719
Current liabilities		326 780	261 630
Trade and other payables	22	273 724	229 254
Current tax liabilities		3 368	2 002
Bank overdrafts	23	49 688	30 374
Total liabilities		457 029	407 339
Total equity and liabilities		794 498	738 551

GROUP STATEMENT OF CHANGES IN EQUITY

For the year ended 28 February

	Stated capital BWP'000	Foreign currency translation reserve BWP'000	Common control reserve BWP'000	Other non-distributable reserves BWP'000	Share-based payment reserve BWP'000	Retained income BWP'000	Total shareholders' equity BWP'000	Non-controlling interest BWP'000	Total equity BWP'000
Balance at 1 March 2011	153 703	13 236	(73 324)	22 158	–	234 595	350 368	(17 419)	332 949
Minority portion of dividend paid	–	–	–	–	–		–	(1 169)	(1 169)
Total comprehensive income for the year	–	4 313	–	–	–	11 344	15 657	(2 815)	12 842
Dividends paid	–	–			–	(19 868)	(19 868)	–	(19 868)
Transfer from distributable reserves to re-insurance reserve	–	–	–	3 190	–	(3 190)	–	–	–
Disposal of subsidiary	–	–	–		–	–	–	4 621	4 621
Acquisition of additional interest in subsidiary company	–	–	–	(13 149)	–	–	(13 149)	13 149	–
Share-based payments expense	–	–	–	–	1 622	–	1 622	–	1 622
Other	–	–	–	215	–	–	215	–	215
Balance at 29 February 2012	153 703	17 549	(73 324)	12 414	1 622	222 881	334 845	(3 633)	331 212
Minority portion of dividend paid	–	–	–	–	–	–	–	(342)	(342)
Total comprehensive income for the year	–	(2 143)	–	–	–	29 561	27 418	(2 870)	24 548
Dividends paid	–	–	–	–	–	(19 865)	(19 865)	–	(19 865)
Transfer from distributable reserves to re-insurance reserve	–	–	–	4 659	–	(4 659)	–	–	–
Purchase of subsidiary	–	–	–	–	–		–	(1 113)	(1 113)
Acquisition of additional interest in subsidiary companies	–	–	–	(699)	–	–	(699)	699	–
Share-based payments expense	–	–	–	–	3 029	–	3 029	–	3 029
Balance at 28 February 2013	153 703	15 406	(73 324)	16 374	4 651	227 918	344 728	(7 259)	337 469

GROUP STATEMENT OF CASH FLOWS

For the year ended 28 February

	Notes	2013 BWP'000	2012 BWP'000
Cash flow from operating activities			
Cash generated from operations	30	106 952	79 421
Interest received		1 260	2 508
Financing costs		(9 465)	(7 529)
Taxation paid	31	(21 229)	(7 026)
Net cash inflow from operating activities		77 518	67 374
Cash flow from investing activities			
Acquisition of subsidiary companies	32	(5 192)	–
Disposal of subsidiary companies	33	–	1 585
Additions to property, plant and equipment	34	(65 257)	(64 863)
Additions to intangible assets	12	(7 513)	(1 501)
Proceeds on disposal of property, plant and equipment and intangibles		8 624	8 632
Cash flows from associates		2 800	7 630
Movement in long-term loans receivable		285	1 048
Net cash outflow from investing activities		(66 253)	(47 469)
Cash flow from financing activities			
Minorities' share of dividends		(342)	(1 169)
Dividends paid		(19 865)	(19 868)
Repayment of long-term liabilities		(43 686)	(31 154)
Increases in long-term liabilities		18 933	24 175
Net cash outflow from financing activities		(44 960)	(28 016)
Net decrease in cash and cash equivalents		(33 695)	(8 111)
Unrealised exchange gain on foreign cash balances		15 828	13 022
Cash and cash equivalents at the beginning of the year		157 504	152 593
Cash and cash equivalents at the end of the year	35	139 637	157 504

NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS

For the year ended 28 February

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these separate and consolidated financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

Basis of preparation and measurement

Statement of compliance

The consolidated financial statements of Wilderness Holdings Limited at and for the year ended 28 February 2013 comprise the Company and its subsidiaries (together referred to as the Group) and the Group's interest in associates and joint ventures. The separate and consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

Basis of measurement

The separate and consolidated financial statements are prepared on the historical cost basis except for certain account balances which have been accounted for at fair value in accordance with IFRS.

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Botswana Pula (rounded to the nearest thousand unless otherwise stated), which is the Group's functional and presentation currency.

Changes in accounting policies and comparability

The Group has adopted certain new standards, amendments and interpretations to existing standards which were effective for the Group for the financial year beginning on or after 1 March 2012.

Standards, interpretations and amendments to published standards that are not yet effective

The following new standards, amendments and interpretations to existing standards have been published that are applicable for future accounting periods but have not been adopted early by the Group:

IAS 1 Presentation of Financial Statements (effective 1 July 2012) (amended)
The amendment to IAS 1 requires that the entity should present items of other comprehensive income that may be reclassified to profit or loss separately from those that would never be reclassified to profit or loss. The related tax effects for these sub-categories should be shown separately. The amendment results in a change in presentation and will have no impact on the recognition or measurement of items in the financial statements. It is applicable retrospectively. The Group is still determining the impact of the amendment on the presentation of the relevant items in the financial statements.

IAS 16 Property, Plant and Equipment (effective 1 January 2013) (amended)
The amendment to IAS 16 results from the Annual Improvements 2009-2011 Cycle and calls for a classification of servicing equipment. The Group is still determining the impact of the amendment on the financial statements.

IAS 19 Employee Benefits (effective 1 January 2013) (amended)
The amendment to IAS 19 specifies the way in which entities are required to record pension and other termination benefits. The Group is still determining the impact of the amendment on the financial statements.

IAS 27 Separate Financial Statements (effective 1 January 2013) (revised)
IAS 27 was revised and it supersedes the previous IAS 27 (2008). The revised IAS 27 carries forward the existing accounting and disclosure requirements for separate financial statements, with minor clarifications. The adoption of the revised IAS 27 is not expected to have a significant impact on the Group's financial statements.

IAS 28 Investments in Associates and Joint Ventures (effective 1 January 2013)
IAS 28 was revised and it supersedes the previous IAS 28 (2008). The revised IAS 28 carries forward the existing accounting and disclosure requirements with limited amendments. The adoption of the revised IAS 28 is not expected to have a significant impact on the Group's financial statements.

IAS 32 Financial Instruments: Presentation (effective 1 January 2013)
The amendments to IAS 32 were issued to address inconsistencies in current practice when applying the offsetting criteria in IAS 32 Financial Instruments: Presentation. The amendments clarify the meaning of *currently has a legally enforceable right of set-off*; and that some gross settlement systems may be considered equivalent to net settlement. The Group is still determining the impact of the standard on the financial statements.

IAS 34 Interim Financial Reporting (effective 1 January 2013) (amended)
The amendment to IAS 34 results from the Annual Improvements 2009-2011 Cycle and clarifies interim reporting of segment information for total assets in order to enhance consistency with the requirements in IFRS 8 Operating Segments. The Group is still determining the impact of the amendment on the financial statements.

IFRS 1 First-time Adoption of International Financial Reporting Standards (effective 1 January 2013) (amended)
The amendment to IFRS 1 deals with the treatment of a government loan with a below-market rate of interest. The Group is still determining the impact of the amendment on the financial statements.

IFRS 1 First-time Adoption of International Financial Reporting Standards (effective 1 January 2013) (amended)
The amendment results from the Annual Improvements 2009-2011 Cycle and permits the repeated application of IFRS 1, and deals with borrowing costs relating to qualifying assets for which the commencement date for capitalisation is before the date of transition to IFRSs. The Group is still determining the impact of the amendment on the financial statements.

IFRS 7 Financial Instruments: Disclosures (effective 1 January 2013) (amended)
The amendment to IFRS 7 deals with disclosures of the offsetting of financial assets and financial liabilities. The Group is still determining the impact of the amendment on the financial statements.

IFRS 7 Financial Instruments: Disclosures (effective 1 January 2015) (amended)
The amendment to IFRS 7 deals with disclosures regarding the transition to IFRS 9 (or otherwise when IFRS 9 is first applied) . The Group is still determining the impact of the amendment on the financial statements.

IFRS 9 Financial Instruments (effective 1 January 2015)
IFRS 9 addresses the initial measurement and classification of financial assets and financial liabilities, and replaces the relevant sections of IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortised cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Under IFRS 9, the classification and measurement requirements for financial liabilities are the same as per IAS 39, except for two aspects. The first aspect relates to fair value changes for financial liabilities (other than financial guarantees and loan commitments) designated at fair value through profit or loss, that are attributable to the changes in the credit risk of the liability. The second aspect relates to derivative liabilities that are linked to and must be settled by delivery of an unquoted equity instrument whose fair value cannot be reliably measured. The Group is still determining the impact of the standard on the financial statements.

IFRS 9 has also been amended to include the derecognition requirements from IAS 39. These requirements have remained unchanged but additional disclosure requirements relating to the disclosure of transfers of financial assets have been included in IFRS 7 (refer above).

IFRS 10 Consolidated Financial Statements (effective 1 January 2013)
IFRS 10 is a new standard that replaces the consolidation requirements in SIC-12 Consolidation – Special Purpose Entities and IAS 27 Consolidated and Separate Financial Statements. The standard builds on existing principles by identifying the concept of control as the determining factor as to whether or not an entity should be included within the consolidated financial statements of the parent company and provides additional guidance to assist in the determination of control where this is difficult to assess. The Group is still determining the impact of the standard on the financial statements.

IFRS 11 Joint Arrangements (effective 1 January 2013)
IFRS 11 is a new standard that deals with the accounting for joint arrangements and focuses on the rights and obligations of the arrangements, rather than its legal form. The standard requires a single method for accounting for interests in jointly controlled entities. The Group is still determining the impact of the standard on the financial statements. IFRS 11 has superseded IAS 31 Interests in Joint Ventures which has been withdrawn.

IFRS 12 Disclosures of Interests in Other Entities (effective 1 January 2013)
IFRS 12 is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. The adoption of the new standard will increase the level of disclosure provided for the entity's interests in subsidiaries, joint arrangements, associates and structured entities. The Group is still determining the impact of the standard on the financial statements.

IFRS 13 Fair Value Measurement (effective 1 January 2013)
IFRS 13 introduces a single source of guidance on fair value measurement for both financial and non-financial assets and liabilities by defining fair value, establishing a framework for measuring fair value and setting out disclosure requirements for fair value measurements. The Group is still determining the impact of the standard on the financial statements.

NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS (continued)

For the year ended 28 February

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of preparation and measurement (continued)

Standards, interpretations and amendments to published standards that are effective and applicable to the Group
The following standards, interpretations and amendments were effective and applicable to the Group for the year ended 28 February 2013, but had no impact on the financial statements:

IAS 12 Income Taxes (effective 1 January 2012) (amended)
The amendment to IAS 12 introduced a rebuttable presumption that an investment property measured at fair value will be recovered in its entirety through its sale.

All the new and revised standards, interpretations and amendments that became effective and were applicable to the Group for the year ended 28 February 2013 have been adopted. The adoption of these standards has not resulted in changes to the Group accounting policies.

SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing the annual financial statements, management is required to make estimates and assumptions believed to be reasonable that affect the amounts presented in the Group annual financial statements and related disclosures. Use of available information and the application of judgement are inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements.

Significant accounting estimates and judgements include:

Trade receivables and loans and receivables

The Group assesses trade receivables and loans for impairment at each reporting date. In determining whether an impairment loss should be recorded in profit or loss, the Group makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a receivable, the timing and quantum of estimated future cash flows and an appropriate discount rate to determine the present value of such cash flows.

Impairment testing for goodwill and non-monetary assets

The recoverable amounts of cash-generating units and individual non-monetary assets are determined based on the higher of value-in-use calculations and fair values less cost to sell. These calculations require the use of estimates and assumptions.

The Group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In addition, goodwill is tested on an annual basis for impairment. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. Estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time.

Useful lives and residual values of property, plant and equipment

Residual values of buildings, motor vehicles and aircraft are based on current estimates of the value of these assets at the end of their useful lives. The estimated residual values and useful lives of buildings and motor vehicles have been determined by the directors based on industry experience, as well as anticipation of future events that could impact these estimates. The estimated residual values and useful lives of aircraft have been determined by the directors based on industry experience, the manufacturers' recommendations and other available marketplace information, including but not limited to aviation bluebook valuations.

Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax charges based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax liabilities in the period in which such determination is made.

The Group recognises the net future tax benefit related to deferred tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred tax assets requires the Group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the reporting date could be impacted.

Cost of sales

Management determines sales margins on the basis of direct variable costs in order to ensure that appropriate profit margins are realised to cover the significant fixed cost portion of the business operations. Accordingly, management classifies only direct variable costs as part of cost of sales with fixed costs, including depreciation, being recognised as part of operating expenditure.

ACCOUNTING POLICIES

Consolidation

Subsidiaries

Subsidiary undertakings, which are those companies in which the Group, directly or indirectly, has an interest of more than one half of the voting rights or otherwise has power to exercise control over the financial and operating policies so as to obtain benefits from its activities, have been consolidated. Subsidiaries are consolidated from the date on which effective control is transferred to the Group and are no longer consolidated from the date of disposal. All inter-company transactions, balances, income and expenses and unrealised surpluses and deficits on transactions between Group companies have been eliminated. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements.

