The directors take pleasure in presenting the consolidated results of FSG Limited (“Group”) for the year ended 31 December 2014.

**Economy**

During the year 2014, the economy of Botswana remained largely stable with growth recorded in both, mining and non-mining sectors. Real GDP growth is estimated at 5.2% in 2014. Domestic inflation hovered around 4% during the year. The Bank of Botswana maintained a tight stance to be prudent as reflected by low debt levels and the monetary policy focused on stability. Inflation, growth and diversification continues to be the country’s economic priorities in the year ahead.

**Operations**

Botswana

During the year, the Group performed in line with expectations. Revenue and profit before tax increased by 12%. Expenses were also higher by 10% resulting in profit before tax increased by 10%. The Group declared an interim gross dividend of 6 (six) thebe per share, subject to deduction of withholding tax at 7.5%, payable on 28 April 2015. The directors have resolved to declare a final gross dividend of 10 (ten) thebe per share.

**Provisions**

The Group's focus on regional expansion in South Africa and Zimbabwe. Opportunities for growth have also been identified in the government sector, which has been a strategic thrust for the Group. The Group is also now exploring opportunities in the mining sector and intends to develop a new business area in the future.

**Diluted Earnings**

The diluted earnings per share for the year increased by 12% from P0.25 in 2013 to P0.28 in 2014.

**Shareholders’ Equity**

The shareholders’ equity increased by 20% to P201,374 million for the year ended 31 December 2014.

**Conclusions**

The Group management is satisfied that the audited group financial results give a true and fair view of the financial position as at 31 December 2014 and of the financial performance for the year then ended. The audited group financial results have been drawn up in accordance with International Financial Reporting Standards (IFRS) for the year ended 31 December 2014.

**SEGMNET INFORMATION**

<table>
<thead>
<tr>
<th>Operations in Botswana (P'000)</th>
<th>Operations in Zambia (P'000)</th>
<th>Operations in South Africa (P'000)</th>
<th>Elimination adjustments (P'000)</th>
<th>Total segment assets (P'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>100,000</td>
<td>120,000</td>
<td>140,000</td>
<td>100,000</td>
<td>120,000</td>
</tr>
<tr>
<td>Revenue</td>
<td>10,000</td>
<td>12,000</td>
<td>14,000</td>
<td>10,000</td>
</tr>
<tr>
<td>Profit for the period</td>
<td>1,000</td>
<td>1,200</td>
<td>1,400</td>
<td>1,000</td>
</tr>
<tr>
<td>Diluted earnings per share</td>
<td>0.28</td>
<td>0.25</td>
<td>0.30</td>
<td>0.28</td>
</tr>
</tbody>
</table>

**AUDITED GROUP FINANCIAL RESULTS**

For the year ended 31 December 2014

**CONSOLIDATED STATEMENT OF EARNINGS**

FOR THE YEAR ENDED 31 DECEMBER 2014

<table>
<thead>
<tr>
<th></th>
<th>2014 (P'000)</th>
<th>2013 (P'000)</th>
<th>2012 (P'000)</th>
<th>2011 (P'000)</th>
<th>2010 (P'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit before tax</td>
<td>69,679</td>
<td>65,828</td>
<td>61,738</td>
<td>58,828</td>
<td>52,888</td>
</tr>
<tr>
<td>Tax paid</td>
<td>(5,397)</td>
<td>822</td>
<td>65</td>
<td>(215)</td>
<td>(4,295)</td>
</tr>
<tr>
<td>Profit for the period</td>
<td>64,282</td>
<td>65,006</td>
<td>61,523</td>
<td>58,613</td>
<td>52,593</td>
</tr>
<tr>
<td>Diluted earnings per share</td>
<td>0.28</td>
<td>0.25</td>
<td>0.26</td>
<td>0.25</td>
<td>0.26</td>
</tr>
</tbody>
</table>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

AS AT 31 DECEMBER 2014

<table>
<thead>
<tr>
<th></th>
<th>2014 (P'000)</th>
<th>2013 (P'000)</th>
<th>2012 (P'000)</th>
<th>2011 (P'000)</th>
<th>2010 (P'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shareholder’s equity</td>
<td>201,374</td>
<td>185,796</td>
<td>169,651</td>
<td>165,133</td>
<td>155,919</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total equity</td>
<td>201,374</td>
<td>185,796</td>
<td>169,651</td>
<td>165,133</td>
<td>155,919</td>
</tr>
</tbody>
</table>

**CONSOLIDATED STATEMENT OF CASH FLOWS**

FOR THE YEAR ENDED 31 DECEMBER 2014

<table>
<thead>
<tr>
<th></th>
<th>2014 (P'000)</th>
<th>2013 (P'000)</th>
<th>2012 (P'000)</th>
<th>2011 (P'000)</th>
<th>2010 (P'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flows from operating activities</td>
<td>30,033</td>
<td>29,734</td>
<td>24,810</td>
<td>23,111</td>
<td>21,061</td>
</tr>
<tr>
<td>Cash flows from investing activities</td>
<td>9,290</td>
<td>14,201</td>
<td>8,393</td>
<td>15,049</td>
<td>11,230</td>
</tr>
<tr>
<td>Cash flows from financing activities</td>
<td>9,010</td>
<td>2,936</td>
<td>787</td>
<td>17,365</td>
<td>13,230</td>
</tr>
<tr>
<td>Change in cash and cash equivalents</td>
<td>58,333</td>
<td>37,971</td>
<td>33,598</td>
<td>56,465</td>
<td>51,626</td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning of the year</td>
<td>110,000</td>
<td>122,994</td>
<td>97,904</td>
<td>84,406</td>
<td>74,980</td>
</tr>
<tr>
<td>Cash and cash equivalents at end of the year</td>
<td>168,333</td>
<td>159,971</td>
<td>131,492</td>
<td>140,871</td>
<td>126,606</td>
</tr>
</tbody>
</table>

**NOTES TO THE AUDITED GROUP FINANCIAL RESULTS**

1. **Shareholders’ Equity**

2. **Diluted Earnings**

3. **Conclusions**

4. **SEGMNET INFORMATION**

5. **AUDITED GROUP FINANCIAL RESULTS**

6. **CONSOLIDATED STATEMENT OF EARNINGS**

7. **CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

8. **CONSOLIDATED STATEMENT OF CASH FLOWS**

9. **NOTES TO THE AUDITED GROUP FINANCIAL RESULTS**

10. **Group Accounting Policies and Basis of Preparation**

11. **Audit and Assurance**

12. **Changes in Accounting Policies**

13. **Risk Management**

14. **Consolidated Financial Statements**

15. **Supplementary Information**