CONDENSED UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

for the six months ended 30 September 2016

Income R6.3 billion ⬆ **8%**

Ebitdar R2.2 billion ⬆ **7%**

Adjusted HEPS **88.0 cents unchanged**

Interim dividend per share **34.0 cents** ⬆ **10%**

TSOGO 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 remained volatile and 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 the Holiday Inn Sandton and Crowne Plaza Rosebank hotel businesses in March 2016, and ultimately the consolidation of the Hospitality Property Fund ("HPF") from September 2016, which saw the title of those properties as well as 13 additional third party operated hotels added to the group's portfolio, including the Westin Cape Town, Radisson Foreshore, Radisson Gautrain and Birchwood Hotel and Conference Centre amongst others. In addition, the group acquired a 20% stake in the Grand West and Worcester casinos in the Western Cape in April 2016.

The group continued to allocate capital in terms of its growth strategy and accordingly has spent R1.3 billion during the period, including the aforementioned Grand West and Worcester casinos. The group continued with the planning for the expansion of the Suncoast Casino and Entertainment World with construction commencing during November 2016 and two years to completion. The investment of R2.1 billion will include a 22 000m^2 destination retail mall, additional restaurants and entertainment offerings, additional parking and an expansion of the casino floor to incorporate an additional 900 gaming machines and 16 gaming tables. An amount of R585 million was invested on maintenance capex group-wide, including the Montecasino casino floor and major hotel refurbishments, ensuring our assets remain best in class.

Total income for the six months of R6.3 billion ended 8% above the prior period with a 3% growth in gaming win assisted by a 12% growth in hotel rooms revenue, a 7% growth in food and beverage revenue and strong growth in property rental income and dividends received. Earnings before interest, income tax, depreciation, amortisation, property rentals, long-term incentives and exceptional items ("Ebitdar") of R2.2 billion ended 7% above the prior period for the six months. The overall group Ebitdar margin of 35.0% is 0.3 percentage points ("pp") down on the prior period impacted by a R57 million forex loss in the offshore division. The underlying operations of the group remain highly geared towards the South African consumer (in gaming) and the corporate market (in hotels). The high level of operational gearing still presents significant growth potential to the group should these sectors of the South African economy improve.

Gaming win for the six months grew by a disappointing 3% on the prior period with growth in slots win at 1% and tables win at 12%. The high-end privé market continued to perform well, albeit with volatility in win percentages from month to month and the main floor business remaining under pressure.

Gauteng recorded growth in provincial gaming win of 3.8% for the six months. Gaming win growth of 3.9% was achieved at Montecasino and 12.0% at Gold Reef City with a reduction at Silverstar of 1.9%. Gold Reef City was positively impacted during the current year by the refurbishment and expansion work which was completed in October 2015 and growth at Silverstar continues to disappoint.

KwaZulu-Natal provincial gaming win grew by 0.3% for the six months, a notable slow down on the prior periods. Gaming win growth of 0.9% was achieved at Suncoast Casino and Entertainment World, 0.9% at Blackrock Casino in Newcastle and 11.8% at Golden Horse Casino in Pietermaritzburg, primarily on the back of refurbishment work undertaken at that unit.

Mpumalanga provincial gaming win grew by 2.6% for the six months. Gaming win growth of 4.0% was achieved at Emnotweni Casino in Nelspruit with a reduction at The Ridge Casino in Emalahleni of 1.6% impacted by significant economic disruptions to the local manufacturing industry in that area.

The Eastern Cape provincial gaming win reduced by 0.5% for the six months. Hemingways gaming win reduced by 7.3% 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 0.8% for the six months. The Caledon Casino, Hotel and Spa, Garden Route Casino in Mossel Bay and Mykonos Casino in Langebaan reported growth of 3.3%, 6.0% and 5.9% respectively.

Goldfields Casino in Welkom in the Free State experienced difficult conditions with a reduction in gaming win of 4.0% on the prior period.

Other Gaming division operations consisting of the Sandton Convention Centre and head office costs reflected a net cost of R81 million, a decrease of R20 million on the prior period due mainly to the dividends received from SunWest of R24 million.

Overall revenue for the Gaming division increased 4% on the prior period to R4.5 billion. Ebitdar increased 6% on the prior period to R1.7 billion at a margin of 38.2%, 0.7pp above the prior period due to tight control on overheads mitigating the slow growth in gaming win.