On acquisition, the assets and liabilities of a subsidiary are measured at their fair values at the date of acquisition, except for assets classified as held-for-sale, which are recognised at fair value less costs to sell. To the extent that the cost of the acquisition, in excess of the fair value of the net assets acquired, is attributable to intangible assets that the entity holds for its own use or for rental to others, this value is recognised as an intangible asset. Any additional difference between the cost of acquisition and total net asset value of the entity is recognised as goodwill if after reassessment, the Group's interest in the net fair value of the acquiree's realisable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately as profit or loss. The interest of minority shareholders is stated at the minority's proportion of the fair values of the assets and liabilities recognised at the date of the acquisition and the minority's interest in the subsidiary's equity since the date of combination.

Where necessary, accounting policies for subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

In the Company's separate annual financial statements, investments in subsidiaries are carried at cost less any accumulated impairment.

The cost of an investment in a subsidiary is the aggregate of:

- The fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Company; plus
- Any costs directly attributable to the purchase of the subsidiary.

An adjustment to the cost of a business combination contingent on future events is included in the cost of the combination if the adjustment is probable and can be measured reliably.

The Group applies a policy of treating transactions with minority interests as transactions with equity owners of the Group. For purchases of minority interests, the difference between any consideration paid and the relevant share acquired of the carrying value of the net assets of the subsidiary is recorded in equity. Gains or losses on disposals to minority interests are also recorded in equity.

Associates

An associate is an entity in which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Significant influence is the power to participate in the financial and operating decisions of the entity but is not control or joint control over those policies.

Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost, except when the asset is classified as held-for-sale. Under the equity method, the Group's share of the post-acquisition profits or losses of associates is recognised in profit or loss, and its share of post-acquisition movements in reserves is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The use of the equity method is discontinued from the date the Group ceases to have significant influence over an associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred. Any impairment losses are deducted from the carrying amount of the investment in associate. Distributions received from the associate reduce the carrying amount of the investment.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is recorded within the carrying amount of the investment and is assessed for impairment as part of that investment.

The excess of the Group's share of the net fair value of an associate's identifiable assets, liabilities and contingent liabilities over the cost is excluded from the carrying amount of the investment and is instead included as income in the period in which the investment is acquired.

In the Company's separate annual financial statements, an investment in an associate is carried at cost less any accumulated impairment.

Non-current assets (or disposal groups) held-for-sale

Non-current assets (or disposal groups) are classified as assets held-for-sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use.

Foreign currency translations

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (functional currency). The consolidated and separate financial statements are presented in Pula which is the Group's presentation currency.

Transactions in currencies other than the functional currency are initially recorded at the rates of exchange ruling on the dates of the transactions. At each reporting date, monetary assets and liabilities denominated in such currencies are retranslated at the rates prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated. Profits and losses arising on exchange are dealt with in the statement of comprehensive income.

Assets and liabilities of foreign subsidiaries are translated to Pula at the rates prevailing on the reporting date. Income and expense items are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions). All resulting exchange differences are recognised in other comprehensive income as a separate component of equity.

NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS (continued)

For the year ended 28 February

ACCOUNTING POLICIES (continued)

Foreign currency translations (continued)

On disposal of part or all of a foreign subsidiary, the proportionate share of the related cumulative gains and losses previously recognised in the foreign currency translation reserve through the statement of changes in equity is included in determining the profit or loss on disposal of that foreign subsidiary in the statement of comprehensive income. Such translation differences are recognised as income or expenses in the period during which disposals are effected.

Where appropriate, in order to minimise its exposure to foreign exchange risks, the Group enters into forward exchange contracts.

Goodwill, intangible assets and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset when:

- It is probable that future economic benefits associated with the item will flow to the Group; and
- The cost of the item can be measured reliably.

Cost includes cost incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to or replace part of an asset, or major overhaul costs. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit and loss when incurred.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Depreciation is provided on all property, plant and equipment other than freehold land and work in progress, to write down the cost, less residual value, by equal instalments over their useful lives as follows:

Item	Average useful life
Leasehold land and property	the lesser of 10 years or life of lease
Computer equipment	3 – 4 years
Vehicles, furniture, fittings and equipment	3 – 10 years
Aircraft	
Frames	20 – 30 years
Engines	Hours flown

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognised in profit or loss, unless it is included in the carrying amount of another asset.

The assets' residual values, useful lives and depreciation methods are reviewed and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are recorded in profit or loss.

Intangibles

Costs incurred on development of intangible assets are capitalised when cost can be measured reliably, the product is technically and commercially feasible, future economic benefits from the use or sale of the product are probable and sufficient resources are available in order to complete the development as intended.

Costs incurred on acquisition of intangible assets are capitalised when cost can be measured reliably. Subsequent to initial recognition, all intangible assets are measured at cost less accumulated amortisation and impairment losses. Intangible assets with an indefinite life are not amortised, while the depreciable amount of intangible assets with a finite useful life are amortised on the straight-line basis over their expected useful lives. The following amortisation rates are applicable:

Item	Useful life
Computer software	3 – 6 years
Leasehold premium	Period of the lease

Leases

Leases of property, plant and equipment where the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligation, net of the finance charges, is included in other long-term payables.

The interest element of the finance cost is charged to profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset or the lease term.

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives from the lessor) are charged to profit and loss on a straight-line basis over the period of the lease.

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets, liabilities and contingent liabilities of the acquired subsidiary/associate at the date of acquisition. Goodwill on acquisitions of associates is included in investments in associates and is tested for impairment as part of the overall balance.

Goodwill is tested annually for impairment and is carried at cost less accumulated impairment losses. For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

The excess of the Group's interest in the net fair value of the identifiable assets, over the cost of the business combination, is immediately recognised in profit or loss.

Internally generated goodwill is not recognised as an asset.

Impairment (excluding goodwill)

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, its carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by using the weighted average cost method, and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Provision is made for obsolete and slow-moving inventory. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Financial instruments

The Group classifies its financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument when the Group becomes party to the contractual provisions of the instrument at cost, which includes transaction costs and approximates fair value. Subsequent to initial recognition these instruments are measured at amortised cost using the effective interest rate method less any impairment loss recognised to reflect irrecoverable amounts. Available-for-sale financial assets are stated at fair value.

Financial assets

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial assets, other than investments in subsidiaries, are recognised on a trade-date basis and are initially measured at fair value, including transaction costs and are measured at subsequent reporting dates at amortised cost unless part of held-for-trading or available-for-sale.

Financial assets at fair value through profit or loss (held-for-trading)

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term, or it is part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking. Derivatives are classified as held-for-trading unless they are designated as hedges. Assets in this category are classified as current assets. Where securities are held for trading purposes, gains or losses arising from changes in fair value are included in profit and loss for the period in operating profit.

NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS (continued)

For the year ended 28 February

ACCOUNTING POLICIES (continued)

Financial assets (continued)

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the reporting date.

For available-for-sale investments, gains and losses arising from changes in fair value are recognised directly in equity, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in profit and loss for the period. Fair value of listed investments is calculated by reference to the quoted selling price at the close of business on the statement of financial position date. Unlisted investments are shown at fair value or at cost where fair value cannot be reliably measured. Fair value is determined with reference to independent or internal valuations using discounted cash flow analysis or other suitable valuation methodologies or recent arm's length market transactions between knowledgeable, willing parties.

Loans and other receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after reporting date. These are classified as non-current assets. The Group's loans and receivables comprise "loans to related parties", "trade and other receivables" and "cash and cash equivalents".

Trade receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the Group will not be able to collect all the amounts due according to the original terms of the receivables.

Objective evidence includes observable data about the following loss events:

- Significant financial difficulty of the debtor;
- Breach of contract;
- Creditor granting concessions to the debtor which it would not normally consider, but for the debtor's financial difficulty;
- It becomes probable that the debtor will enter bankruptcy or other financial reorganisation;
- The disappearance of an active market for the debtor; and
- An increase in delayed payments from the debtor or an increase in the number of times the debtor exceeds its credit limit.

The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

In instances where there is clear and unassailable evidence that a trade receivable has been impaired and that there is no evidence to indicate that the trade receivable is recoverable and all reasonable measures to recover the amount have been exhausted, the Group would reduce the carrying amount of the impaired trade receivable directly against the asset account or the provision for impairment of trade receivables if one had previously been raised.

Any increase or decrease in the provision for impairment of trade receivables or any reduction in trade receivables directly against the asset account is recorded in operating profit. Subsequent recoveries of amounts previously written off are credited to operating expenditure in profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

Financial liabilities

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Bank overdraft and borrowings

Bank overdrafts and borrowings are initially measured at fair value net of transaction costs incurred, and are subsequently measured at amortised cost; any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings using the effective interest method. Finance charges, including premiums payable on settlement or redemption, are accounted for on an accrual basis and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Equity instruments

An equity instrument represents a contract that evidences a residual interest in the net assets of an entity. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs. Shareholders' loans obtained by the Group are regarded as equity to the extent that the capital and interest portion of the loans are repayable at the option of the borrower.

Stated capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any Group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

Income tax

The tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable income for the year. Taxable income differs from net income as reported in the statement of comprehensive income because it includes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the Group's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax and deferred taxes are charged or credited directly to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Deferred tax is accounted for using the liability method in respect of temporary differences which arise from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable income. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable income will be available against which deductible temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

The carrying value of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the asset to be recovered.

Employee benefits

Short-term employee benefits

The cost of short-term employee benefits (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave and bonuses) are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry- or state-managed retirement schemes are dealt with as defined contribution plans where the Group's obligation under the schemes is equivalent to those arising in a defined contribution retirement plan.

Gratuities and severance plans

The Company does not provide pension benefits for its employees, but operates a gratuity scheme for expatriates in terms of employment contracts, and a severance benefit scheme for citizens in terms of Section 28 of the Botswana Employment Act. Severance pay is not considered to be a retirement benefit plan as the benefits are payable on completion of each 60 month period of continuous employment or on termination of employment, at the option of the employee. The expected gratuity and severance benefit liability is provided in full by way of an accrual.

Employee termination payments are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

Share-based payments

The Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Fair value is measured by the use of a Black-Scholes option pricing model.

Revenue

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of taxes and discounts. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured and when the following specific recognition criteria have been met.

NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS (continued)

For the year ended 28 February

ACCOUNTING POLICIES (continued)

Revenue (continued)

Sale of goods/services

The Group sells bednights at its various camps to customers and is also involved in transporting these guests between its remote locations. Revenue is recognised when service is provided to the customer from the date of their stay at the camp or when the charter occurs.

Revenue is recognised when the significant risks and rewards of ownership of the goods/services have passed to the buyer.

Interest

Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the carrying amount is reduced to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

Dividends

Dividends are recognised when the right to receive payment is established.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of these assets, until such time as assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit and loss in the period in which they are incurred.

Provisions

A provision is recognised when there is a legal or constructive obligation as a result of a past event for which it is probable that an outflow of economic benefits will be required to settle the obligation and the amounts have been reliably estimated. Provisions are continually re-assessed and are based on historical experience and other factors such as reasonable expectations of future events. Provisions are not recognised for future operating losses.

Common control accounting

The Group applies merger accounting for all its common control transactions which requires that the assets and liabilities of the purchased business be incorporated at the consolidated book value (by the ultimate parent) and the difference between the purchase consideration and the book value of the assets and liabilities be recorded in equity as a common control reserve. The financial statements of the purchaser incorporate the combined companies' results and cash flows as if companies have always been combined, including the re-presentation of the comparative figures.

	2013 BWP'000	2012 BWP'000
3. REVENUE		
Sale of goods	36 075	23 191
Services rendered	1 168 999	1 043 052
	1 205 074	1 066 243
4. OPERATING PROFIT		
Operating profit is arrived at after taking into account the following items:		
Auditors' remuneration		
Current year fee	3 879	5 152
Prior year under provision	443	690
Other services and expenses	826	336
	5 148	6 178
Depreciation and amortisation		
Vehicles, furniture, fittings and equipment	20 904	21 061
Aircraft	7 064	7 114
Leasehold land and property	18 498	17 131
	46 466	45 306
Amortisation of intangible assets	516	412
Total depreciation and amortisation	46 982	45 718
Impairment loss on property, plant and equipment	13 494	2 534
Impairment loss on financial instruments	145	1 472
Impairment loss on intangibles	361	365
Total impairment loss	14 000	4 371
Foreign exchange (losses)/gains		
Realised	(16 134)	(14 083)
Unrealised	7 206	19 577
Net foreign exchange (losses)/gains	(8 928)	5 494
Legal and professional fees	9 172	4 996
Operating lease rentals		
Premises	26 323	23 618
Office and plant equipment	2 414	420
Aircraft and vehicles	9 809	9 292
	38 546	33 330

	2013 BWP'000	2012 BWP'000
4. OPERATING PROFIT (continued)		
Resource royalty	7 535	6 581
Fair value adjustment (note 13.1)	5 294	–
Net profit on disposal of property, plant and equipment	(4 765)	(4 058)
Staff costs	271 732	244 662
Number of employees	2 162	2 321
Directors' emoluments		
Executive directors	8 346	8 704
Non-executive directors' fees	480	480
	8 826	9 184
Share-based payments expense	3 029	1 622
5. FINANCING COSTS		
Interest paid		
Finance leases and loans	5 403	5 254
Bank overdraft and trade finance	4 062	2 275
	9 465	7 529
6. TAXATION		
6.1 Taxation charge		
Current taxation		
Company taxation	21 922	9 153
(Over) under provision prior year	(65)	684
	21 857	9 837
Deferred taxation – current year (note 15)	(17 054)	(3 294)
Deferred taxation – prior year (note 15)	13	(880)
Withholding tax	–	2 161
Total taxation charge	4 816	7 824

	2013 %	2012 %
6. TAXATION (continued)		
6.2 Reconciliation of taxation rate to profit before taxation		
Company normal tax rate – Botswana	22,0	22,0
Effect of income that is exempt from taxation	(4,5)	(2,0)
Effect of expenses that are not deductible in determining taxable profit	0,0	(0,1)
Adjustments recognised in the current year in relation to current tax of prior year	0,0	(1,2)
Effect of different tax rates of subsidiaries in other jurisdictions	(12,9)	(18,8)
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	29,1	35,4
Effect of utilisation of tax losses not previously recognised	(18,9)	–
Prior year deferred tax adjustments	–	–
Withholding tax	–	13,5
Effective taxation rate	14,8	48,8

	BWP'000	BWP'000
6.3 Reconciliation of additional company tax (ACT)		
With effect from 1 July 2011, the two tier system in Botswana that gives rise to additional company tax was removed and replaced by a single rate of 22%. Any ACT not used by this date was forfeited.		
ACT balance at beginning of the year	–	5 342
Under/(over) provision prior year	–	438
Arising during the year	–	–
Utilised	–	(3 772)
Forfeited	–	(2 008)
ACT carried forward	–	–
Certain subsidiaries had tax losses at the end of the financial year that are available to reduce the future taxable income of the Group estimated to be:	219 729	239 113
7. DISCONTINUED OPERATIONS		
Profit on sale of business	–	2 047
Profit for year from discontinuing operation	–	–
Taxation	–	–
	–	2 047

No cash flow effects have been disclosed as the amounts are immaterial.

NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS (continued)

For the year ended 28 February

8. HEADLINE PROFIT AND EARNINGS PER SHARE

	Gross BWP'000	Net BWP'000
Reconciliation between profit attributable to owners of the Company and headline earnings:		
2013		
Profit attributable to owners of the Company		29 561
Headline earnings adjustments:		
IAS 16 – Gains and compensation on disposal and impairment of property, plant and equipment	(18 506)	(13 852)
IAS 36 – Impairment of assets	13 494	9 747
IAS 38 – Impairment of intangible assets	361	260
Headline profit		25 716
2012		
Profit attributable to owners of the Company		11 344
Headline earnings adjustments:		
IAS 27 – Gains on disposal of operations, investments and associates	(2 047)	(2 047)
IAS 16 – Gains on disposal of property, plant and equipment	(4 058)	(3 219)
IAS 36 – Impairment of assets	2 534	2 058
IAS 38 – Impairment of intangible assets	365	365
Other	187	187
Headline profit		8 688

	2013 BWP'000	2012 BWPooo
Number of shares issued (thousands)		
– Issued	231 000	231 000
– Weighted average	231 000	231 000
– Diluted weighted average	231 094	231 000
Earnings per share (thebe)		
– Headline	11,13	3,76
– Diluted headline	11,13	3,76
– Basic	12,80	4,91
– Diluted	12,79	4,91

9. INTEREST IN PROFITS AND LOSSES OF SUBSIDIARIES

	2013 BWP'000	2012 BWP'000
Interest in the aggregate amount of profits and losses of subsidiaries after taxation		
Profits – continuing operations	85 900	59 728
Losses – continuing operations	(55 509)	(65 515)

10. PROPERTY, PLANT AND EQUIPMENT

	2013			2012		
	Cost BWP'000	Accumulated depreciation BWP'000	Net book value BWP'000	Cost BWP'000	Accumulated depreciation BWP'000	Net book value BWP'000
Vehicles, furniture, fittings and equipment	214 046	124 330	89 716	195 297	108 741	86 556
Aircraft	149 527	23 097	126 430	147 063	23 785	123 278
Leasehold land and property	302 801	147 527	155 274	275 701	124 575	151 126
Work in progress	10 952	–	10 952	23 294	1 920	21 374
	677 326	294 954	382 372	641 355	259 021	382 334

Included in property, plant and equipment are assets held under finance lease agreements with a book value of BWP96 million (2012: BWP100 million) which are encumbered as security for liabilities under finance lease agreements as stated in note 20.

A register of land and buildings is maintained at the Company's registered office and may be inspected by members of the public or their duly authorised agents.

10. PROPERTY, PLANT AND EQUIPMENT (continued)

	Vehicles, furniture, fittings and equipment BWP'000	Aircraft BWP'000	Leasehold land and property BWP'000	Work in progress BWP'000	Total BWP'000
Movement of property, plant and equipment – 2013					
Net book value at beginning of year	86 556	123 278	151 126	21 374	382 334
Subsidiaries acquired	203	–	297	–	500
Additions	16 944	12 642	8 843	26 828	65 257
Transfers/reclassification	7 119	(725)	31 070	(37 464)	–
Transfers to non-current assets held for sale	(23)	–	(1 363)	–	(1 386)
Transfer to intangible asset	(102)	–	–	–	(102)
Translation differences	1 096	(842)	(1 339)	292	(793)
Disposals	(1 173)	(859)	(1 368)	(78)	(3 478)
Depreciation	(20 904)	(7 064)	(18 498)	–	(46 466)
Impairment	–	–	(13 494)	–	(13 494)
Net book value at end of year	89 716	126 430	155 274	10 952	382 372
Movement of property, plant and equipment – 2012					
Net book value at beginning of year	77 095	127 441	154 545	14 836	373 917
Subsidiaries disposed	(482)	–	(5 374)	–	(5 856)
Additions	23 060	5 355	8 269	28 179	64 863
Transfers/reclassification	8 525	(111)	13 210	(21 624)	–
Translation differences	758	456	529	81	1 824
Disposals	(1 088)	(2 749)	(639)	(98)	(4 574)
Depreciation	(21 061)	(7 114)	(17 131)	–	(45 306)
Impairment	(251)	–	(2 283)	–	(2 534)
Net book value at end of year	86 556	123 278	151 126	21 374	382 334

11. GOODWILL

	2013 BWP'000	2012 BWP'000
At carrying value		
At beginning of year	30 917	31 022
Arising on acquisition of subsidiaries	3 703	–
Exchange differences	235	(105)
Per cash generating unit:	34 855	30 917
African Experience Limited	3 180	2 961
Great Explorations (Proprietary) Limited	10 152	10 152
Kasane Fish Farms (Proprietary) Limited t/a Chobezi	1 600	1 600
Linyanti Investments (Proprietary) Limited	10 189	10 189
Luamfwa Lodge Limited	1 652	1 613
Micheletti Bates (Proprietary) Limited	1 077	1 077
Namib Lodge Company (Proprietary) Limited	75	75
Northern Air Maintenance (Proprietary) Limited	731	731
Santawani Partnership (Proprietary) Limited	3 703	–
Wilderness Air Botswana (Proprietary) Limited	1 356	1 356
Wilderness Touring Cape (Proprietary) Limited	1 140	1 163

An annual impairment test is performed to assess whether goodwill has been impaired. Goodwill has been allocated for impairment testing purposes to individual cash-generating units.

The recoverable amount of every cash-generating unit has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a five year period, and a discount rate which fluctuates depending on circumstances. Cash flows beyond that five year period have been extrapolated using zero percent growth rate. This growth rate does not exceed the long-term average growth rate for the market in which they operate. Management believes that any reasonable possible change in the key assumptions on which the individual cash-generating units' recoverable amount is based would not cause their carrying amounts to exceed its recoverable amount.

NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS (continued)

For the year ended 28 February

12. INTANGIBLE ASSETS

	2013 BWP'000	2012 BWP'000
Intangibles at cost	12 385	7 492
Accumulated amortisation	(3 522)	(4 953)
Net book value	**8 863**	2 539
At beginning of year	2 539	1 815
Transfer from property, plant and equipment	102	–
Additions	7 513	1 501
Disposals	(382)	–
Impairment	(361)	(365)
Amortisation	(516)	(412)
Exchange differences	(32)	–
Balance at end of year	**8 863**	2 539

13. INVESTMENT AND LOANS IN ASSOCIATES

Name of associate	Proportion of ownership interest 28 February 2013 %	29 February 2012 %	2013 BWP'000	2012 BWP'000
Cost of investment in associate				
Baobab Safari Lodge (Proprietary) Limited	26	26	3 556	3 556
Central African Wilderness Safaris (Proprietary) Limited**	50	50	–	–
Desert Homestead (Proprietary) Limited	50	50	1 000	1 038
French Mauve Properties (Proprietary) Limited**	33	33	–	–
Frogiface (Proprietary) Limited	50	50	708	708
Ngamiland Adventure Safaris (Proprietary) Limited (note 13.1)	20	–	5 517	–
Norisco Holdings SA*	20	20	–	–
			10 781	5 302
Attributable share of post acquisition profits			2 935	3 033
At beginning of year			3 033	3 525
Share of current year earnings (losses)			66	(492)
Dividends received			(164)	–
Translation differences			(1 600)	(95)
			12 116	8 240
Unsecured loans				
Ngamiland Adventure Safaris (Proprietary) Limited (note 13.1)			–	1 923
Baobab Safari Lodge (Proprietary) Limited (note 13.2)			(726)	210
Total investment in associates			**11 390**	10 373

** In the process of being liquidated*
*** Amounts less than one thousand Pula*

	2013 BWP'000	2012 BWP'000
13. INVESTMENT AND LOANS IN ASSOCIATES (continued)		
Summary of the financial information of the Group's principal associates, not adjusted for the percentage interest held by the Group:		
Current assets	5 248	5 304
Current liabilities	7 182	4 477
Non-current assets	12 093	8 151
Non-current liabilities	3 822	3 728
Revenue	31 058	18 169
Profit/(loss) after tax	281	(821)
Share of earnings/(losses) of equity-accounted investments, net of tax	66	(492)

13.1 The Group elected to exercise its option to convert the loan into equity and this has resulted in the loan balance now being reflected as an investment in the Company. The fair value of the option to convert the loan was assessed as negligible in prior periods.

A valuation of the option to acquire a 20% stake in the Company resulted in the recognition of a fair value adjustment amounting to BWP5.3 million in respect of the option. This has been recorded in the statement of comprehensive income. Upon exercising the option, the Group now has a 20% stake in the Company.

13.2 The loan is unsecured, interest free with no fixed repayment term.

None of the loans to associates are either past due or considered impaired. The entities have not been independently rated for creditworthiness but the Group has assessed their creditworthiness internally based on an analysis of operations, major assets held, etc. and believes that the associates are of sufficient substance and standing to support the advances made.

The directors consider the carrying value of the Group's interest in these associates to approximate fair value.

	2013 BWP'000	2012 BWP'000
14. LOANS RECEIVABLE		
Unsecured, interest free and not repayable within twelve months	1 768	2 053

The carrying value of the loans approximates their fair value and are neither past due nor considered impaired. The entities to which the loans have been advanced have not been independently rated for creditworthiness but the Group has assessed their creditworthiness internally based on an analysis of operations and major assets held, and believes that the entities are of sufficient substance and standing to support the advances made.

	2013 BWP'000	2012 BWP'000
15. DEFERRED TAX ASSETS/(LIABILITIES)		
Balance at beginning of year	(8 835)	(12 733)
Translation differences	(1 527)	(276)
Amount recorded in the statement of comprehensive income (note 6)	17 041	4 174
Balance at end of year	6 679	(8 835)
Deferred tax asset	34 799	22 884
Deferred tax liability	(28 120)	(31 719)
	6 679	(8 835)
Temporary differences comprise:		
Estimated tax losses		
Capital allowances	32 853	23 672
Translation differences	(41 650)	(41 932)
Provisions	5 029	(842)
Income received in advance	8 566	8 807
Insurance claim	1 881	1 460
Other temporary differences	6 679	(8 835)
Unrecognised deferred tax assets at gross value	157 913	129 835

Deferred tax assets have been recognised to the extent that it is probable that taxable income will be available against which the deductible temporary differences, unused tax losses and credits can be utilised.

To the extent that the Group recognises deferred tax assets relating to tax losses, these are recognised only where management is satisfied, based on its current projections, that taxable profits will be realised in the foreseeable future to utilise the estimated tax losses.

NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS (continued)

For the year ended 28 February

	2013 BWP'000	2012 BWP'000
16. INVENTORIES		
Goods for resale	6 873	4 970
Consumables	8 867	12 419
Fuel	2 530	3 226
Provision for obsolete inventory	(381)	–
	17 889	20 615
17. TRADE RECEIVABLES		
Trade receivables – related parties (note 28)	1 256	2 297
– third parties	25 090	9 731
Receivables allowance	(1 402)	(962)
	24 944	11 066

There were no significant long outstanding third party trade receivables which required specific impairment at year end. Third party trade receivables are limited to amounts receivable from reputable agents and touring wholesalers with whom the Group has established long-term relationships and no significant credit exposure is anticipated from these. The carrying value of receivables balances approximates the fair value.

Trade receivables are assessed and provided for based on estimated irrecoverable amounts, determined by reference to past default experience.

Before accepting any new customer, use is made of local external credit agencies, where necessary, to assess the potential customer's credit quality and define credit limits by customer. Limits attributed to customers are reviewed regularly.

	USA BWP'000	UK and Europe BWP'000	Africa and Asia Pacific BWP'000	Total BWP'000
17. TRADE RECEIVABLES (continued)				
Analysis of the age of trade receivables past due but not impaired or provided for:				
2013				
1 month past due	565	442	4 295	5 302
2 months past due	278	141	1 072	1 491
3 months past due	19	49	806	874
4 months and greater past due	428	518	1 469	2 415
	1 290	1 150	7 642	10 082
2012				
1 month past due	752	1 648	2 322	4 722
2 months past due	392	–	2 054	2 446
3 months past due	18	–	780	798
4 months and greater past due	–	–	1 300	1 300
	1 162	1 648	6 456	9 266
2013				
Opening balance	–	(405)	(557)	(962)
Impairment losses recognised on receivables	(152)	(38)	(694)	(884)
Impairment losses previously recognised now reversed	–	48	206	254
Net bad debt write offs	–	–	149	149
Exchange differences	–	107	(66)	41
	(152)	(288)	(962)	(1 402)
2012				
Opening balance	(150)	(168)	(1 196)	(1 514)
Impairment losses recognised on receivables	–	(218)	(219)	(437)
Impairment losses previously recognised now reversed	150	4	579	733
Net bad debt write offs	–	–	114	114
Exchange differences	–	(23)	165	142
	–	(405)	(557)	(962)

The Group does not hold any collateral as security. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable above. The carrying value of trade receivables approximates fair value.

