

CONDENSED UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

for the six months ended 30 September 2015



Income R5.9 billion **↑ 7%**

Ebitdar R2.1 billion **↑ 6%**

Adjusted HEPS **88.0 cents** **↑ 9%**

Interim dividend per share **31.0 cents** **↑ 7%**

 **T SOGO SUN**

TsoGo Sun Holdings Limited
(Incorporated in the Republic of South Africa)
(Registration number 1989/002108/06)
Share code: TSH ISIN: ZAE000156238
("TsoGo Sun" or "the company" or "the group")

www.tsogosun.com

COMMENTARY

Review of operations

Trading during the first half of the financial year reflected continued pressure on the consumer due to the macro-economic environment and weak sentiment. Year-on-year growth was, however, achieved in both casino and hotel revenues and the trading results were positively impacted by various expansionary projects, including the acquisition of hotel businesses from Liberty Group Limited ("Liberty") by The Cullinan Hotel Proprietary Limited ("Cullinan") in the prior period, the expansion of Silverstar and the closure for refurbishment of Southern Sun Maputo and Garden Court De Waal during the prior period, offset by the closure of the Riverside Sun and Sabi River Sun hotels for refurbishment during the current period.

Tsogo Sun has continued to allocate capital in terms of its growth strategy and accordingly has spent R1.0 billion during the period as follows:

- continued the R640 million refurbishment and expansion of Gold Reef City Casino and Theme Park which will include an increased casino offering, cinemas and additional restaurants at the casino and additional food and beverage outlets and improved access systems at the Theme Park, with an improved linkage to the casino complex and an expansion of the Apartheid Museum. Phase one of the project, which excludes the Theme Park, was substantially completed in November 2015;
- continued with the planning for the expansion of the Suncoast Casino and Entertainment World with construction anticipated to commence in mid-2016 with three years to completion. Following an assessment of the Durban retail market, the investment in the expansion has increased to R3.5 billion and will include a 49 500m² destination retail mall, additional restaurants and entertainment offerings, a 2 000-seat multi-purpose venue, additional parking, an expansion of the casino floor to incorporate an additional 900 gaming machines and 16 gaming tables and an amount of R100 million made available to be spent on charitable or social infrastructural developments in the KwaZulu-Natal province;
- acquired 55% of the Hospitality Property Fund Limited ("HPF") B-linked units for R252 million in August 2015; and
- invested R520 million on maintenance capex group-wide, including gaming system replacements and major hotel refurbishments, ensuring our assets remain best in class.

Total income for the six months of R5.9 billion ended 7% above the prior period with a 4% growth in gaming win assisted by a 15% growth in both hotel rooms revenue and food and beverage revenue. Earnings before interest, income tax, depreciation, amortisation, property rentals, long-term incentives and exceptional items ("Ebitdar") of R2.1 billion ended 6% above the prior period for the six months. The overall group Ebitdar margin of 35.3% is 0.6 percentage points ("pp") down on the prior period. The underlying operations of the group remain highly geared towards the South African consumer (in gaming) and the corporate market (in hotels) with both sectors still experiencing difficult economic conditions and increased administered costs (property rates and electricity). The high level of operational gearing still presents the significant growth potential of the group should these sectors of the South African economy improve.

Gaming win for the six months grew by 4% on the prior period with growth in both slots win and tables win at 4%. Gaming win on both slots and tables was impacted by lower win percentages with growth in slots handle at 8% and growth in tables drop at 9% on the prior period.

Gauteng recorded growth in provincial gaming win of 0.7% for the six months. Gaming win growth of 1.2% was achieved at Montecasino, 7.4% at Silverstar and 0.2% at Gold Reef City. Montecasino and Silverstar experienced reduced win percentages during the period and Gold Reef City was impacted by the refurbishment and expansion work which was completed in October 2015.

COMMENTARY continued

KwaZulu-Natal provincial gaming win grew by 9.1% for the six months. Gaming win growth of 9.7% was achieved at Suncoast Casino and Entertainment World, 12.3% at Blackrock Casino in Newcastle and 7.8% at Golden Horse Casino in Pietermaritzburg.

