VUNANI LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 1997/020641/06)
JSE code: VUN
ISIN: ZAE000163382
("Vunani" or "the company")

AUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2014, NOTICE OF ANNUAL GENERAL MEETING AND CHANGE IN COMPANY SECRETARY

Audited Results

Shareholders are advised that the audited annual financial statements for the year ended 31 December 2014, which are included in the company's integrated annual report for that year, have been dispatched to shareholders today, 22 June 2015. The audited annual financial statements are unchanged from the reviewed results published on SENS on 30 March 2015, apart from the following changes that were made:

All values are expressed in R'000

Consolidated statement of financial position
at 31 December 2014

	Reviewed Results	**Adjustment**	**Annual Financial Statements**
Other financial liabilities (non-current)	36 144	(15 846)	20 298
Other financial liabilities (current)	9 436	15 846	25 282

The adjustment was required as a result of reclassification of certain liabilities from non-current to current due to the lack of defined repayment terms.

Furthermore, note 9 "Financial instruments carried at fair value' as published in the reviewed provisional condensed results, was presented as follows:

9. Financial instruments carried at fair value

The fair value of a financial instrument is the price that would be received for the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants at the measurement date. Underlying the definition of fair value is a presumption that an entity is a going concern without any intention or need to liquidate, to curtail materially the scale of its operations or to undertake a transaction on adverse terms. Fair value is not, therefore, the amount that an entity would receive or pay in a forced transaction, involuntary liquidation or distressed sale.

The existence of published price quotations in an active market is the best evidence of fair value and, where they exist, they are used to measure the financial asset or financial liability. A market is considered to be active if transactions occur with sufficient volume and frequency to provide pricing information on an ongoing basis. Financial instruments fair valued using quoted prices would generally be classified as level 1 in terms of the fair value hierarchy.

Where a quoted price does not represent fair value at the measurement date or where the market for a financial instrument is not active, the group establishes fair value by using a valuation technique. These valuation techniques include reference to the value of the assets of underlying business, earnings multiples (e.g. unlisted investments), discounted cash flow analysis (e.g. unlisted investments, loans and advances) and various option pricing models.

Valuation techniques applied by the group would result in financial instruments being classified as level 2 or level 3 in terms of the fair value hierarchy. The determination of whether a financial instrument is classified as level 2 or level 3 is dependent on the significance of observable inputs versus unobservable inputs in relation to the fair value of the financial instrument.

Inputs typically used in valuation techniques include discount rates, expected future cash flows, dividend yields, earnings multiples, volatility, equity prices and commodity prices.

Valuation methodologies and techniques applied for level 3 financial instruments include a combination of discounted cash flow analysis, application of earnings multiples on sustainable after tax earnings, current and projected net asset values to determine overall reasonability. The valuation technique applied to specific financial instruments depend on the nature of the financial instrument and the most appropriate valuation technique is determined on that basis.

After the valuations of the unlisted financial assets and liabilities are performed, these are presented to the group's investment committee for independent review. All significant valuations are approved by the investment committee.

The valuation methodologies, techniques and inputs applied to the fair value measurement of the financial instruments have been applied in a manner consistent with that of the previous financial year.

	Reviewed		Audited	
	31 December 2014		31 December 2013	
Fair values	Carrying		Carrying	
Figures in R'000s	amount	Fair value	amount	Fair value
Financial assets measured at fair value				
Designated at fair value through profit or loss on initial recognition	134 783	134 783	144 885	144 885
Financial assets not measured at fair value				
Loans and receivables	179 445	179 445	164 519	164 519
Non-current assets held for sale	–	–	34	34
Trading securities	251	251	320	320
	314 479	314 479	309 758	309 758
Financial liabilities measured at fair value				
Designated at fair value through profit or loss on initial recognition	(2 554)	(2 554)	(6 971)	(6 971)
Financial liabilities not measured at fair value				

Amortised cost	(193 106)	(193 106)	(198 720)	(198 720)
Non-current liabilities held for sale	–	–	(2 479)	(2 479)
	(195 660)	(195 660)	(208 170)	(208 170)

At 31 December 2014 the fair values of all the financial instruments are substantially identical to the carrying amount reflected in the statement of financial position.