	2013 BWP'000	2012 BWP'000
18. NON-CURRENT ASSETS HELD FOR SALE		
Freehold property and equipment held for sale	1 386	–

During the year the Group relocated its Zambian head office from Lusaka to Livingstone and has subsequently entered into a transaction to dispose its immovable property and equipment in Lusaka. No impairment loss was recognised on reclassification of the assets as held for sale.

	2013 BWP'000	2012 BWP'000
19. STATED CAPITAL		
Issued share capital	153 703	153 703
Number of shares in issue (thousands)	231 000	231 000

Under and in terms of section 50 of the Act and subject to its Constitution, the board may issue shares at any time, to any person, and in any number it considers appropriate, subject to the prior written consent of the shareholders by an ordinary resolution at a general meeting.

	2013 BWP'000	2012 BWP'000
20. LONG-TERM LIABILITIES		
Unsecured and interest bearing		
Loans from related parties (note 20.1)	1 855	1 614
Unsecured and interest free	8 463	7 683
Loans from related parties (note 20.2)	1 969	2 172
Loans from other entities (note 20.3)	736	1 032
Operating lease liability	5 475	4 118
Deferred income	283	361
Secured and interest bearing	116 691	125 668
Finance leases (note 20.4)	2 965	12 124
Loans from financial institutions (note 20.5)	113 726	113 544
	127 009	134 965
Less: Current portion included in accounts payable (note 22)	25 435	21 556
	101 574	113 409
Due within two years	38 993	39 913
Due within three years	38 504	35 567
Due within four years	20 233	33 749
Due within five years	2 748	997
Due after five years	1 096	3 183
	101 574	113 409
Finance leases		
Minimum Lease payments	3 185	13 594
Less: Future finance charges	220	1 470
	2 965	12 124

20.1 US Dollar denominated owing to a minority shareholder of a subsidiary, bears interest at 3% per annum and has no fixed terms of repayment

20.2 South African Rand denominated loans owing to minority shareholders of a subsidiary, interest free and not repayable in the next 12 months

20.3 US Dollar denominated, interest free and repayable by 31 December 2014

NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS (continued)

For the year ended 28 February

20. LONG-TERM LIABILITIES (continued)

20.4

Country	Currency	Nominal interest rate %	Year of maturity	2013 Carrying amount BWP'000	2012 Carrying amount BWP'000
Botswana	US Dollar	3-month USD Libor +2	2013	1 643	9 816
Namibia	Namibian Dollar	7.5 – 9.25	2017	1 257	1 704
South Africa	SA Rand	8	2013	65	604
				2 965	12 124

The loans are secured by property, plant and equipment (refer note 10).

20.5

Institution	Currency	Nominal interest rate %	Year of maturity	2013 Carrying amount BWP'000	2012 Carrying amount BWP'000
Industrial Development Corporation of S.A. Limited (IDC)	US Dollar	6-month USD Libor +2	2017	107 016	103 632
Nedbank Namibia Limited (Nedbank)	Namibian Dollar		2013	1 364	2 710
Development Bank of SA Limited (DBSA)	SA Rand	ZAR-JIBAR +2,4	2016	5 346	7 202
				113 726	113 544

The loans are secured as follows:

IDC

The loan has been guaranteed by Wilderness Air Botswana (Proprietary) Limited, Okavango Wilderness Safaris (Proprietary) Limited, Wilderness Tours Limited and Wilderness Safaris Limited. The Botswana guarantors entered into a deed of hypothecation/mortgage over unencumbered moveable and immoveable assets and each guarantor pledged its shares and cession of loan accounts in each of their subsidiaries, where applicable.

Nedbank

The loan is secured by limited suretyships amounting to BWP23 million.

DBSA

The loan is secured by a cession of rights and interests in the concession agreements in respect of a lodge.

	2013 BWP'000	2012 BWP'000
21. LOANS FROM RELATED PARTIES		
Black Economic Empowerment consortium shareholders	555	581
The loans are secured by the pledge of shares, bear interest at South African prime rate and are repayable in two years' time.		
22. TRADE AND OTHER PAYABLES		
Financial liabilities	26 710	14 939
Trade payables – third parties	25 943	14 021
– related parties (note 28)	767	918
Non-financial liabilities	247 014	214 315
Amounts received in advance	136 911	94 103
Royalties payable	8 018	6 542
Accrued expenses and other payables	76 650	92 114
Current portion of long-term liabilities (note 20)	25 435	21 556
	273 724	229 254
The carrying value of financial liabilities approximates their fair value. Trade and other payables are generally settled in the normal course of operations and the amounts shown will be settled within the next 12 months.		
23. BANK OVERDRAFTS		
First National Bank of Botswana Limited	–	26 846
Stanbic Bank of Botswana Limited (note 23.1)	46 213	–
Nedbank Limited Namibia (note 26)	3 430	3 528
Other	45	–
	49 688	30 374

The overdraft facility in Botswana is secured by:

- Mortgage bonds totalling BWP11.6 million over Tribal Lot 91 Maun;
- Cession of book debts; and
- Letter of suretyship by Wilderness Air Botswana (Proprietary) Limited supported by deed of hypothecation over Cessna aircraft being A2AIV, A2ANT, A2OWL and A2CUB.

The facilities available and security provided are as follows:

- An overdraft facility amounting to BWP50 million; and
- Spot foreign currency dealing facility amounting to USD10 million.

The interest payable on the overdraft facility will be charged at 1.5% per annum below the Bank's prime lending rates prevailing from time to time. The overdraft is repayable on demand.

23. BANK OVERDRAFTS (continued)

The facilities are secured by deed of hypothecation registered in the name of Sefofane Aviation Holdings and cession of insurance policy over the assets financed and rentals. Interlinking suretyships between Sefofane Aviation Holdings (Proprietary) Limited, Wilderness Holdings Limited, Okavango Wilderness Safaris (Proprietary) Limited, and Wilderness Safaris Investments and Finance (Proprietary) Limited have been provided.

With respect to the spot foreign currency dealing facility pricing is quoted by the Bank in respect of each contract based on exchange rates/market conditions ruling at the time.

	2013 BWP'000	2012 BWP'000
24. CAPITAL COMMITMENTS		
Authorised by directors and contracted for	–	–
Authorised by directors but not yet contracted for	54 334	101 989
Total capital commitments	54 334	101 989
This expenditure will be incurred in the ensuing year and will be financed from existing cash resources and available borrowing facilities.		
25. OPERATING LEASE COMMITMENTS		
Due within one year:		
Property	14 957	13 394
Office furniture, equipment and motor vehicles	1 009	–
Total operating lease commitments due within one year	15 966	13 394
Due between two and five years:		
Property	55 293	49 246
Total operating lease commitments due between two and five years	55 293	49 246
Due after five years:		
Property	83 215	64 357
Total operating lease commitments due after five years	83 215	64 357
Total non-cancellable operating lease commitments	154 474	126 997

26. COMMITMENTS, CONTINGENT LIABILITIES, GUARANTEES AND LITIGATION

The Group has certain contingent liabilities resulting from litigation and claims, generally involving commercial and employment matters, which are incidental to the ordinary conduct of its business. Management believes, after taking legal advice where appropriate on the probable outcome of these contingencies, that none of these contingencies will materially affect the financial position or the results of operations of the Group.

Sureties provided are those noted in note 20 and note 23.

Limited letters of comfort and support have been issued to the following entities within the Group:
Damaraland Camp (Proprietary) Limited
Hana-Ven (Proprietary) Limited
Pafuri Camp (Proprietary) Limited
Palmwag Lodge (Proprietary) Limited
Rocktail Bay Camp (Proprietary) Limited
Safari Adventure (Proprietary) Limited
Serra Cafema Camp (Proprietary) Limited
Wilderness Air Zambia (Proprietary) Limited
Wilderness Manzengwena Camp (Proprietary) Limited
Wilderness Safari and Adventure Company (Proprietary) Limited
Wilderness Safaris Camps of South Africa (Proprietary) Limited
Wilderness Camps of Zimbabwe (Private) Limited
Wilderness Tours Limited (Zambia) and its subsidiaries

Namibia

Cession of book debts

N$15.4 million out and out cession of loan funds by Wilderness Safaris Investment and Finance (Proprietary) Limited

Unlimited suretyship was signed by Kulala (Proprietary) Limited supported by N$1.5 million first and second continuing covering mortgage bonds over farm Eensaam No 157, Maltahohe district in respect of Kulala (Proprietary) Limited.

N$5.7 million limited suretyship provided by Wilderness Safaris Investment and Finance (Proprietary) Limited.

N$1.5 million limited suretyship provided by Namib Travel Shop (Proprietary) Limited.

Unlimited suretyship provided by Taimibia (Proprietary) Limited supported by N$3 million first and second continuing mortgage bond over farm Witwater No 139.

N$3 million third general notarial bond over moveables in the name of Namib Lodge Company (Proprietary) Limited.

NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS (continued)

For the year ended 28 February

26. COMMITMENTS, CONTINGENT LIABILITIES, GUARANTEES AND LITIGATION (continued)

Botswana

Included in the historical results is an amount of BWP29.2 million, being the capital profit arising on the Duba Plains transaction. As announced on 16 August 2010, the underlying transaction has been concluded and full payment has been received by the Group. However, this transaction remains subject to certain conditions precedent which have not yet been fulfilled. There have been significant delays in satisfying these conditions but a deadline of 13 August 2013 has been set and the company is working with its legal advisers, and with the support of Government, to ensure this is achieved. Accordingly, the capital profit has been brought to account and the amount is recorded as a contingent liability until such time as all necessary regulatory approvals have been formally obtained.

South Africa

Pafuri Camp assets are bonded by general notarial bond in favour of the Development Bank of South Africa Limited.

A pledge of R700 000 issued by Wilderness Manzengwena Camp (Proprietary) Limited in favour of Standard Bank of South Africa Limited.

The Group has issued guarantees to various entities amounting to BWP3.8 million.

27. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value and cash flow interest rate risk and price risk), credit risk and liquidity. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by a central treasury department under policies approved by the board of directors. The Group identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units. The board provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk and interest rate risk.

Financial instruments

Financial instruments carried on the statement of financial position include cash and bank balances, investments, loans, receivables, trade creditors and borrowings. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Credit risk

The financial assets of the Group which are subject to credit risk consist mainly of cash resources, loans and debtors. The cash resources are placed with reputable financial institutions.

The Group continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporates this information into its credit risk controls. The Group's policy is to deal only with creditworthy counterparties. The majority of the Group's receivables are comprised of related parties.

27. FINANCIAL RISK MANAGEMENT (continued)

Credit risk (continued)

The Group's management considers that all the above financial assets that are not impaired for each of the reporting dates under review are good credit quality, including those that are past due. None of the Group's financial assets are secured by collateral or other credit enhancements. Credit quality of counterparties is determined based on independent external credit ratings where these are available. Where no independent external credit ratings are available, management makes an internal assessment of credit quality based on factors such as analyses of the counterparties' operations, major assets held, as well as past history of the Group's business transactions with the counterparties.

In respect of trade and other receivables, the Group is not exposed to any significant credit risk or concentration of credit risk exposure. The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Market risk

Foreign currency exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.

The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk.

Currency exposure arising from the net assets of the Group's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies.

The following table illustrates the sensitivity of the net result for the year and equity in regard to the Group's financial assets and liabilities against the US Dollar exchange rate.

It assumes a 5% strengthening of the exchange rate against the US Dollar for the year ended at 28 February 2013 (2012: 5%). These percentages have been determined based on the average market volatility in exchange rates in the previous twelve months. The sensitivity analysis is based on the Group's foreign currency financial instruments held at each balance sheet date.

If the exchange rate had strengthened against the US Dollar by 5% (2012: 5%), then this would have had the following impact:

	2013 BWP'000 Gain	2012 BWP'000 Loss
Net effect on after tax profits	725	1 200
Equity	(7 217)	(6 470)

An equal and opposite impact would occur in a 5% weakening of the rate against the US Dollar.

27. FINANCIAL RISK MANAGEMENT (continued)

Market risk (continued)

Forward foreign exchange contracts

As a result of significant sales in foreign currency, the Group's statement of financial position can be affected significantly by movements in exchange rates. The Group seeks to mitigate the effect of its structural currency exposure through the use of foreign exchange contracts which are used to sell future foreign currency receipts. These contracts are used to establish certainty around future Pula and Rand receipts.

The following table provides details of all open forward exchange contracts at year end:

	Average exchange rate	Foreign currency (US Dollar)
Buy Pula		
Less than 3 months	8.1086	1 250 000
Buy Rands		
Less than 3 months	8.9300	900 000
3 to 6 months	9.0530	750 000
6 to 9 months	9.1350	500 000

The Group also took out the following option contracts which were open at year end:

	US$ put contract		US$ call contract	
	Average exchange rate	Foreign currency (US Dollar)	Average exchange rate	Foreign currency (US Dollar)
Buy Rands				
Less than 3 months	8.6232	1 066 000	9.2445	1 432 000
3 to 6 months	8.9500	1 000 000	9.5032	2 000 000

At the reporting date, the fair value of the Group's foreign exchange contracts is estimated to be a liability of BWP0.11 million (2012: asset of BWP6.5 million). These amounts are based on market values of equivalent instruments at the reporting date.