Kpumulanga reported a reduction in provincial gaming win of 5.0% for the six months. Gaming win growth of 0.7% was achieved at Emnotweni Casino in Nelspruit with a reduction of 8.7% experienced at The Ridge Casino in Emalahleni impacted by significant economic disruptions to the steel industry in that area. Emnotweni and The Ridge experienced reduced tables drop and reduced win percentages during the period.

The Eastern Cape provincial gaming win grew by 1.4% for the six months. Hemingways gaming win reduced by 1.9% on the prior period, impacted by the poor economic conditions in the East London area.

The Western Cape reported a growth in provincial gaming win of 3.3% for the six months. The Caledon Casino, Hotel and Spa, Garden Route Casino in Mossel Bay and Mykonos Casino in Langebaan reported growth of 13.0%, 18.4% and 6.9% respectively, reflecting a strong performance of the leisure markets in these areas.

Goldfields Casino in Welkom in the Free State experienced difficult conditions with a reduction in gaming win of 0.3% on the prior period.

Other Gaming division operations consisting of the Sandton Convention Centre and head office costs reflected a net cost of R111 million, an increase of 6% on the prior period. The StayEasy Century City hotel, previously included in other gaming operations, was transferred to the South African Hotels division during the 2015 financial year and the comparatives in the segment analysis have been restated accordingly.

Overall revenue for the Gaming division increased 6% on the prior period to R4.3 billion. Ebitdar increased 2% on the prior period at R1.6 billion at a margin of 37.5%, 1.3pp below the prior period due to the slow growth in gaming win, increased administered costs (property rates and electricity) and the opening of additional lower margin businesses.

The hotel industry in South Africa continues to experience a subdued recovery from the dual impact of depressed demand and oversupply. Overall industry occupancies have improved marginally to 61.0% (2014: 60.1%) for the period, but were adversely impacted by the visa regulations which constrained growth. As a result of the strong sales and distribution channels, superior product and service quality available within the group, Tsogo Sun Hotels continues to achieve an occupancy and rate premium in the segments in which the group operates.

Trading for the group's South African hotels for the six months recorded a system-wide revenue per available room ("RevPar") growth of 6% on the prior period due mainly to an increase in average room rates by 5% to R949, with occupancies above the prior period at 62.4% (2014: 61.8%).

Overall revenue for the South African hotels division increased 7% on the prior period to R1.2 billion assisted by the inclusion of the additional Cullinan hotels for an additional month and the closure of Garden Court De Waal for refurbishment during the prior period, offset by the closure of the Riverside Sun and Sabi River Sun for refurbishment during the current period. Ebitdar increased by 5% on the prior period to R349 million at a margin of 28.4% (2014: 29.1%).

The Offshore division of hotels achieved total revenue of R337 million, representing a 34% increase on the prior period due to a recovery from the impact of the Ebola epidemic on trading and the closure of Southern Sun Maputo for refurbishment during the prior period. This was assisted by the weakening of the Rand against both the US Dollar and the Euro. Ebitdar (pre-foreign exchange losses/gains) increased by 92% to R98 million. Foreign exchange losses of R6 million (2014: R3 million loss) were incurred on the translation of offshore monetary items.

Combined South African and offshore hotel trading statistics, reflecting the Tsogo Sun group-owned hotels and excluding hotels managed on behalf of third parties, are as follows:

| for the period ended 30 September | 2015 | 2014 |
|-----------------------------------|-------|-------|
| Occupancy (%) | 61.4 | 60.6 |
| Average room rate (R) | 985 | 899 |
| RevPar (R) | 605 | 545 |
| Rooms available ('000) | 2 132 | 2 065 |
| Rooms sold ('000) | 1 309 | 1 252 |
| Rooms revenue (Rm) | 1 290 | 1 126 |

Operating expenses including gaming levies and VAT and employee costs, but excluding exceptional items and long-term incentives, increased by 7% on the prior period mainly due to non-organic growth in the business as a result of acquisitions and expansions, increased marketing, promotional and administered costs (property rates and electricity) and increased offshore overheads as a result of the weakening of the Rand against both the US Dollar and the Euro, offset by savings initiatives.

Property rentals at R106 million are flat on the prior period mainly due to the acquisition of Garden Court Polokwane, offset by contractual increases and the weakening of the Rand against the US Dollar.