Fair value hierarchy

The table below analyses recurring fair value measurements for financial assets and financial liabilities. These fair value measurements are categorised into different levels in the fair value hierarchy based on inputs to the valuation techniques used.

The different levels are defined as follows:

– Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
– Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

– Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Reviewed 31 December 2014

Figures in R'000s	Level 1	Level 2	Level 3	Total
Financial assets designated at fair value through profit or loss	96 339	–	38 444	134 783
Financial liabilities designated at fair value through profit or loss	–	–	(2 554)	(2 554)
	96 339	–	35 890	132 229

Audited 31 December 2013	Level 1	Level 2	Level 3	Total
Financial assets designated at fair value through profit or loss	80 240	–	64 645	144 885
Financial liabilities designated at fair value through profit or loss	–	–	(6 971)	(6 971)
	80 240	–	57 674	137 914

Figures in R'000s	Reviewed 31 December 2014	Audited 31 December 2013
Level 3 comprises:		
Balance at beginning of year	57 674	(38 635)
Total gains or losses in profit or loss	(24 927)	19 573
Proceeds from loan, interest and repayments	–	70 697
Purchases, transfers, sales, issues and settlements	3 143	6 039
Balance at end of the year	35 890	57 674

A change of 10% in the unobservable inputs of the investment and liability at the reporting date would have increased/(decreased) equity and profit or loss by the amount shown below. This analysis assumes that all other variables remain constant.

Figures in R'000s	Reviewed 31 December 2014	Audited 31 December 2013
Effect on statement of comprehensive income (profit/(loss)) and equity before taxation	2014	2013
10% increase	5 867	5 767
10% decrease	(1 725)	(5 767)

As a result of the finalisation of the audit of the annual financial statements, the disclosure in the above note changed substantially in the way it is presented in the audited annual financial statements compared to the way it was previously presented in the above note 9. The change resulted from the following:

- The composition of the financial assets (both measured at fair value and not measured at fair value) disclosed in this note was revised.
- The most significant revision related to the disclosure around loans and receivables, which are not measured at fair value. The carrying value of all other loans and receivables approximates fair value, with the exception of loans to associates and loans in other non-current assets, which are carried at amortised cost.

The notes corresponding to note 9 in the integrated annual report are notes 43.4 and 43.5, which are presented in the audited annual financial statements as follows:

43.4 Fair values

The fair value of a financial instrument is the price that would be received for the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants at the measurement date. Underlying the definition of fair value is a presumption that an entity is a going concern without any intention or need to liquidate, to curtail materially the scale of its operations or to undertake a transaction on adverse terms. Fair value is not, therefore, the amount that an entity would receive or pay in a forced transaction, involuntary liquidation or distressed sale.

The existence of published price quotations in an active market is the best evidence of fair value and, where they exist, they are used to measure the financial asset or financial liability. A market is considered to be active if transactions occur with sufficient volume and frequency to provide pricing information on an ongoing basis. Financial instruments fair valued using quoted prices would generally be classified as level 1 in terms of the fair-value hierarchy.

Where a quoted price does not represent fair value at the measurement date or where the market for a financial instrument is not active, the group establishes fair value by using a valuation technique. These valuation techniques include reference to the value of the assets of underlying business, earnings multiples (e.g. unlisted investments), discounted cash flow analysis (e.g. unlisted investments, loans and advances) and various option pricing models.

Valuation techniques applied by the group would result in financial instruments being classified as level 2 or level 3 in terms of the fair-value hierarchy. The determination of whether a financial instrument is classified as level 2 or level 3 is dependent on the significance of observable inputs versus unobservable inputs in relation to the fair value of the financial instrument.

Inputs typically used in valuation techniques include discount rates, expected future cash flows, dividend yields, earnings multiples, volatility, equity prices and commodity prices.

Valuation methodologies and techniques applied for level 3 financial instruments include a combination of discounted cash flow analysis, application of earnings multiples on sustainable after tax earnings and or current and projected net asset values to determine overall reasonability. The valuation technique applied to specific financial instruments depend on the nature of the financial instrument and the most appropriate valuation technique is determined on that basis.

After the valuations of the unlisted financial assets and liabilities are performed, these are presented to the group's investment committee for independent review. All significant valuations are approved by the investment committee.