The Group also has transactional currency exposures. Such exposure arises from sales or purchases by an operating unit in currencies other than the unit's functional currency. Approximately 65% of the Company's sales are denominated in currencies other than the functional currency of the operating unit making the sale.

27. FINANCIAL RISK MANAGEMENT (continued)

Cash flow and fair value interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk.

Fluctuations in interest rate impact on the value of short-term cash investment and financing activities, giving rise to interest rate risk. The cash is managed to ensure surplus funds are invested in a manner to achieve maximum returns while minimising risks. A 0,5% variation in interest rates on net interest bearing borrowings would have resulted in an increase in finance costs of BWP0.61 million (2012: BWP0.75 million).

Price risk

The Group does not have any exposure to securities price risk.

Categories of financial instruments

Liquidity risk analysis

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the Group aims to maintain flexibility in funding by keeping committed credit lines available.

The Group manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities, cash outflows due in day-to-day business and by ensuring that adequate unutilised borrowing facilities are maintained.

As at 28 February 2013, the Group's liabilities have contractual maturities which are summarised in notes 20 and 22.

Long-term borrowings are due as follows:

	Group	
	2013 BWP'000	2012 BWP'000
Long-term borrowings are due as follows:		
1 – 2 years	38 993	39 913
2 – 5 years	61 485	70 313
After 5 years	1 096	3 183
Total	101 574	113 409

NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS (continued)

For the year ended 28 February

27. FINANCIAL RISK MANAGEMENT (continued)

Categories of financial instruments (continued)

Liquidity risk analysis (continued)

Financial assets and liabilities are categorised according to the valuation methods set out below.

(1) Valued using unadjusted quoted prices in active markets for identical financial instruments. This category includes listed equity shares and certain exchange-traded derivatives and trade payables and receivables.

(2) Valued using techniques based significantly on observable market data. Instruments in this category are valued using:

a. quoted prices for similar instruments or identical instruments in markets which are not considered active; or

b. valuation techniques where all the inputs that have a significant effect on the valuation are directly or indirectly based on observable market data.

(3) The type of instruments that trade in markets that are not considered to be active but are based on quoted market prices, broker dealer quotations or alternative pricing sources with reasonable levels of price transparency and those instruments valued using techniques include most physical commodities, certain money market securities and loan commitments and most over-the-counter derivatives. Instruments in this category have been valued using a valuation technique where at least one input (which could have a significant effect on the instrument's valuation) is not based on observable market data. Where inputs can be observed from market data without undue cost and effort the observed input is used. Otherwise the Company determines a reasonable level for the input.

Financial instruments included within level 3 of the fair value hierarchy primarily consist of over-the-counter derivatives where valuation depends upon unobservable inputs such as long-term commodity price assumptions. No gain or loss is recognised on the initial recognition of a financial instrument value using a technique incorporating significant unobservable data.

All financial assets and liabilities are valued according to valuation method 1 with the exception of foreign exchange contracts, a liability of BWP0.11 million (2012: an asset of BWP6.5 million) which are valued according to method 2.

27. FINANCIAL RISK MANAGEMENT (continued)

	Loans and receivables BWP'000	Fair value BWP'000
2013		
Financial assets		
Trade and other receivables	54 827	54 827
Cash and cash equivalents	189 325	189 325
	244 152	244 152
2012		
Financial assets		
Trade and other receivables	58 629	58 629
Cash and cash equivalents	187 878	187 878
	246 507	246 507

	Liabilities at amortised cost BWP'000	Fair value BWP'000
2013		
Financial liabilities		
Interest bearing borrowings	118 545	118 545
Trade and other payables	26 710	26 710
Bank overdraft	49 688	49 688
	194 943	194 943
2012		
Financial liabilities		
Interest bearing borrowings	127 281	127 281
Trade and other payables	14 939	14 939
Bank overdraft	30 374	30 374
	172 594	172 594

Capital management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure consists of debt, which includes the borrowings disclosed in note 20, cash and cash equivalents and equity attributable to equity holders of the parent, comprising share capital, reserves and retained earnings as disclosed in the statement of changes in equity. The Group's policy remains unchanged from the prior year.

Management continually monitors the level of debt and equity and considers the entity to be adequately funded.

28. RELATED PARTY TRANSACTIONS

Sales and purchases between Group companies are concluded at arm's length in the ordinary course of business. For the year ended 28 February 2013, the intergroup sales of goods and provision of services amounted to P573 million (2012: P539 million).

	2013 BWP'000	2012 BWP'000
Included in sales:		
Associates	1 895	5 732
Joint ventures	2 031	7 765
Key management personnel	1 036	1 479
	4 962	14 976
Included in cost of sales:		
Associates	9 636	8 178
Joint ventures	12 339	273
Key management personnel	113	1 099
	22 088	9 550
Included in marketing expenses:		
Key management personnel	–	310
	–	310
Included in trade receivables:		
Associates	437	462
Joint ventures	484	1 826
Key management personnel	335	9
	1 256	2 297
Included in trade payables:		
Associates	272	373
Key management personnel	495	545
	767	918
Included in other receivables:		
Associates	–	152
Joint ventures	380	–
Key management personnel	–	9
	380	161
Included in other payables:		
Associates	47	84
Joint ventures	94	–
	141	84

29. SHARE-BASED PAYMENTS

The board has decided to implement a share incentive plan to attract, retain, motivate and reward key employees through enabling individual wealth accumulation which is aligned to the interests of the Company's shareholders.

The awards and allocations of shares and share appreciation rights will be primarily in respect of executives and key staff members. In keeping with good corporate governance principles the incentives depend upon continued employment within the Group and the achievement of specified performance conditions. These long-term performance conditions align the interests of shareholders with those of key employees of the Group, thereby increasing shareholder value on a sustainable basis.

The incentives are accounted for as equity-settled share-based payments in terms of IFRS 2. In terms of the equity-settled incentives the following general rules are observed with respect to the shares required to settle the Group's obligations in terms of the scheme. The Company shall:

- At all times reserve and keep available, free from pre-emptive rights, out of its authorised but unissued share capital, such number of shares as may be required to enable the Company to fulfil its obligations to settle shares to participants;
- Ensure that Shares may only be issued or purchased for purposes of the plan once a participant (or Group of participants) to whom they will be awarded or allocated has been formally identified;
- Ensure that shares held for purposes of the plan will not have their votes at general/annual general meetings taken into account for the purposes of resolutions proposed in terms of the BSE Listings Requirements;
- The aggregate number of shares which may be acquired by all participants during the term of the plan, shall not exceed 16 170 000 (sixteen million one hundred and seventy thousand) shares, being 7% of the issued share capital of the Company and any increases in these amounts will require approval of shareholders at a general meeting;
- The aggregate number of shares which may be acquired by any one participant during the currency of the plan, shall not exceed 1 155 000 (one million one hundred and fifty-five thousand) shares, being 0.5% of the issued share capital of the Company and any increases in these amounts will require approval of shareholders at a general meeting.

Eligible employees under the incentive plans exclude non-executive directors but include all other persons associated with the Company at the sole discretion of the directors.

Performance Share Plan

This is an equity-settled incentive in terms of which eligible employees to whom awards have been made would become entitled, upon vesting, to shares in the Company. The plan is subjected to certain performance conditions, which are based primarily on sustainable earnings performance; outperformance against the targets will result in a geared vesting of awards, whilst underperformance will result in the awards lapsing.

The directors at their sole discretion may from time to time alter the performance conditions as circumstances necessitate.

The performance shares allocated in terms of this plan shall vest in the following manner:

- one-third of the allocation on the third anniversary of the allocation date;
- a second third of the allocation on the fourth anniversary of the allocation date; and
- the final third of the allocation on the fifth anniversary of the allocation date.

NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS (continued)

For the year ended 28 February

29. SHARE-BASED PAYMENTS (continued)

	2013	2012
Summary of plan activities for the period (number of shares)		
Performance share awards allocated to eligible employees in prior periods	1 242 068	–
– new awards to employees during the current period	1 744 655	1 341 785
– forfeiture of allocations previously made	(46 034)	(99 717)
Performance share awards allocated to eligible employees at period end	2 940 689	1 242 068

The fair value of the performance share awards has been established using the standard option pricing methodology, applying the Black-Scholes formula and was determined at BWP2.64 (2012: BWP3.20) per share award.

Share Appreciation Rights Plan (SAR)

This is an equity-settled incentive plan, in terms of which directors have the discretion to settle the obligation by issuing either shares or cash.

At present the directors have elected to settle any benefits that may arise by issuing shares. Should this change in future periods the plan may become treated as cash-settled.

In order for a SAR to vest the plan requires sustained earnings growth. If the targets are not met the vesting of the SARs will roll over until this performance criterion is achieved, but is limited to a maximum of six years from date of allocation at which time it will lapse.

The fair value of the share appreciation awards granted during the year has been determined as BWP0.55 (2012: BWP0.93)

The directors at their sole discretion may from time to time alter the performance conditions as circumstances necessitate.

The share appreciation rights allocated in terms of this plan shall vest in the following manner:

- one-third of the allocation on the third anniversary of the allocation date;
- a second third of the allocation on the fourth anniversary of the allocation date; and
- the final third of the allocation on the fifth anniversary of the allocation date.

29. SHARE-BASED PAYMENTS (continued)

	2013 BWP'000	2012 BWP'000
Summary of plan activities for the period (number of shares)		
Share appreciation rights allocated to eligible employees in prior periods	2 467 233	–
– new awards to employees during the current period	3 126 782	2 629 462
– forfeiture of allocations previously made	(127 881)	(162 229)
– awards settled during the period	–	–
Share appreciation rights allocated to eligible employees at period end	5 466 134	2 467 233
The fair value of the share appreciation rights is determined using the same methodology and assumptions as the Performance Share Plan.		
Share-based payment expense recognised in profit or loss for the period		
Staff costs	3 029	1 622
Tax effect	(584)	(447)
	2 445	1 175
The financial liability recognised in terms of the outstanding allocated share appreciation rights at period end	–	–
The total maximum number of shares authorised to be issued in terms of the plan	16 170 000	16 170 000
The accumulated total number of shares already issued to eligible employees in terms of the plan	–	–
Share based payment expense recognised in profit or loss for the period	2 445	1 175
Accumulated amount recognised as a share-based payment reserve in equity at the end of the period	4 651	1 622

30. CASH GENERATED FROM OPERATIONS

	2013 BWP'000	2012 BWP'000
Profit before taxation	32 520	16 019
Adjustments for:		
Unrealised foreign exchange gains	(7 206)	(19 577)
Fair value adjustment	(5 294)	–
Share of equity-accounted investment (earnings)/losses	(66)	492
Depreciation and amortisation	46 982	45 718
Impairment loss	14 000	4 371
Profit on disposal of property, plant and equipment	(4 765)	(4 058)
Interest received	(1 260)	(2 508)
Financing costs	9 465	7 529
Unrealised foreign exchange losses on loans	7 260	8 207
Share-based payment expense	3 029	1 622
Profit on sale of business	–	(2 047)
Operating profit before working capital changes	94 665	55 768
Working capital changes:		
Decrease/(increase) in inventories	2 726	(3 791)
(Increase)/decrease in accounts receivable	(36 650)	13 032
Increase in accounts payable	46 211	14 412
	106 952	79 421

31. TAXATION PAID

	2013 BWP'000	2012 BWP'000
Net amounts receivable at beginning of year	11 085	13 760
Amounts charged to profit or loss excluding deferred tax	(21 857)	(11 998)
Other movements and translation differences	642	2 297
Net amount receivable at end of year	(11 099)	(11 085)
	(21 229)	(7 026)

32. ACQUISITION OF SUBSIDIARY COMPANIES

	2013 BWP'000	2012 BWP'000
Cost of investment in acquired subsidiary companies		
On 24 July 2012, Okavango Wilderness Safaris (Proprietary) Limited acquired a 50% shareholding in Santawani Partnership (Proprietary) Limited		
The fair value of assets acquired and the liabilities assumed on the acquisition of the subsidiary company, net of cash acquired, is as follows:	5 192	–
Property, plant and equipment	500	–
Goodwill arising on acquisition	3 703	–
Accounts payable	(124)	–
Non-controlling interest	1 113	
Cash paid	5 192	–

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	2013 BWP'000	2012 BWP'000
33. DISPOSAL OF SUBSIDIARY COMPANIES		
During the year the Group disposed of its 56% interest in Lianshulu Lodge (Proprietary) Limited. The consolidated carrying amounts of the assets and liabilities disposed of were as follows:		
Property, plant and equipment	–	5 856
Inventories	–	229
Long-term liabilities	–	(16 894)
Trade payables	–	(782)
Bank overdrafts	–	(826)
Net liabilities disposed of	–	(12 417)
Non-controlling interest	–	4 621
Holding company loans	–	10 973
Gain on disposal	–	2 047
Total disposal consideration	–	5 224
Consideration receivable in the future	–	3 639
Consideration received in cash	–	1 585
34. ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT		
Maintenance of operations:		
Vehicles, furniture, fittings and equipment	14 297	19 109
Aircraft	11 027	5 355
Leasehold land and property	7 328	7 391
Expansion of operations:		
Vehicles, furniture, fittings and equipment	2 647	3 951
Aircraft	1 615	–
Leasehold land and property	1 515	878
Work in progress	26 828	28 179
	65 257	64 863

	2013 BWP'000	2012 BWP'000
35. CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
Cash resources	189 325	187 878
Bank overdrafts	(49 688)	(30 374)
	139 637	157 504

36. SUBSEQUENT EVENTS

A dividend of 4 thebe (2012: 8.6 thebe) per share has been declared and is payable on or about 24 June 2013 to those shareholders registered at the close of business on Friday, 21 June 2013. The dividend shall be paid in Rand to shareholders on the South African register, calculated at the Pula to Rand exchange rate on 23 May 2013 which was BWP1/R1.13 and accordingly the gross dividend payable is 4.52 cents per share (3.84 cents per share net of South African withholding tax).