Amortisation and depreciation at R409 million is 23% up on the prior period due mainly to the capital spend during the current and the prior period and the acquisition of the hotels in Cullinan from Liberty.

The long-term incentive credit on the cash-settled incentive scheme at R41 million is R46 million below the prior period charge and reflects the effect of the decreased long-term incentive liability (including dividend adjustments) at 30 September 2015 as a result of a lower closing share price compared to an increase in the prior period.

Exceptional losses for the six months of R19 million relate mainly to the pre-opening costs of R12 million during the period the hotels were closed for refurbishment, property, plant and equipment and loan impairments and transaction costs net of the profit on disposal of an investment property. Exceptional losses for the prior period of R159 million relate mainly to the IFRS 2 *Share-Based Payment* charge on the executive facility amounting to R118 million, pre-opening costs of R18 million during the period the hotels were closed for refurbishment, property, plant and equipment and loan impairments, transaction costs and retrenchments costs on early retirements.

Net finance costs of R424 million are 58% above the prior period due to the increase in debt and reduction in cash to fund the growth strategy and the share buy-back in the prior period, in addition to an adjustment to the Cullinan put option of R1 million.

The share of profit of associates and joint ventures of R7 million improved by R3 million on the prior period mainly due to earnings from the Redefine BDL acquisition.

COMMENTARY continued

The effective tax rate for the six months of 28.4% (2014: 31.8%) is impacted by non-deductible expenditure such as casino building depreciation and non-deductible foreign exchange losses, offset by offshore tax rate differentials. The effective tax rate for the six months in the prior period was also impacted by the IFRS share-based payment charge.

Profit attributable to non-controlling interests of R5 million is R19 million below the prior period mainly due to the acquisition of 15% of Garden Route Casino and 49% of One Monte, reduced local currency profits at Southern Sun Ikoyi and Southern Sun Maputo due to foreign exchange losses, and reduced attributable profits in Cullinan due to an adjustment in the interest rate on shareholders loans.

Group adjusted headline earnings for the six months at R842 million are 3% below the prior period. The adjustments include the reversal of the post-tax impacts of the exceptional losses noted above in addition to the reversal of the remeasurement of the Cullinan put option in net finance costs. The number of shares in issue decreased due to the buy-back of 133.6 million ordinary shares on 28 August 2014 and the resultant adjusted headline earnings per share is 9% above the prior period at 88.0 cents per share. The after-tax effect of the long-term incentive credit contributed 3% to the growth in adjusted headline earnings per share.

Net cash generated from operations for the period increased 28% on the prior period to R704 million. Cash flows utilised for investment activities of R1.0 billion consisted mainly of maintenance capital expenditure and the acquisitions and investments described above.

Interest-bearing debt net of cash at 30 September 2015 totaled R9.6 billion, which is R409 million above the 31 March 2015 balance of R9.2 billion, with R579 million paid in dividends to group shareholders in addition to the investment activities during the period.

PROSPECTS

Trading is expected to remain under pressure due to the ongoing macro-economic conditions and weak consumer sentiment. Nevertheless, the group remains highly cash generative and is confident of achieving attractive returns from the growth strategy once the macro-economic environment improves.

The acquisition of an effective 40% stake in the SunWest and Worcester casinos was cancelled by mutual agreement of all parties as the revised implementation date of 31 August 2015 could not be achieved and the parties concluded that it was not possible to extend the date again as the commercial metrics agreed had changed due to the effluxion of time.

The group continues to implement a variety of projects and acquisitions including:

- the Mpumalanga Gaming Board withdrew the second request for proposal for the fourth licence. The group is pursuing a legal challenge in this regard;
- the potential to bid for the relocation of one of the smaller casinos in the Western Cape to the Cape Metropole remains an opportunity for the group should the provincial authorities allow such a process;
- as announced on the Stock Exchange News Service of the JSE Limited on 18 November 2015, an in principle agreement has been reached with HPF to acquire a controlling stake through the injection of appropriate hotel assets having a value such that the issue of shares to the group at the time will result in the group owning not less than 50% of the shares following the reconstitution of HPF's capital into a single class of shares. Further announcements will be made on finalisation of the deal terms; and
- the acquisition during October 2015 of a 12.5% interest, along with the major shareholders of Redefine BDL, in International Hotel Group Limited ("IHG") for R80 million. The property fund, which has a dual listing in Luxembourg and on the Johannesburg Stock Exchange, will pursue hotel opportunities in the United Kingdom and Europe and the hotels will be managed by Redefine BDL. The acquisition of additional hotel properties by IHG is anticipated in the future and the group may apply additional capital in this regard.