The valuation methodologies, techniques and inputs applied to the fair value measurement of the financial instruments have been applied in a manner consistent with that of the previous financial year.

Fair values All values presented in R'000	**31 December 2014**	**31 December 2014**	**31 December 2013**	**31 December 2013**
Financial assets measured at fair value	Carrying amount	Fair value	Carrying amount	Fair value
Designated as fair value through profit or loss on initial recognition	134 874	134 874	144 885	144 885
Trading securities	251	251	320	320
Financial assets not measured at fair value				
Other non-current assets	4 788	5 786	4 388	5 489
Loans to associates	14 325	11 537	16 323	13 674
Non-current assets held for sale	-	-	34	34
	154 238	**152 448**	**165 950**	**164 368**
Financial liabilities measured at fair value				
Designated as fair value through profit or loss on initial recognition	(2 554)	(2 554)	(6 971)	(6 971)
Financial assets not measured at fair value				
Other financial liabilities	(45 580)	(42 760)	(46 504)	(40 152)
Non-current assets held for sale			(2 479)	(2 479)
	(48 134)	(45 314)	(55 954)	(49 602)

The carrying amounts of cash and cash equivalents, accounts receivable from trading activities, trade and other receivables, bank overdraft, accounts payable from trading activities and trade, non-current assets and liabilities held for sale and other payables reasonably approximate their fair values.

43.5 Fair value hierarchy

The table below analyses recurring fair value measurements for financial assets and financial liabilities. These fair value measurements are categorised into different levels in the fair value hierarchy based on inputs to valuation techniques used.

The different levels are defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

All values in R'000

31 December 2014	**Level 1**	**Level 2**	**Level 3**
Financial assets designated at fair value through profit or loss	96 430	–	38 443
Financial assets measured at fair value	251	–	–
Financial assets measured at amortised cost	–	–	17 323
Financial liabilities designated at fair value through profit or loss	–	–	(2 554)
Financial liabilities measured at amortised	–	–	(42 760)
	96 681	**–**	**10 452**
31 December 2013			
Financial assets designated at fair value through profit or loss	80 240	–	64 645
Financial assets measured at fair value	320	–	
Financial assets measured at amortised cost	–		19 163
Financial liabilities designated at fair value through profit or loss	–	–	(6 971)
Financial liabilities measured at amortised	–		(40 152)
	80 560	**–**	**36 685**

All values in R'000	**31 December 2014**	**31 December 2013**
Level 3 comprises:		
Balance at beginning of year	57 674	(38 635)
Total gains or losses in profit or loss	(24 927)	19 573
Proceeds from loan, interest, repayment	–	70 697
Purchases, sales, issues and settlements	3 143	6 039
Balance at end of year	**35 890**	**57 674**

A change of 10% in the unobservable inputs of the investment and liability at the reporting date would have increased/(decreased) equity and profit or loss by the amount shown below. This analysis assumes that all other variables remain constant.

Effect on statement of comprehensive income (profit/(loss)) and equity before taxation

All values in R'000	**31 December 2014**	**31 December 2013**
Net asset value		
10% increase	1 309	5 767
10% decrease	(1 192)	(5 767)

Free cash flow		
10% increase	777	9 762
10% decrease	821	(4 806)

No other modifications or reclassifications have been made to the audited annual financial statements. The integrated annual report will also be made available on the company's website hosted at www.vunanilimited.co.za, as well as at the company's registered offices at 151 Katherine Street, Vunani Office Park, Vunani House, Sandton.

Notice of Annual General Meeting
Notice is hereby given that the annual general meeting of shareholders of the company will be held on Tuesday, 21 July 2015 at 10h00 in the boardroom, 151 Katherine Street, Vunani Office Park, Vunani House, Sandton to transact the business as stated in the notice of annual general meeting forming part of the company's integrated annual report.

Change in Company Secretary
Shareholders are advised that CIS Company Secretaries Proprietary Limited has been appointed as Company Secretary with effect from 22 June 2015.

Aphrodite Judin, the group chief financial officer who has been fulfilling the role of company secretary for the group, will retain her role as full time group chief financial officer.

22 June 2014
Sandton

Designated Adviser
Grindrod Bank Limited