After the reporting date, a wholly owned subsidiary of Wilderness Holdings Limited declared a dividend amounting to US$17 million (approximately BWP136 million) payable by 14 June 2013.

37. SEGMENTAL REPORT

For management purposes the Group is currently organised into four operating divisions which are the basis on which the Group reports its primary segmental information:

Principal activities are as follows:

Safari consulting	Tour operating and destination management
Camp, lodge and safari explorations	Lodge operations
Transfer and touring	Air and road
Finance and asset management	Holding company and asset financing

	Safari consulting		Camp, lodge and safari explorations		Transfer and touring		Finance and asset management		Intergroup eliminations		Total	
	2013 BWP'000	2012 BWP'000	**2013 BWP'000**	2012 BWP'000	**2013 BWP'000**	2012 BWP'000	**2013 BWP'000**	2012 BWP'000	**2013 BWP'000**	2012 BWP'000	**2013 BWP'000**	2012 BWP'000
Group statement of comprehensive income												
Revenue	1 138 763	1 008 505	348 753	320 760	220 111	212 567	70 606	63 641	(573 159)	(539 230)	1 205 074	1 066 243
Operating profit for the year before items listed below	37 823	2 220	71 717	38 134	(3 486)	4 119	26 997	59 717	(24 150)	(26 409)	108 901	77 781
Impairment loss (reversal) on property, plant and equipment	(21 664)	(1 041)	(30 388)	(8 908)	(2)	772	(203)	(13 246)	38 257	18 052	(14 000)	(4 371)
Depreciation and amortisation	(1 917)	(2 049)	(35 157)	(33 090)	(5 610)	(6 422)	(4 327)	(3 622)	29	(535)	(46 982)	(45 718)
Profit on sale of business	–	–	–	(4 925)	–	–	–	–	–	6 972	–	2 047
Operating profit	14 242	(870)	6 172	(8 789)	(9 098)	(1 531)	22 467	42 849	14 136	(1 920)	47 919	29 739
Net finance costs	694	1 960	(5 406)	(2 088)	(2 270)	(2 794)	(134)	(1 083)	(1 089)	(1 016)	(8 205)	(5 021)
Unrealised foreign exchange gain on loans	–	–	4 578	(1 930)	222	(297)	(23 673)	(16 869)	11 613	10 889	(7 260)	(8 207)
Reportable segment profit	14 936	1 090	5 344	(12 807)	(11 146)	(4 622)	(1 340)	24 897	24 660	7 953	32 454	16 511
Reconciliation of reportable segment profit to profit before taxation												
Total profit for reportable segments											32 454	16 511
Share of earnings/(losses) of equity-accounted investments, net of tax											66	(492)
Profit before taxation											32 520	16 019
Taxation											(4 816)	(7 824)
Profit after taxation											27 704	8 195
Gross assets	301 618	248 797	202 618	203 398	48 465	67 269	611 322	582 497	(369 525)	(363 410)	794 498	738 551
Investment in associates	–	–	11 755	7 445	–	–	–	–	(365)	2 928	11 390	10 373

	Botswana		Namibia		South Africa		Zambia		Zimbabwe		Intergroup eliminations		Total	
By country:	**2013 BWP'000**	2012 BWP'000	**2013 BWP'000**	2012 BWP'000	**2013 BWP'000**	2012 BWP'000	**2013 BWP'000**	2012 BWP'000	**2013 BWP'000**	2012 BWP'000	**2013 BWP'000**	2012 BWP'000	**2013 BWP'000**	2012 BWP'000
Revenue	423 296	360 395	280 992	287 627	923 720	815 459	58 172	62 760	92 138	76 818	(573 243)	(536 816)	1 205 074	1 066 243
Gross assets	400 389	456 480	109 903	98 818	198 071	147 958	42 541	13 642	43 594	21 653	–	–	794 498	738 551

During the year the entity rolled a new management information system which has resulted in different information being available to management with which to monitor financial performance. One of the areas impacted by the new management information system is information relating to operating segments, which previously was available on a basis that netted off certain items across segments, which are now available on a more disaggregated basis. The current period's segment information and the comparative information has therefore been presented based on the new format of information available to management. The operating segments of the business have remained unaffected by these changes.

COMPANY STATEMENT OF COMPREHENSIVE INCOME

For the year ended 28 February

	Notes	2013 BWP'000	2012 BWP'000
Other income		8 402	31 234
Operating costs		(8 369)	(10 014)
Foreign exchange (loss)/gain	1	(2 305)	9 986
Operating (loss)/profit before items listed below		(2 272)	31 206
Depreciation and amortisation	1	(251)	(7)
Interest received		4 609	1 046
Impairment loss on loan		–	(5 899)
Financing costs	2	(5 965)	(2 891)
Unrealised foreign exchange loss		(22 975)	(16 538)
(Loss)/profit before taxation		(26 854)	6 917
Taxation	3	–	(3 300)
Total comprehensive (loss)/income for the year		(26 854)	3 617
(Loss)/profit for the year attributable to:			
Owners of the Company		(26 854)	3 617
Non-controlling interest		–	–
		(26 854)	3 617

COMPANY STATEMENT OF FINANCIAL POSITION

As at 28 February

	Notes	2013 BWP'000	2012 BWP'000
ASSETS			
Non-current assets		268 196	262 024
Property, plant and equipment	4	194	3
Intangible assets	5	2 807	1 157
Investment in subsidiaries	6	265 195	260 864
Current assets		132 805	120 564
Trade and other receivables	7	97 151	67 760
Cash and cash equivalents	14	35 332	52 804
Current tax asset		322	–
Total assets		401 001	382 588
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company		99 876	146 596
Stated capital	8	153 703	153 703
Accumulated loss		(53 827)	(7 107)
Non-current liabilities		89 224	94 928
Long-term liabilities	9	89 224	94 928
Current liabilities		211 901	141 064
Trade and other payables	10	165 688	141 014
Tax liability		–	50
Bank overdrafts	14	46 213	–
Total equity and liabilities		401 001	382 588

COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 28 February

	Stated capital BWP'000	Accum-mulated (loss) BWP'000	Total equity BWP'000
Balance at 1 March 2011	153 703	9 144	162 847
Dividends paid		(19 868)	(19 868)
Total comprehensive income for the year	–	3 617	3 617
Balance at 29 February 2012	153 703	(7 107)	146 596
Dividends paid	–	(19 866)	(19 866)
Total comprehensive loss for the year	–	(26 854)	(26 854)
Balance at 28 February 2013	153 703	(53 827)	99 876

COMPANY STATEMENT OF CASH FLOWS

For the year ended 28 February

	Notes	2013 BWP'000	2012 BWP'000
Cash flow from operating activities			
Cash utilised by operations	12	(31 519)	(35 897)
Dividends received net of withholding tax		–	18 700
Interest received		4 609	114
Financing costs		(5 965)	(2 891)
Taxation paid	13	–	(295)
Net cash outflow from operating activities		(32 875)	(20 269)
Cash flow from investing activities			
Acquisition of intangible assets		(1 862)	(1 157)
Acquisition of property, plant and equipment		(230)	–
Net cash outflow from investing activities		(2 092)	(1 157)
Cash flow from financing activities			
(Repayment)/advance of long-term liabilities		(8 852)	7 006
Dividends paid		(19 866)	(19 868)
Net cash outflow from financing activities		(28 718)	(12 862)
Net decrease in cash and cash equivalents		(63 685)	(34 288)
Cash and cash equivalents at the beginning of the year		52 804	87 092
Cash and cash equivalents at the end of the year	14	(10 881)	52 804

NOTES TO THE COMPANY ANNUAL FINANCIAL STATEMENTS

For the year ended 28 February

	2013 BWP'000	2012 BWP'000
1. OPERATING (LOSS)/PROFIT		
Operating (loss)/profit is arrived at after taking into account the following items:		
Dividends received	–	22 000
Auditors' remuneration		
– current year fees	194	200
– prior year under provision	95	391
	289	591
Depreciation and amortisation	251	7
Foreign exchange (losses)/gains		
Realised	(6 393)	684
Unrealised	4 088	9 302
Legal and professional fees	816	570
Staff costs	4 581	6 452
2. FINANCING COSTS		
Interest paid		
Bank overdraft and trade finance	5 965	2 878
Related party loans	–	13
	5 965	2 891
3. TAXATION		
3.1 Taxation charge		
Withholding tax on dividends paid	–	3 300
Total taxation charge	–	3 300
3.2 Reconciliation of taxation rate to profit before taxation		
Company normal tax rate (%)	22.0	22.0
Additional company tax (%)	–	–
Effect of expenses that are not deductible in determining taxable profit	–	(51.2)
Effect of unused tax losses and tax offsets not recognised as deferred tax assets (%)	(22.0)	29.2
Withholding tax on dividends paid (%)	–	47.7
Effective taxation rate	–	47.7

The Company has estimated total accumulated tax losses of BWP32.8 million (2012: BWP5.9 million) available for set off against future taxable profit.

	2013			2012		
	Cost BWP'000	Accumulated depreciation BWP'000	Net book value BWP'000	Cost BWP'000	Accumulated depreciation BWP'000	Net book value BWP'000
4. PROPERTY, PLANT AND EQUIPMENT						
Furniture, fittings and equipment	257	63	194	27	24	3

	Furniture, fittings and equipment BWP'000	Total BWP'000
Movement of furniture, fittings and equipment – 2013	3	3
Net book value at the beginning of the year	230	230
Depreciation	(39)	(39)
Net book value at the end of the year	194	194
Movement of furniture, fittings and equipment – 2012		
Net book value at the beginning of the year	10	10
Depreciation	(7)	(7)
Net book value at the end of the year	3	3

	2013 BWP'000	2012 BWP'000
5. INTANGIBLE ASSETS		
Intangibles at cost	3 019	1 157
Accumulated amortisation	(212)	–
Net book value at end of year	2 807	1 157
Net book value at the beginning of the year	1 157	–
Additions	1 862	1 157
Amortisation	(212)	–
Balance at the end of the year	2 807	1 157

	2013 BWP'000	2012 BWP'000
6. INVESTMENT IN SUBSIDIARIES		
Shares at cost		
Represented by:		
Okavango Wilderness Safaris (Proprietary) Limited (Botswana)	59 450	59 450
Sefofane Aviation Holdings (Proprietary) Limited (Botswana)	28 505	28 505
Wilderness Safaris Limited (Bermuda)	–	–
Wilderness Tours Limited (Zambia)	68 548	68 548
Wilderness Safaris Finance and Investments Company (Private) Limited (Zimbabwe)	82	82
Wilderness Safaris investment & Finance (Proprietary) Limited (South Africa)	104 361	104 361
Northern Air Maintenance (Proprietary) Limited	1 801	–
Wilderness Air Zambia (Proprietary) Limited	8	–
Wilderness Air Botswana (Proprietary) Limited	2 522	–
Less: Impairment against investment in subsidiaries	(82)	(82)
	265 195	260 864

A list of the Company's subsidiaries is detailed in Annexure 1 of the Group accounts.

	2013 BWP'000	2012 BWP'000
7. TRADE AND OTHER RECEIVABLES		
Other receivables and prepayments (note 11)	97 151	67 760
	97 151	67 760

There were no significant long outstanding third party trade receivables which require specific impairment at balances year end. The carrying values of receivables approximates their fair value.

	2013 BWP'000	2012 BWP'000
8. STATED CAPITAL		
Issued and fully paid		
231 000 000 (2012: 231 000 000) ordinary shares of no par value	153 703	153 703

The Company's stated capital is detailed in note 19 of the Group accounts.

	2013 BWP'000	2012 BWP'000
9. LONG-TERM LIABILITIES		
Industrial Development Corporation of South Africa Limited	107 016	103 632
Less: Current portion included in accounts payable (note 10)	(17 792)	(8 704)
Long-term portion	89 224	94 928
Repayable within two years	35 585	31 902
Repayable within three years	35 585	31 902
Repayable within four years	18 054	31 124
	89 224	94 928

Details of the terms and conditions of the IDC loan are reflected in note 20 of the Group accounts.

	2013 BWP'000	2012 BWP'000
10. TRADE AND OTHER PAYABLES		
Accrued expenses and other payables (note 11)	147 896	132 310
Current portion of long-term liabilities (note 9)	17 792	8 704
	165 688	141 014

The carrying values of liabilities approximate their fair value.