The hotel industry in South Africa continues to experience a recovery from the dual impact of depressed demand and oversupply. Overall industry occupancies have improved to 62.5% (2015: 60.1%) for the period.

Trading for the group's South African hotels for the six months recorded a system-wide revenue per available room ("RevPar") growth of 8% on the prior period due mainly to an increase in average room rates by 7% to R1 017, with occupancies above the prior period at 62.9% (2015: 62.4%).

Overall revenue for the South African hotels division increased 22% on the prior period to R1.5 billion assisted by the inclusion of the Holiday Inn Sandton and Crowne Plaza Rosebank hotel businesses from March 2016, the consolidation of HPF from September 2016 and the closure of the Riverside Sun and Sabi River Sun hotels for refurbishment during the prior period. Ebitdar increased by 30% on the prior period to R455 million at a margin of 30.4% (2015: 28.4%).

The Offshore division of hotels achieved total revenue of R337 million which was flat on the prior period, impacted by tough local economic environments due mainly to the reduction in commodity prices impacting the local economies negatively. This was further adversely impacted by the strengthening of the Rand against both the US Dollar and the Euro. Ebitdar (pre-foreign exchange losses/gains) decreased by 16% to R82 million. Foreign exchange losses of R57 million (2015: R6 million loss) were incurred on the translation of offshore monetary items, principally between local country currencies and the US$.

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

For the period ended 30 September	**2016**	2015
Occupancy (%)	**61.7**	61.4
Average room rate (R)	**1 041**	985
RevPar (R)	**642**	605
Rooms available ('000)	**2 259**	2 132
Rooms sold ('000)	**1 393**	1 309
Rooms revenue (Rm)	**1 450**	1 290

Operating expenses including gaming levies and VAT and employee costs, but excluding exceptional items and long-term incentives, increased by 8% on the prior period mainly due to non-organic growth in the business as a result of acquisitions and expansions and foreign exchange losses, offset by savings. Excluding the non-organic growth and foreign exchange losses, operating expenses grew by 4%.

Property rentals at R134 million are 26% up on the prior period mainly due to the acquisition of the Holiday Inn Sandton and Crowne Plaza Rosebank hotel businesses in March 2016, with this rental eliminating on consolidation of HPF from 1 September 2016.

Amortisation and depreciation at R421 million is 3% up on the prior period due mainly to the capital spend during the current and the prior year.

The long-term incentive charge on the cash-settled incentive scheme of R98 million is R139 million above the prior period credit of R41 million and values the liability (including dividend adjustments) by reference to the company's share price which is adjusted for management's best estimate of the appreciation units expected to vest and future performance of the group. The variance in the charge on the prior period, after tax and minorities, of R100 million is not adjusted for the purposes of adjusted headline earnings per share.

Exceptional gains for the six months of R32 million relate mainly to the release of a fair value reserve for the available-for-sale investment of R46 million and a gain on a bargain purchase of R13 million on the consolidation of HPF, offset by property, plant and equipment disposals and impairments and loan impairments of R5 million, interest rate swap fair value adjustments of R4 million and transaction costs of R18 million. Exceptional losses for the prior period of R27 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 of R5 million and transaction costs of R10 million.

Net finance costs of R500 million are 18% above the prior period due to the increase in debt and reduction in cash to fund the growth strategy and includes the effective interest of R52 million on the SunWest and Worcester acquisition in line with IAS 39 *Financial Instruments: Recognition and Measurement*.

The share of profit of associates and joint ventures of R24 million improved by R17 million on the prior period mainly due to earnings from International Hotel Properties Limited and Redefine BDL, the group's European hotel investments.

The effective tax rate for the six months of 21.8% (2015: 28.4%) is impacted by the non-taxable fair value reserve for the available-for-sale investment and the gain on a bargain purchase of HPF referred to above, pre-tax distributions to the HPF NCI due to it's REIT status, deductible foreign exchange losses on local country currency movements in the African operations that reverse on consolidation and offshore tax rate differentials, offset by non-deductible expenditure such as casino building depreciation. The effective tax rate for the six months in the prior period was impacted mainly by non-deductible expenditure such as casino building depreciation.

Profit attributable to non-controlling interests reflects a credit of R6 million and is R11 million below the prior period mainly due to reduced local currency profits at Southern Sun Ikoyi and Southern Sun Maputo due to foreign exchange losses.