The ability to continue to pursue these and other opportunities in line with the group's growth strategy will depend on the final outcome and impact of the variety of potential regulatory changes considered by government and will require the successful interaction with various regulatory bodies including gaming boards, city councils, provincial authorities and national departments. The group continues to constructively engage with the various spheres of government in this regard.

DIVIDEND

The board of directors has declared an interim gross cash dividend from income reserves of 31.0 (thirty-one) cents per share for the six months ended 30 September 2015. The dividend has been declared in South African currency and is payable to shareholders recorded in the register of the company at close of business Friday, 11 December 2015. The number of ordinary shares in issue at the date of this declaration is 957 388 870 (excluding treasury shares). The dividend will be subject to a local dividend tax rate of 15%, which will result in a net dividend of 26.35 cents per share to those shareholders who are not exempt from paying dividend tax. The company's tax reference number is 9250039717.

In compliance with the requirements of Strate, the electronic and custody system used by the JSE, the following dates are applicable in 2015:

| | |
|---------------------------------|---------------------|
| Last date to trade cum dividend | Friday, 4 December |
| Shares trade ex dividend | Monday, 7 December |
| Record date | Friday, 11 December |
| Payment date | Monday, 14 December |

Share certificates may not be dematerialised or rematerialised during the period Monday, 7 December 2015 to Friday, 11 December 2015, both days inclusive. On Monday, 14 December 2015 the cash dividend will be electronically transferred to the bank accounts of all certificated shareholders where this facility is available. Where electronic fund transfer is not available, cheques dated 14 December 2015 will be posted on that date. Shareholders who have dematerialised their share certificates will have their accounts at their CSDP or broker credited on Monday, 14 December 2015.

SUBSEQUENT EVENTS

The directors are not aware of any matter or circumstance arising since the end of the financial period, not otherwise dealt with within the financial statements, that would affect the operations or results of the group significantly.

PRESENTATION

Shareholders are advised that a presentation to various analysts and investors which provides additional analysis and information will be available on the group's website at www.tsogosun.com.

MN von Aulock
Chief Executive Officer
19 November 2015

RB Huddy
Chief Financial Officer

NOTES TO THE CONDENSED UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1 BASIS OF PREPARATION

The condensed unaudited consolidated interim financial statements for the six months ended 30 September 2015 have been prepared in accordance with the framework concepts and the recognition and measurement criteria of International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), the preparation and disclosure requirements of IAS 34 *Interim Financial Reporting*, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by Financial Reporting Standards Council, the Listings Requirements of the JSE Limited and the requirements of the Companies Act of South Africa. The accounting policies are consistent with IFRS as well as those applied in the most recent audited annual financial statements as at 31 March 2015 other than as described below. The condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 March 2015, which have been prepared in accordance with IFRS. This interim report has not been audited or reviewed by the company's auditors.

2 NEW ACCOUNTING STANDARDS

The group has adopted all the new, revised or amended accounting standards as issued by the IASB which were effective for the group from 1 April 2015, none of which had a material impact on the group.

3 SEGMENT INFORMATION

In terms of IFRS 8 *Operating Segments* the chief operating decision maker has been identified as the group's Chief Executive Officer and the Group Executive Committee. Management has determined the operating segments based on the reports reviewed by the chief operating decision maker. There has been no change in the basis of segmentation or in the basis of measurement of segment profit or loss from the last annual financial statements.

The group's CEO and GEC assess the performance of the operating segments based on Ebitdar. The measure excludes the effects of long-term incentives and the effects of non-recurring expenditure. The measure also excludes all headline adjustments, impairments and fair value adjustments on non-current assets and liabilities. Interest income and finance costs are not included in the result for each operating segment as this is driven by the group treasury function which manages the cash and debt position of the group.