	2013 BWP'000	2012 BWP'000
11. RELATED PARTY TRANSACTIONS		
Included in trade receivables		
Wilderness Tours Limited	29 604	27 536
Wilderness Air Botswana (Proprietary) Limited	811	1 053
Okavango Wilderness Safaris (Proprietary) Limited	37 663	15 339
Northern Air Maintenance (Proprietary) Limited	3 721	–
Sefofane Aviation Holdings (Proprietary) Limited	438	217
Wilderness Safaris Zimbabwe (Private) Limited	9 073	4 866
Wilderness Camps of Zimbabwe (Private) Limited	11 159	9 728
Namib Lodge Company (Proprietary) Limited	3 195	2 850
	95 664	61 589
Included in trade payables		
Wilderness Safaris Limited	144 331	129 394
Wilderness Tours Limited	93	–
Wilderness Air Botswana (Proprietary) Limited	1 835	1
	146 259	129 395

NOTES TO THE COMPANY ANNUAL FINANCIAL STATEMENTS (continued)

For the year ended 28 February

	2013 BWP'000	2012 BWP'000
12. CASH UTILISED FROM OPERATIONS		
(Loss)/profit before taxation:	(26 854)	6 917
Adjustments for:		
Depreciation and amortisation	251	7
Impairment loss on loan	–	5 899
Dividends received	–	(22 000)
Interest received	(4 609)	(1 046)
Financing costs	5 965	2 891
Unrealised foreign exchange loss	18 887	7 236
Operating loss before working capital changes	(6 360)	(96)
Working capital changes:		
Increase in accounts receivable	(29 763)	(43 462)
Increase in accounts payable	4 604	7 661
	(31 519)	(35 897)
13. TAXATION PAID		
Amounts unpaid at the beginning of the year	(50)	(345)
Other movements and translation differences	372	–
Amount (receivable)/unpaid at the end of the year	(322)	50
	–	(295)
14. CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
Bank overdrafts	(46 213)	–
Cash resources	35 332	52 804
	(10 881)	52 804

The overdraft facility is secured by limited suretyship of BWP50 000 000 by Wilderness Holdings Limited in favour of Sefofane Aviation Holdings (Proprietary) Limited, Okavango Wilderness Safaris (Proprietary) Limited and Wilderness Safaris Investment and Finance (Proprietary) Limited.

APPENDICES

ANALYSIS OF ORDINARY SHAREHOLDERS

as at 28 February 2013

Shareholder spread	Number of shareholdings	% of total shareholdings	Number of shares	% of shares in issue
1 – 1 000 shares	273	48.83	111 217	0.05
1 001 – 10 000 shares	193	34.53	764 641	0.33
10 001 – 100 000 shares	64	11.4	1 823 725	0.79
100 001 – 1 000 000 shares	12	2.15	4 486 158	1.94
1 000 001 shares and over	17	3.04	223 814 259	96.89
Total	**559**	**100.00**	**231 000 000**	**100.00**

Distribution of shareholders	Number of shareholdings	% of total shareholdings	Number of shares	% of shares in issue
Private companies	19	3.40	84 515 232	36.59
Individuals	450	80.49	63 385 703	27.44
Public companies	4	0.72	58 103 383	25.15
Nominees and trusts	80	14.31	23 400 431	10.13
Other corporations	4	0.72	1 452 093	0.63
Pension funds	1	0.18	142 158	0.06
Close corporations	1	0.18	1 000	0.00
Total	**559**	**100.00**	**231 000 000**	**100.00**

Shareholder type	Number of shareholdings	% of total shareholdings	Number of shares	% of shares in issue
Non–public shareholders	**18**	**5.40**	**189 222 527**	**81.75**
Directors and associates (direct and indirect holding)	10	1.80	50 762 669	21.98
Employees restricted from trading	4	2.88	396 772	0.00
Strategic holdings (>10%)	4	0.72	138 063 086	59.77
Public shareholders	**541**	**94.60**	**41 777 473**	**18.25**
Total	**559**	**100.00**	**231 000 000**	**100.00**

Beneficial shareholders with a holding greater than 3% of the shares in issue	Number of shares	% of shares in issue
Wine Investments Limited	80 061 435	34.66
Puma SE/Pinault-Printemps-Redoute (PPR)/Kering	58 001 651	25.11
Winslow Financial Investments Limited	20 443 000	8.85
McCulloch, MW	10 063 593	4.36
Payne, AG	10 063 593	4.36
Friedman, R	10 048 344	4.35
Vincent, KNW	9 884 701	4.28
Bell, M	7 197 966	3.12
Total	**205 764 283**	**89.09**

	Number of shareholdings
Total number of shareholdings	**559**
Total number of shares in issue	**231 000 000**

JSE share price performance	Rand
Closing price 29 February 2012	4.25
Closing price 28 February 2013	2.50
Closing High for the period	4.25
Closing Low for the period	2.30
Total volume traded	**43 429 433**
Volume traded as a % of shares in issue	18.80

BSE share price performance	Pula
Closing price 29 February 2012	3.40
Closing price 28 February 2013	2.28
Closing High for the period	3.35
Closing Low for the period	2.28
Total volume traded	**12 751**

APPENDICES (continued)

SCOPE OF INTEGRATED REPORT 2013

	Botswana	Namibia	Zambia	Zimbabwe	Malawi	South Africa	Seychelles	Republic of Congo
Offices	Maun Gaborone	Windhoek Swakopmund	Victoria Falls		Lilongwe Blantyre	Johannesburg Cape Town	Mahe	N/A
Air	Wilderness Air Botswana	Wilderness Air Namibia	Wilderness Air Zambia	Wilderness Air Zimbabwe	N/A	Wilderness Air South Africa	N/A	
Camps	Kings Pool DumaTau Savuti Linyanti Discoverer Linyanti Adventurer Little Vumbura Vumbura Plains Mombo Little Mombo Baobab Safari Lodge Baobab Camp Xigera Xigera Mokoro Trails Chitabe Chitabe Lediba Khwai Discoverer Khwai Adventurer Banoka Bush Camp Wilderness Tented Camp Moremi Tented Camp Abu Camp Seba Kalahari Plains	Little Kulala Kulala Adventurer Kulala Desert Lodge Doro Nawas Damaraland Adventurer Damaraland Camp Serra Cafema Anderssons' Little Ongava Ongava Lodge Ongava Tented Camp Desert Rhino Camp	Busanga Bush Camp Musanza Lufupa River Camp Lufupa Tented Camp Shumba Toka Leya	Makalolo Plains Little Makalolo Linkwasha Davison's Ruckomechi Mana Canoe Trail	Mvuu Lodge Mvuu Camp Chintheche Inn Chelinda Camp Chelinda Lodge	Pafuri Camp Pafuri Walking Trail Rocktail Beach Camp	North Island	Lango Ngaga
	Total of 23 camps	**Total of 12 camps**	**Total of 6 camps**	**Total of 6 camps**	**Total of 5 camps**	**Total of 3 camps**	**Total of 1 camp**	**Total of 2 camps**

ANNEXURE 1
SUBSIDIARY COMPANIES OF WILDERNESS HOLDINGS LIMITED

	Nature of business	Shares in issue	Effective holding 2013 %	Effective holding 2012 %
Active subsidiaries				
Incorporated in Botswana				
Baobab Safari Lodges (Pty) Limited	B	2 698	25.84	25.84
Flamingo Investments (Pty) Limited	B	300	50.00	50.00
Great Explorations (Pty) Limited	B	100	100.00	100.00
Linyanti Investments (Pty) Limited	B	40 000	95.00	95.00
Micheletti Bates Safaris (Pty) Limited	B	5 000	100.00	100.00
Northern Air Maintenance (Pty) Limited	D	100	100.00	100.00
Okavango Wilderness Safaris (Pty) Limited	C	100 000	100.00	100.00
Paddle Safaris (Pty) Limited	D	102	50.00	50.00
Safari Adventure (Pty) Limited	D	100	70.00	70.00
Wilderness Air Botswana (Pty) Limited	D	50 000	100.00	100.00
Sefofane Aviation Holdings (Pty) Limited	C	100	100.00	100.00
Waves of Africa Tours (Pty) Limited	D	100	50.00	50.00
Frogiface (Pty) Limited	A	100	50.00	50.00
Hana-Ven (Pty) Limited	B	100	49.00	49.00
Kasane Fish Farms (Pty) Limited	D	100	37.50	37.50
Incorporated in Zambia				
African Experience Limited	B	500 000	100.00	100.00
Luamfwa Lodge Limited	B	20 000 000	100.00	100.00
Wilderness Safaris Zambia Limited	B	5 000 000	90.00	90.00
Wilderness Tours Limited	C	5 000 000	89.00	89.00
The Zambian Touring Company Limited	B	5 000 000	47.50	45.00
Wilderness Air Zambia Limited	D	5 000	100.00	100.00
Incorporated in Zimbabwe				
Bamberg Investments (Pvt) Limited	C	10 000	99.00	99.00
Muroti Investments (Pvt) Limited	B	10 000	27.95	27.95

	Nature of business	Shares in issue	Effective holding 2013 %	Effective holding 2012 %
Incorporated in Zimbabwe (continued)				
Underneath Trading (Pvt) Limited	D	100	50.00	50.00
Wilderness Safaris Zimbabwe (Pvt) Limited	B	10 000	100.00	100.00
Wilderness Camps of Zimbabwe (Pvt) Limited	B	100 000	42.11	42.11
Wilderness Safaris Finance & Investments Company (Zimbabwe) (Pvt) Limited	B	1 000	100.00	100.00
Woodvalley Lodge	B	100	50.00	50.00
Incorporated in Bermuda				
Wilderness Safaris Limited	C	12 000	100.00	100.00
Incorporated in South Africa				
Wilderness Safaris Investment and Finance (Pty) Limited	C	300 000	100.00	100.00
Non-trading companies				
Botswana				
Mowana Consultants (Pty) Limited	F	150		
Okavango Wilderness Safaris Lodges (Pty) Limited	F	10 000		
Incorporated in Luxembourg				
Norisco Holdings SA	C	19 600	20.00	20.00
Zimbabwe				
Berryland Investments (Pvt) Limited	B	10 000	42.11	42.11
Mana Pools Wildlife Safaris (Pvt) Limited	B	250 000	42.11	42.11
Birding Safaris (Pvt) Limited	F	100	50.00	50.00
Ruckomechi (Pvt) Limited	F	100	42.11	42.11
Werburgh Marketing (Pvt) Limited	F	100	100.00	100.00
Zambezi Spectacular (Pvt) Limited	F	100	100.00	100.00
Right Night Lodges (Pvt) Limited	F	100	100.00	100.00

APPENDICES (continued)

ANNEXURE 1 (continued)

SUBSIDIARY COMPANIES OF WILDERNESS SAFARIS INVESTMENT AND FINANCE (PROPRIETARY) LIMITED

	Nature of business	Shares in issue	Effective holding 2013 %	Effective holding 2012 %
Incorporated in South Africa				
French Mauve (Pty) Limited	C	100	33.30	33.30
Gugulesizwe Cultural Centre (Pty) Limited	B	100	19.00	19.00
Pafuri Camp (Pty) Limited	B	101	100.00	100.00
Rocktail Bay Lodge (Pty) Limited	B	466 000	55.00	55.00
Wilderness Touring Cape (Pty) Limited (formerly Tes and Trev Travels (Pty) Limited	D	100	75.00	75.00
Wilderness Air South Africa (Pty) Limited	D	101	99.00	99.00
Wildair Charters (Pty) Limited	D	100	100.00	100.00
Wilderness Manzengwena Camp (Pty) Limited	B	200	72.50	72.50
Wilderness Safari and Adventure Company (Pty) Limited	B	100	100.00	100.00
Wilderness Safaris (Pty) Limited	A	100 000	100.00	100.00
Wilderness Safaris Camps of South Africa (Pty) Limited	B	100	100.00	100.00

	Nature of business	Shares in issue	Effective holding 2013 %	Effective holding 2012 %
Incorporated in Namibia				
Damaraland Camp (Pty) Limited	B	100	60.00	60.00
Desert Homestead Lodge (Pty) Limited	B	100	50.00	50.00
Doro Nawas Camp (Pty) Limited	B	100	55.00	55.00
Kulala (Pty) Limited	B	400	100.00	100.00
Kupenda Properties (Pty) Limited	B	100	100.00	100.00
Namib Travel Shop (Pty) Limited	A	100	100.00	100.00
Namib Wilderness Safaris (Pty) Limited	B	200	100.00	100.00
Namibia Tracks and Trails (Pty) Limited	A	100	75.00	75.00
Palmwag Lodge (Pty) Limited	B	100	100.00	100.00
Wilderness Air Namibia (Pty) Limited	D	300	100.00	100.00
Serra Cafema Camp (Pty) Limited	B	100	100.00	100.00
Skeleton Coast Camp (Pty) Limited	F	100	100.00	100.00
Taimibia (Pty) Limited	C	100	100.00	100.00
The Namib Lodge Company (Pty) Limited	B	1 333 333	89.50	89.50
Incorporated in Malawi				
Central African Wilderness Safaris	B	100 000	50.00	50.00

A = Safari consultancy
B = Camp, lodges and safari explorations
C = Finance and asset management
D = Transfer and touring
E = Training
F = Non-trading

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the fourth annual general meeting of shareholders of Wilderness Holdings Limited, will be held at Deloitte House, Plot 64518, Fairgrounds, Gaborone, Botswana on Friday, 30 August 2013 at 10:00 am, for the purpose of transacting the following agenda.

AGENDA

1. PRESENTATION OF ANNUAL FINANCIAL STATEMENTS AND REPORT

To receive, consider and adopt the audited financial statements for the year ended 28 February 2013. The complete set of the consolidated audited annual financial statements, together with the Auditors' Report and report of the Audit Committee and the report of the Remuneration and Nomination Committee, are contained in the Integrated Report.

2. DIVIDEND

To note that a dividend of 4.0 thebe per share was declared on 22 May 2013 as an interim dividend.

RESOLUTIONS

3. ORDINARY RESOLUTION NO 1

RE-ELECTION OF DIRECTORS OF THE COMPANY

To re-elect, each by way of a separate vote, the following directors retiring, in terms of article 18.2.1 of the Company's constitution, and who are eligible and have offered themselves for re-election:

3.1.1 John Hunt
3.1.2 Parks Tafa
3.1.3 Gavin Tollman
3.1.4 Jochen Zeitz

Brief CVs in respect of each director offering himself for re-election are contained in the Integrated Report.