Group adjusted headline earnings for the six months at R842 million ended flat on the prior period. The adjustments include the reversal of the post-tax impacts of the exceptional gains and losses noted above, in addition to the reversal of the remeasurement of the Cullinan put option included in net finance costs. The number of shares in issue is unchanged from the prior period and the resultant adjusted headline earnings per share is flat on the prior period at 88.0 cents per share. Adjusted headline earnings per share before the post-tax impact of the long-term incentive charge is 12% up on the prior period.

Cash generated from operations for the period of R2.0 billion decreased 1% on the prior period mainly due to the working capital impact of settlements of long-term incentives. Net finance costs increased by 23% due to the increase in net debt and dividends paid to shareholders increased by 35% which includes the R133 million HPF dividend paid in September out of cash acquired with the subsidiary. Cash flows utilised for investment activities of R1.1 billion (net of R189 million cash acquired from HPF) consisted mainly of maintenance capital expenditure and the acquisitions and investments described above.

Interest-bearing debt net of cash at 30 September 2016 totaled R11.5 billion, which is R2.3 billion above the 31 March 2016 balance of R9.2 billion, with R779 million paid in dividends to group shareholders in addition to the investment activities during the period. The increase is mainly due to the consolidation of the HPF debt net of cash of R1.5 billion.

PROSPECTS

Given the weak state of the South African economy and many of the commodity focused countries in which the group operates, trading is expected to remain under pressure. Growth will depend on how these economies perform going forward, including the impact of changes in commodity prices, and the level of policy certainty that the government is able to instil in areas ranging from visa regulations to gaming taxes and administered costs. Nevertheless, the group remains highly cash generative and is confident in achieving attractive returns from the growth strategy once the macro-economic environment improves.

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

- the acquisition of two hotels from Liberty Group Limited ("Liberty") by The Cullinan Hotel Proprietary Limited ("Cullinan"), being the Garden Court Umhlanga and the StayEasy Pietermaritzburg for R310 million. The effective date of the transaction was 1 October 2016;
- the acquisition of the 40% shareholding Liberty has in Cullinan including all debt owing to Liberty for R1.03 billion. The effective date of the transaction is expected to be 30 November 2016;
- the acquisition of the remaining 30% minority in the Mykonos casino and certain development land at the resort for R220 million which is expected to be concluded in early 2017;
- 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;
- detailed design development has commenced on a 125 room StayEasy in Maputo, Mozambique, which is expected to cost US$16 million and be completed by late 2018; and
- the acquisition of additional hotel properties by International Hotel Properties Limited, which currently owns eight hotels in the United Kingdom, 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 investment 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 34.0 (thirty-four) cents per share for the six months ended 30 September 2016. 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 Thursday, 15 December 2016. The number of ordinary shares in issue at the date of this declaration is 957 373 089 (excluding treasury shares). The dividend will be subject to a local dividend tax rate of 15%, which will result in a net dividend of 28.9 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 2016:

Last date to trade cum dividend	Monday, 12 December
Shares trade ex dividend	Tuesday, 13 December
Record date	Thursday, 15 December
Payment date	Monday, 19 December

Share certificates may not be dematerialised or rematerialised during the period Tuesday, 13 December 2016 to Thursday, 15 December 2016, both days inclusive. On Monday, 19 December 2016 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 19 December 2016 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, 19 December 2016.

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.

BOARD OF DIRECTORS AND COMMITTEE CHANGES

The following board and committee changes took place with effect from 11 August 2016:

- Mr RG Tomlinson resigned;
- Mr MSI Gani was appointed as an independent non-executive director and member and chairman of the Audit and Risk Committee, and as a member and chairman of the Social and Ethics Committee, and as a member of the Remuneration Committee; and
- Mrs BA Mabuza was appointed as lead independent non-executive director and member of the Social and Ethics Committee and the Remuneration Committee.

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
23 November 2016

RB Huddy
Chief Financial Officer

NOTES TO THE CONDENSED UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

for the six months ended 30 September

1 BASIS OF PREPARATION

The condensed unaudited consolidated interim financial statements for the six months ended 30 September 2016 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 ("FRSC"), 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 2016 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 2016, which have been prepared in accordance with IFRS. This interim report, together with any forward looking information contained in this report, has not been audited or reviewed by the company's auditors.