4 FINANCIAL INSTRUMENTS

The group fair values its interest rate swaps as shown below. The fair values of all other financial assets and financial liabilities approximate their carrying amounts.

– Interest rate swaps

The group has interest rate swaps, being level 2 fair value measurements. The fair value of the interest rate swap asset of R4 million (2015: R90 million liability) is calculated as the present value of the estimated future cash flows based on observable yield curves.

– Put option

During the prior year the group entered into a call option over Liberty Group Limited's ("Liberty") 40% shareholding in The Cullinan Hotel Proprietary Limited and Liberty has a corresponding put option, both exercisable at the fair value of the shares. A financial liability for the put option and a corresponding debit to transactions with non-controlling interest was recognised on initial recognition. At the end of each reporting period the liability is remeasured and the increase or decrease recognised in the income statement. The non-current liability, included in derivative financial instruments, has been remeasured to R487 million at 30 September 2015 with the increase of R1.2 million recognised in finance costs. A discounted cash flow valuation was used to estimate the liability.

5 CAPITAL COMMITMENTS

The board has committed a total of R5.5 billion for maintenance and expansion capital items at its gaming and hotel properties. R433 million of the committed capital expenditure has been contracted for.

CONDENSED CONSOLIDATED INCOME STATEMENT

for the six months ended 30 September

| | Change % | 2015 Unaudited Rm | 2014 Unaudited Rm |
|--------------------------------------------------|-------------|-------------------------|-------------------------|
| Net gaming win | 4 | 3 562 | 3 428 |
| Rooms revenue | 15 | 1 290 | 1 126 |
| Food and beverage revenue | 15 | 640 | 558 |
| Other revenue | | 359 | 332 |
| Income | 7 | 5 851 | 5 444 |
| Gaming levies and Value Added Tax | | (740) | (711) |
| Property and equipment rentals | | (135) | (134) |
| Amortisation and depreciation | | (409) | (332) |
| Employee costs | | (1 370) | (1 444) |
| Other operating expenses | | (1 625) | (1 472) |
| Operating profit | 16 | 1 572 | 1 351 |
| Interest income | | 19 | 57 |
| Finance costs | | (443) | (325) |
| Share of profit of associates and joint ventures | | 7 | 4 |
| Profit before income tax | 6 | 1 155 | 1 087 |
| Income tax expense | | (326) | (344) |
| Profit for the period | 12 | 829 | 743 |
| Profit attributable to: | | | |
| Equity holders of the company | | 824 | 719 |
| Non-controlling interests | | 5 | 24 |
| | | 829 | 743 |
| Number of shares in issue (million) | | 957 | 957 |
| Weighted number of shares in issue (million) | | 957 | 1 071 |
| Basic and diluted earnings per share (cents) | 28 | 86.1 | 67.1 |

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 30 September

| | 2015 Unaudited Rm | 2014 Unaudited Rm |
|-----------------------------------------------------------------------|-------------------------|-------------------------|
| Profit for the period | 829 | 743 |
| Other comprehensive income for the period, net of tax | | |
| Items that may be reclassified subsequently to profit or loss: | 194 | 17 |
| Cash flow hedges | 94 | (38) |
| Currency translation adjustments | 126 | 44 |
| Income tax relating to items that may subsequently be reclassified | (26) | 11 |
| Total comprehensive income for the period | 1 023 | 760 |
| Total comprehensive income attributable to: | | |
| Equity holders of the company | 1 017 | 736 |
| Non-controlling interests | 6 | 24 |
| | 1 023 | 760 |