4. ORDINARY RESOLUTION NO 2

RE-ELECTION OF MEMBERS OF THE AUDIT COMMITTEE

To re-elect, each by way of a separate vote, the following independent non-executive directors as members of the Audit Committee:

4.1 Rolf Hartmann
4.2 Marcus ter Haar
4.3 Michael Tollman

The members' appointment shall be effective from the conclusion of the annual general meeting at which this resolution is passed until the conclusion of the next annual general meeting of the Company.

Brief CVs in respect of each member offering himself for re-election are contained in the Integrated Report.

5. ORDINARY RESOLUTION NO 3

RE-APPOINTMENT OF EXTERNAL AUDITORS

To re-appoint Deloitte & Touche, upon the recommendation of the Audit Committee, as independent registered auditor of the Company, and to take note that the individual registered auditors who will undertake the audit during the financial year ending 28 February 2013 are Mr M Marinelli and Mr M Rayfield.

6. ORDINARY RESOLUTION NO 4

REMUNERATION OF EXTERNAL AUDITORS

To authorise the Audit Committee to determine the remuneration of the external auditors and the auditors' terms of reference.

7. ORDINARY RESOLUTION NO 5

REMUNERATION OF NON-EXECUTIVE DIRECTORS

To approve remuneration of non-executive directors for the financial year ending 28 February 2014, in terms of article 20.4 of the Company's constitution, as recommended by the board and set out in the note below.

Non-executive remuneration for the financial year ending 28 February 2014:

• Chairman of the Board	BWP480 000
• Deputy Chairman	BWP200 000
• Non-executive directors	BWP100 000
• Chairman of the Audit Committee	BWP50 000
• Chairman of the Investment Committee	BWP50 000
• Chairman of the Remuneration and Nomination Committee	BWP50 000
• Chairman of the Risk Committee	BWP50 000
• Chairman of the Sustainability Committee:	BWP50 000
• Chairman of the Safety Review Board	BWP50 000

8. ORDINARY RESOLUTION NO 6

GENERAL AUTHORITY TO REPURCHASE SHARES

To authorise the acquisition of the Company's own shares by itself or any of its subsidiaries, by way of a general approval, in terms of section 66 of the Botswana Companies Act of 2003, as amended, being that:

- Any such acquisition of ordinary shares shall be effected without any prior understanding or arrangement with the counterparty;
- This general authority shall be valid until the Company's next annual general meeting;

NOTICE OF ANNUAL GENERAL MEETING (continued)

- Acquisitions of shares in aggregate may not exceed 5% of the Company's ordinary issued share capital, at any given time; and
- The directors will ensure at the time of the commencement of any repurchases, after considering the effect of repurchases, up to the maximum limit, of the Company's issued ordinary shares, that they are of the opinion that if such repurchases were implemented the Company shall satisfy the solvency test:
  - The Company would be able in the ordinary course of business to pay its debts for a period of 12 months after the date of the notice issued in respect of the annual general meeting; and
  - The assets of the Company would be in excess of the liabilities of the Company for a period of 12 months after the date of the notice issued in respect of the annual general meeting. For this purpose, the assets and liabilities would be recognised and measured in accordance with international accounting standards and the Company's accounting policies used in the latest audited group annual financial statements.

9. ADVISORY ENDORSEMENT OF THE REMUNERATION PHILOSOPHY

To endorse through a non-binding advisory vote, the Company's remuneration philosophy as set out in the Report of the Remuneration and Nomination Committee in the integrated report.

10. GENERAL

To transact such other business as may be transacted at an annual general meeting.

VOTING AND PROXIES

A member entitled to attend and vote may appoint a proxy to attend and vote on their behalf, and such proxy need not be a member of the Company. The instrument appointing such a proxy must be deposited at the Secretary's office not less than 24 hours before the meeting. A proxy form is enclosed with this notice.

On a show of hands or by voice, every shareholder of the Company present in person or represented by proxy shall have only one vote in respect of the number of shares he holds or represents.

On a poll, every shareholder of the Company present in person or represented by proxy shall have one vote for every share held in the Company by such shareholder or for every share represented by a proxy.

A resolution put to the vote shall be decided by a show of hands or by voice unless a poll is demanded (on or before the declaration of the result on a show of hands) by not less than 5 shareholders having the right to vote at the meeting, a shareholder representing not less than 10% of the total voting rights of all shareholders having the right to vote at the meeting or the Chairperson of the meeting.

Shareholders who hold their shares in certificated form or are "own name registered" dematerialised shareholders and who are unable to attend the annual general meeting, but wish to be represented at the annual general meeting must complete and return the form of proxy attached in accordance with the instructions contained therein to be received by the Secretary's office not less than 24 hours before the meeting.

Other shareholders who hold their shares in uncertificated form through a Central Securities Depository Participant (CSDP) or broker and who wish to vote by way of proxy at the annual general meeting, should provide their CSDP or broker with their voting instructions, in terms of the custody agreement entered into between such shareholders and their CSDP or broker. These instructions must be provided to the CSDP or broker by the cut-off time and date advised by the CSDP or broker for instructions of this nature. If, however, such shareholders wish to attend the annual general meeting in person, then they will need to request their CSDP or broker to provide them with a Letter of Representation in terms of the custody agreement entered into between the dematerialised shareholder and their CSDP or broker.

By order of the Board

BBP Tafa
Chairman

Registered Office

Botswana
Plot 1 Mathiba Road, Maun, Botswana
Private Bag 14, Maun, Botswana

South Africa
373 Rivonia Boulevard, Rivonia, South Africa
P O Box 5219, Rivonia, 2128, South Africa

FORM OF PROXY

WILDERNESS HOLDINGS LIMITED
Incorporated in Botswana
(Registration number 2004/2986)
Registered as an external company in South Africa
(Registration number 2009/022894/10)
Share Code: WIL ISIN: BW0000000868
("Wilderness" or "the Company")

WILDERNESS
FOR THE LONG RUN

Only for use by shareholders of Wilderness shares in certificated or dematerialised "own-name registered" form. Other dematerialised shareholders must inform their CSDP or broker of their intention to attend the annual general meeting to be held at Deloitte House, Plot 64518, Fairgrounds Office Park, Gaborone, Botswana, on Friday, 30 August 2013 at 10:00 am, in order that the CSDP or broker may issue them with the necessary Letters of Representation to attend, or provide the CSDP or broker with their voting instructions should they not wish to attend the annual general meeting in person..

I/We ______________________________

(Full name in BLOCK LETTERS please)

of ______________________________

(address)

Telephone (work) ______________ Telephone (home) ______________

(area code and number) (area code and number)

being a shareholder of Wilderness and holder of [ ] number of ordinary shares, hereby appoint

1. ______________________________ or failing him/her

2. ______________________________ or failing him/her

3. the Chairman of the annual general meeting as my/our proxy to act for me/us at the annual general meeting of the Company to be held at Deloitte House, Plot 64518, Fairgrounds Office Park, Gaborone, Botswana, on Friday, 30 August 2013 at 10:00am and at any adjournment thereof for the purpose of considering, and if deemed fit, passing with or without modification, the resolutions and/or abstain from voting as indicated on the resolution to be considered at the said meeting.

	For	Against	Abstain
Ordinary resolution number 1			
Ordinary resolution number 2			
Ordinary resolution number 3			
Ordinary resolution number 4			
Ordinary resolution number 5			
Ordinary resolution number 6			
Advisory endorsement of the remuneration philosophy			

Please indicate with an "X" in the spaces above how you wish your votes to be cast. If no indication is given the proxy will vote or abstain at his/her discretion. Any member of the Company entitled to attend and vote at the annual general meeting may appoint a proxy or proxies to act for him/her and vote in his/her stead. A proxy need not be a member of the Company. Every person present and entitled to vote at the annual general meeting shall, on a show of hands or voice, have one vote only, but in the event of a poll, every share shall have one vote. Please read the notes and instructions applying on the reverse hereof.

Signed at ______________ on ______________ 2013

Name ______________________________

Signature ______________________________

(Name in BLOCK LETTERS please)

Assisted by me ______________________________

Full names of signatory/ies if signing in a representative capacity
(Name in BLOCK LETTERS please)

NOTES TO PROXY

Instructions for signing and lodging this Form of Proxy

1. A Wilderness shareholder may insert the name of a proxy or the names of two alternative proxies of the Wilderness shareholder's choice in the space/s provided, with or without deleting "the Chairman of the annual general meeting", but any such deletion must be initialled by the Wilderness shareholder concerned. The person whose name appears first on the form of proxy and who is present at the annual general meeting will be entitled to act as proxy to the exclusion of those whose names follow.
2. Please insert an "X" in the relevant spaces according to how you wish your votes to be cast. However, if you wish to cast your votes in respect of a lesser number of shares than you own in Wilderness, insert the number of ordinary shares held in respect of which you desire to vote. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the annual general meeting as he/she deems fit in respect of all the shareholder's votes exercisable thereat. A Wilderness shareholder or his/her proxy is not obliged to use all the votes exercisable by the Wilderness share holder or by his/her proxy, but the total of the votes cast and in respect whereof abstentions are recorded may not exceed the total of the votes exercisable by the shareholder or by his/her proxy.
3. The date must be filled in on this proxy form when it is signed.
4. The completion and lodging of this form of proxy will not preclude the relevant Wilderness shareholder from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof. Where there are joint holders of shares, the vote of the senior joint holder who tenders a vote, as determined by the order in which the names appear in the register of members will be accepted.
5. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the transfer secretaries or waived by the Chairman of the annual general meeting of Wilderness shareholders.
6. Any alterations or corrections made to this form of proxy must be initialled by the signatory/ies.
7. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by transfer secretaries.
8. Forms of proxy must be received by the Secretary, Wilderness Holdings Limited, 373 Rivonia Boulevard, Rivonia, South Africa, PO Box 5219 Rivonia, 2128, South Africa. Fax: + 27 (0)86 506 0502, email: adrianas@wilderness.co.za not less than 24 hours before the meeting.
9. The Chairman of the annual general meeting may reject or, provided that the Chairman is satisfied as to the manner in which a member wishes to vote, accept any form of proxy, in his absolute discretion, which is completed other than in accordance with these notes.
10. If required, additional forms of proxy are available from the transfer secretaries.
11. Wilderness shareholders who are unable to attend any adjourned meeting may lodge their form of proxy for such adjourned meeting with the company not less than 24 hours before the adjourned meeting.
12. Dematerialised shareholders, other than with "own-name registration", must NOT complete this form of proxy and must provide their CSDP or broker of their voting instructions in terms of the custody agreement entered into between such shareholders and their CSDP or broker.

purple.frog

CORPORATE INFORMATION

Incorporated in the Republic of Botswana
Registration number 2004/2986

Registered address
Plot 1 Mathiba Road, Maun, Botswana
Private Bag 14, Maun, Botswana

Company Secretary
Desert Secretarial Services (Pty) Limited
Deloitte & Touche House
Plot 64518
Fairgrounds Office Park
Gaborone, Botswana

Auditors
Deloitte & Touche
Deloitte & Touche House
Plot 64518
Fairgrounds Office Park
Gaborone, Botswana
PO Box 778, Gaborone, Botswana

Bankers
Stanbic Bank
Stanbic House
Plot 50672,
Off Machel Drive, Fairground
Private Bag 00168, Gaborone, Botswana

First National Bank Botswana
Ngami Centre
Plot 152
Maun, Botswana
Private Bag 231, Maun, Botswana

Sponsoring Broker
Capital Securities (Pty) Limited
Ground Floor, Exchange House
Plot 64511
Fairgrounds, Gaborone, Botswana
Private Bag 173, Gaborone, Botswana

Transfer Secretaries
Transaction Management Services (Pty) Limited
trading as Corpserve Botswana
First Floor, Unit 3, Block A Kwena House
Plot 117, GIFP
Kgale View, Gaborone, Botswana
Post Net, Kgale View, Gaborone

A member of the IFSC
Botswana International Financial Services Centre
Plot 50676, Fairgrounds Office Park
Private Bag 160, Gaborone, Botswana

Registered as an external company in South Africa
Registration number 2009/022894/10

Registered address
373 Rivonia Boulevard
Rivonia, South Africa
PO Box 5219, Rivonia, 2128, South Africa

Auditors
Deloitte & Touche
Building 1
The Woodlands. Woodlands Drive
Woodmead, South Africa
Private Bag X6, Gallo Manor, 2052, South Africa

Bankers
The Standard Bank of South Africa Limited
7th Floor
Standard Bank Centre
3 Simmonds Street
Johannesburg, 2001, South Africa

Sponsor
Rand Merchant Bank
A division of FirstRand Bank Limited
1 Merchant Place
Corner Fredman Drive and Rivonia Road
Sandton, 2196, South Africa
PO Box 786273, Sandton, 2146, South Africa

Transfer Secretaries
Computershare Investor Services (Pty) Limited
70 Marshall Street
Johannesburg, 2001, South Africa
PO Box 61051, Marshalltown, 2107, South Africa

We would like to thank the many people and organisations who supported us during the year and made our operations possible. We have received enthusiastic support from a wide range of trade and other partners, host governments and their respective agencies, local communities and non-government organisations. And of course the business would not begin to function without the guests who visit our operations from all over the world. Finally, and perhaps most importantly, our staff are at the heart of the business and we would like to acknowledge and thank them for the pivotal role that they have played. We are proud of what we have achieved during the year and the contributions that we have made to conservation and to the societies and economies in which we operate. This has been a joint effort and we thank everyone who has joined us on this journey.

www.wilderness-group.com

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