2 CHANGES IN ACCOUNTING POLICIES

Prior to the acquisition of HPF (see note 4 below), the group accounted for its investment properties at cost. HPF's investment properties are accounted for at fair value, and therefore, on acquisition the group changed its policy to comply with that of HPF for uniformity. The 30 September 2015 numbers in the income statement, statement of other comprehensive income and cash flow statement, and 31 March 2016 comparative numbers in the balance sheet and statement of changes in equity have accordingly been restated. This change in accounting policy has been applied retrospectively and has reduced earnings per share by 0.6 cents from 86.1 cents to 85.5 cents for the six months ended 30 September 2015. This change in accounting policy had no effect on headline or adjusted headline earnings.

Also, 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 2016, none of which had a material impact on the group.

3 FINANCIAL INSTRUMENTS

As shown below, the group fair values its interest rate swaps together with its available-for-sale listed and unlisted investments. The fair values of all other financial assets and financial liabilities approximate their carrying amounts.

Interest rate swaps

The group has effective and ineffective interest rate swaps, being level 2 fair value measurements. The ineffective interest rate swaps arose on acquisition of HPF (refer note 4 below).

The fair value of the effective interest rate swap liability of R31 million (31 March 2016: R72 million asset) is calculated as the present value of the estimated future cash flows based on observable yield curves.

The fair value of the ineffective interest rate swap asset of R1 million (31 March 2016: Rnil) is based on broker quotes. Those quotes are assessed for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the reporting date.

3 FINANCIAL INSTRUMENTS continued

Available-for-sale investment

During April 2016, in being consistent with the group's continued desire to increase its exposure in the Western Cape province, the group entered into a transaction with Sun International Limited ("SI") and Grand Parade Investments Limited for the acquisition of a 20% equity interest in each of SunWest and Worcester for an aggregate R1.35 billion, payable in 18 monthly instalments of R75 million each, funded from available cash balances. Tsogo Sun has pre-emptive rights but no representation on the board of directors of either company and has no operational responsibilities. Tsogo Sun also has no access to any information regarding the companies except for that to which it has statutory rights as a shareholder. This investment is classified as a level 3 fair value measurement and has been accounted for as an available-for-sale financial asset.

At the end of each reporting period, the non-current asset is remeasured and the increase or decrease recognised in other comprehensive income. A discounted cash flow valuation was used to estimate the fair value which equated to its cost of R1.3 billion.

SI put option

In terms of the acquisition agreement of the SunWest and Worcester interests mentioned above, in the event that any party acquires 35% or more of the issued ordinary shares of SI triggering a change in control of the SI group, the group may elect to put its equity interests in SunWest and Worcester to SI. SI can elect to either settle the put option by the issue of new ordinary shares in SI and/or for a cash consideration, based on the aggregate value of Tsogo Sun's interest in SunWest and Worcester. At the end of each reporting period, the derivative is remeasured and the increase or decrease recognised in the income statement. The derivative is calculated in accordance with the terms of the put option agreement, effectively a 7.5 times Ebitda multiple valuation of the SunWest and Worcester assets, less net debt, times the 20% shareholding the group holds. No derivative has been recognised as the fair value of the option is Rnil.

Liberty put option

During the 2015 year end, the group entered into a call option over Liberty's 40% shareholding in Cullinan 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 R494 million at 30 September 2016 (R492 million at 31 March 2016) with the increase of R2 million (2015: R1 million) recognised in finance costs. A discounted cash flow valuation was used to estimate the liability.

4 BUSINESS COMBINATION

Acquisition of HPF

The group acquired 55% of the HPF B-linked units (27% of the voting interest) in August 2015. Tsogo Sun acquired a controlling stake through the injection of hotel assets such that the issue of shares to the group resulted in the group owning 50.6% of the shares following the reconstitution of HPF's capital into a single class of shares. The remaining administrative conditions precedent to the transaction were fulfilled in August 2016 and the effective date of the transaction was 1 September 2016.

The group acquired HPF in keeping with its strategy of creating an entertainment and hospitality-focused real estate investment trust ("REIT").