SUPPLEMENTARY INFORMATION

for the six months ended 30 September

| | Change % | 2015 Unaudited Rm | 2014 Unaudited Rm |
|------------------------------------------------------------------------------------------------------------------------------------------|-------------|-------------------------|-------------------------|
| Reconciliation of earnings attributable to equity holders of the company to headline earnings and adjusted earnings⁽¹⁾ | | | |
| Earnings attributable to equity holders of the company | | 824 | 719 |
| Loss on disposal of property, plant and equipment | | – | 1 |
| Impairment of property, plant and equipment | | 2 | 3 |
| Profit on disposal of investment property | | (6) | – |
| Headline earnings | 13 | 820 | 723 |
| IFRS 2 <i>Share-Based Payment</i> expense – equity-settled | | – | 118 |
| Loss on remeasurement of put liability | | 1 | – |
| Other exceptional items | | 21 | 25 |
| Adjusted headline earnings | (3) | 842 | 866 |
| Number of shares in issue (million) | | 957 | 957 |
| Weighted number of shares in issue (million) | | 957 | 1 071 |
| Basic and diluted HEPS (cents) | | 85.7 | 67.5 |
| Basic and diluted adjusted HEPS (cents) | 9 | 88.0 | 80.9 |
| <i>⁽¹⁾ Net of tax and non-controlling interests</i> | | | |
| Reconciliation of operating profit to Ebitdar⁽²⁾ | | | |
| Group Ebitdar pre-exceptional items is made up as follows: | | | |
| Operating profit | | 1 572 | 1 351 |
| <i>Add:</i> | | | |
| Property rentals | | 106 | 107 |
| Amortisation and depreciation | | 409 | 332 |
| Long-term incentive (credit)/expense | | (41) | 5 |
| | | 2 046 | 1 795 |
| <i>Add: Exceptional losses</i> | | | |
| Loss on disposal of property, plant and equipment | | – | 1 |
| Impairment of property, plant and equipment | | 3 | 5 |
| Profit on disposal of investment property | | (8) | – |
| IFRS 2 <i>Share-Based Payment</i> expense – equity-settled | | – | 118 |
| Restructuring costs | | – | 8 |
| Other adjustments | | 24 | 27 |
| Ebitdar | 6 | 2 065 | 1 954 |

⁽²⁾ The measure excludes the effects of long-term incentives, non-recurring expenditure, headline earnings adjustments including impairments and fair value adjustments on non-current assets and liabilities and other exceptional items.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

for the six months ended 30 September

| | 2015 Unaudited Rm | 2014 Unaudited Rm |
|---------------------------------------------------------------------------|-------------------------|-------------------------|
| Cash flows from operating activities | | |
| Profit before interest and income tax | 1 572 | 1 351 |
| Non-cash movements | 524 | 592 |
| Increase in working capital | (67) | (202) |
| Cash generated from operations | 2 029 | 1 741 |
| Interest received | 17 | 57 |
| Finance costs | (411) | (344) |
| | 1 635 | 1 454 |
| Income tax paid | (357) | (247) |
| Dividends paid to shareholders | (579) | (659) |
| Dividends paid to non-controlling interests | – | (1) |
| Dividends received | 5 | 1 |
| Net cash generated from operations | 704 | 548 |
| Cash flows from investment activities | | |
| Purchase of property, plant and equipment | (792) | (865) |
| Proceeds from disposals of property, plant and equipment | 5 | 2 |
| Purchase of intangible assets | (2) | (6) |
| Purchase of available-for-sale financial assets | (252) | – |
| Additions to investment property | (12) | – |
| Proceeds from disposals of investment property | 19 | – |
| Acquisition of business | – | (762) |
| Acquisition of associate | – | (145) |
| Other loans and investments repaid | 14 | 1 |
| Net cash utilised for investment activities | (1 020) | (1 775) |
| Cash flows from financing activities | | |
| Borrowings raised | 200 | 3 465 |
| Borrowings repaid | (325) | (311) |
| Shares repurchased | – | (2 819) |
| Treasury shares acquired | – | (200) |
| Acquisition of non-controlling interests | – | (144) |
| Decrease in amounts due by share scheme participants | 6 | 2 |
| Net cash utilised in financing activities | (119) | (7) |
| Net decrease in cash and cash equivalents | (435) | (1 234) |
| Cash and cash equivalents at beginning of period, net of bank overdrafts | 883 | 1 715 |
| Foreign currency translation | 14 | 8 |
| Cash and cash equivalents at end of period, net of bank overdrafts | 462 | 489 |

CONDENSED CONSOLIDATED BALANCE SHEET

as at

| | 30 September 2015 Unaudited Rm | 31 March 2015 Audited Rm |
|---------------------------------------------------------------------------|-----------------------------------------|-----------------------------------|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 13 972 | 13 470 |
| Investment property | 113 | 109 |
| Goodwill and other intangible assets | 6 614 | 6 596 |
| Investments in associates and joint ventures | 314 | 311 |
| Available-for-sale financial assets | 252 | – |
| Non-current receivables | 66 | 88 |
| Derivative financial instruments | 49 | 22 |
| Deferred income tax assets | 143 | 180 |
| | 21 523 | 20 776 |
| Current assets | | |
| Inventories | 113 | 108 |
| Trade and other receivables | 659 | 601 |
| Current income tax assets | 81 | 99 |
| Cash and cash equivalents | 2 911 | 3 048 |
| | 3 764 | 3 856 |
| | 25 287 | 24 632 |
| Total assets | | |
| EQUITY | | |
| Capital and reserves attributable to equity holders of the company | | |
| Ordinary share capital and premium | 4 577 | 4 576 |
| Other reserves | (249) | (442) |
| Retained earnings | 3 162 | 2 917 |
| Total shareholders' equity | 7 490 | 7 051 |
| Non-controlling interests | 641 | 635 |
| Total equity | 8 131 | 7 686 |
| LIABILITIES | | |
| Non-current liabilities | | |
| Interest-bearing borrowings | 8 591 | 8 559 |
| Derivative financial instruments | 487 | 538 |
| Deferred income tax liabilities | 1 851 | 1 868 |
| Provisions and other liabilities | 494 | 501 |
| | 11 423 | 11 466 |
| Current liabilities | | |
| Interest-bearing borrowings | 3 940 | 3 700 |
| Derivative financial instruments | 48 | 59 |
| Trade and other payables | 1 292 | 1 144 |
| Provisions and other liabilities | 380 | 456 |
| Current income tax liabilities | 73 | 121 |
| | 5 733 | 5 480 |
| Total liabilities | 17 156 | 16 946 |
| Total equity and liabilities | 25 287 | 24 632 |

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Attributable to equity holders of the company

| | Attributable to equity holders of the company | | | Total Rm | Non- controlling interests Rm | Total equity Rm |
|-----------------------------------------------------|---------------------------------------------------|-------------------------|----------------------------|--------------|----------------------------------------|-----------------------|
| | Ordinary share capital and premium Rm | Other reserves Rm | Retained earnings Rm | | | |
| Balance at 31 March 2014 (audited) | 4 771 | 19 | 5 000 | 9 790 | 732 | 10 522 |
| Total comprehensive income | – | 17 | 719 | 736 | 24 | 760 |
| Shares repurchased and cancelled | (3) | – | (2 816) | (2 819) | – | (2 819) |
| Treasury shares acquired | (200) | – | – | (200) | – | (200) |
| Recognition of share-based payments | – | 118 | – | 118 | – | 118 |
| Transactions with non-controlling interests | – | (553) | – | (553) | (85) | (638) |
| Ordinary dividends | – | – | (659) | (659) | (1) | (660) |
| Balance at 30 September 2014 (unaudited) | 4 568 | (399) | 2 244 | 6 413 | 670 | 7 083 |
| Balance at 31 March 2015 (audited) | 4 576 | (442) | 2 917 | 7 051 | 635 | 7 686 |
| Total comprehensive income | – | 193 | 824 | 1 017 | 6 | 1 023 |
| Share options exercised | 1 | – | – | 1 | – | 1 |
| Ordinary dividends | – | – | (579) | (579) | – | (579) |
| Balance at 30 September 2015 (unaudited) | 4 577 | (249) | 3 162 | 7 490 | 641 | 8 131 |

SEGMENTAL ANALYSIS

for the six months ended 30 September

| | Income ⁽¹⁾ | |
|----------------------------------------------|-----------------------|----------------------|
| | 2015 Rm | 2014 Rm |
| Montecasino | 1 315 | 1 261 |
| Suncoast | 827 | 754 |
| Gold Reef City | 638 | 620 |
| Silverstar | 363 | 321 |
| The Ridge | 194 | 208 |
| Emnotweni | 184 | 176 |
| Golden Horse | 173 | 162 |
| Hemingways | 155 | 152 |
| Garden Route | 97 | 84 |
| Blackrock | 83 | 74 |
| The Caledon | 79 | 70 |
| Mykonos | 73 | 68 |
| Goldfields | 68 | 67 |
| Other gaming operations | 61 | 54 ⁽⁵⁾ |
| Total gaming operations | 4 310 | 4 071 |
| South African hotels division ⁽³⁾ | 1 230 | 1 146 ⁽⁵⁾ |
| Offshore hotels division | 337 | 251 |
| <i>Pre-foreign exchange losses</i> | | |
| <i>Foreign exchange losses</i> | | |
| Corporate ⁽³⁾⁽⁴⁾ | (26) | (24) |
| Group | 5 851 | 5 444 |

⁽¹⁾ All revenue and income from gaming and hotel operations is derived from external customers. No one customer contributes more than 10% to the group's total revenue

⁽²⁾ All casino units are reported pre-internal gaming management fees

⁽³⁾ Includes R26 million (2014: R24 million) intergroup management fees

⁽⁴⁾ Includes the treasury and management function of the group

⁽⁵⁾ The StayEasy Century City hotel, previously included in other gaming operations, was transferred to the South African hotels division during the prior year and income and Ebitdar have been restated accordingly by R15 million and R9 million respectively

| Ebitdar ⁽²⁾ | | Ebitdar margin | | Amortisation and depreciation | |
|------------------------|----------------------|----------------|-----------|-------------------------------|------------|
| 2015 Rm | 2014 Rm | 2015 % | 2014 % | 2015 Rm | 2014 Rm |
| 579 | 565 | 44.0 | 44.8 | 48 | 45 |
| 374 | 340 | 45.2 | 45.1 | 48 | 55 |
| 229 | 233 | 36.0 | 37.6 | 44 | 36 |
| 125 | 122 | 34.5 | 38.1 | 49 | 23 |
| 78 | 95 | 40.0 | 45.7 | 13 | 7 |
| 71 | 72 | 38.3 | 41.1 | 16 | 11 |
| 73 | 71 | 42.0 | 43.8 | 17 | 17 |
| 55 | 54 | 35.4 | 35.4 | 20 | 24 |
| 38 | 34 | 39.7 | 39.9 | 7 | 7 |
| 31 | 29 | 37.6 | 39.6 | 6 | 5 |
| 20 | 17 | 25.1 | 23.5 | 4 | 3 |
| 31 | 29 | 42.8 | 42.6 | 4 | 3 |
| 23 | 25 | 33.9 | 36.9 | 5 | 5 |
| (111) | (105) ⁽⁵⁾ | | | 12 | 5 |
| 1 616 | 1 581 | 37.5 | 38.8 | 293 | 246 |
| 349 | 334 ⁽⁵⁾ | 28.4 | 29.1 | 89 | 72 |
| 92 | 48 | 27.3 | 19.1 | 24 | 11 |
| 98 | 51 | 29.1 | 20.3 | | |
| (6) | (3) | | | | |
| 8 | (9) | | | 3 | 3 |
| 2 065 | 1 954 | 35.3 | 35.9 | 409 | 332 |

DIRECTORS: JA Copelyn (Chairman)*
 MN von Aulock (Chief Executive Officer)
 RB Huddy (Chief Financial Officer)
 MJA Golding* BA Mabuza** VE Mphande*
 JG Ngcobo** Y Shaik* RG Tomlinson (Lead Independent)** (*Non-executive Director
 **Independent Director)

COMPANY SECRETARY: GD Tyrrell

REGISTERED OFFICE: Palazzo Towers East,
 Montecasino Boulevard, Fourways, 2055
 (Private Bag X200, Bryanston, 2021)

TRANSFER SECRETARIES: Link Market
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 13th Floor, Rennie House, 19 Ameshoff
 Street, Braamfontein, 2001 (PO Box 4844,
 Johannesburg, 2000)

SPONSOR: Deutsche Securities (SA)
 Proprietary Limited, 3 Exchange Square,
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 MONTECASINO
  SUNCOAST
  Gold Reef City
  SILVERSTAR
  THE RIDGE
  EMNOTWENI
  GOLDEN HORSE
  HEMINGWAYS
  GARDEN ROUTE

 GOLDFIELDS
  BLACKROCK
  THE CALEDON
  MOKONOS
  Southern Sun HOTELS
  SUN SQUARE
  Garden Court
  stayeasy
  SUN 1