4 BUSINESS COMBINATION continued

The fair valuation of the net assets acquired equates to the fair value of the consideration paid at the date of acquisition, and the group has recognised a bargain purchase of R13 million in the income statement with no intangible asset having been identified in respect of this acquisition. The acquired business contributed incremental revenues of R32 million and adjusted earnings of R12 million to the group for the period from date of control to 30 September 2016. Had the acquisition occurred on 1 April 2016, group income would have increased by an additional R128 million and adjusted earnings would have decreased by R5 million. These amounts have been calculated using the group's accounting policies. The fair value of net assets acquired is as follows:

	Rm
Investment properties	4 781
Other non-current assets	6
Other current assets	196
Cash and cash equivalents	189
Interest-bearing borrowings	(1 725)
Other current liabilities	(223)
Total identifiable net assets acquired	3 224
Purchase consideration paid in assets	(2 913)
Shares acquired at fair value	(298)
Bargain purchase on acquisition	13

Non-controlling interests are recognised at their proportionate share of the entity's net assets at fair value.

5 SEGMENT INFORMATION

In terms of IFRS 8 *Operating Segments* the chief operating decision maker has been identified as the group's Chief Executive Officer ("CEO") and the Group Executive Committee ("GEC"). 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, other than the HPF operations being included in the South African hotels division with effect from 1 September 2016 (the acquisition date – refer note 4 above).

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 and 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.

6 CAPITAL COMMITMENTS

The board has committed a total of R4.1 billion for maintenance and expansion capital items at its gaming and hotel properties which is anticipated to be spent during the next 12 months. R469 million of the committed capital expenditure has been contracted for.

CONDENSED CONSOLIDATED INCOME STATEMENT

for the six months ended 30 September

	Change %	2016 Unaudited Rm	2015 Restated[1] Rm
Net gaming win	3	**3 679**	3 562
Rooms revenue	12	**1 450**	1 290
Food and beverage revenue	7	**686**	640
Property rental income	63	**104**	64
Other revenue	27	**375**	295
Income	8	**6 294**	5 851
Gaming levies and Value Added Tax		**(765)**	(740)
Property and equipment rentals		**(165)**	(135)
Amortisation and depreciation		**(421)**	(409)
Employee costs		**(1 584)**	(1 370)
Other operating expenses		**(1 778)**	(1 633)
Operating profit		**1 581**	1 564
Interest income		**17**	19
Finance costs		**(517)**	(443)
Share of profit of associates and joint ventures		**24**	7
Profit before income tax		**1 105**	1 147
Income tax expense		**(236)**	(324)
Profit for the period	6	**869**	823
Profit attributable to:			
Equity holders of the company		**875**	818
Non-controlling interests		**(6)**	5
		869	823
Number of shares in issue (million)		**957**	957
Weighted number of shares in issue (million)		**957**	957
Basic and diluted earnings per share (cents)	7	**91.4**	85.5

[1] *Restated for change in accounting policy – refer note 2*

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 30 September

	2016 Unaudited Rm	2015 Restated[1] Rm
Profit for the period	**869**	823
Other comprehensive income for the period, net of tax		
Items that may be reclassified subsequently to profit or loss:	**(159)**	194
Cash flow hedges	**(102)**	94
Currency translation adjustments	**(67)**	126
Income tax relating to items that may subsequently be reclassified	**10**	(26)
Total comprehensive income for the period	**710**	1 017
Total comprehensive income attributable to:		
Equity holders of the company	**716**	1 011
Non-controlling interests	**(6)**	6
	710	1 017

[1] *Restated for change in accounting policy – refer note 2*

SUPPLEMENTARY INFORMATION

for the six months ended 30 September

	Change %	2016 Unaudited Rm	2015 Restated[(1)] Rm
Reconciliation of earnings attributable to equity holders of the company to headline earnings and adjusted earnings[(2)]			
Earnings attributable to equity holders of the company		**875**	818
Loss on disposal of property, plant and equipment		**2**	–
Impairment of property, plant and equipment		**1**	2
Gain on deemed disposal of financial asset classified as available-for-sale		**(46)**	–
Gain on bargain purchase		**(13)**	–
Headline earnings		**819**	820
Loss on remeasurement of put liability		**2**	1
Other exceptional items		**21**	21
Adjusted headline earnings		**842**	842
Number of shares in issue (million)		**957**	957
Weighted number of shares in issue (million)		**957**	957
Basic and diluted HEPS (cents)		**85.6**	85.7
Basic and diluted adjusted HEPS (cents)		**88.0**	88.0

[(2)] *Net of tax and non-controlling interests*

	Change %	2016 Unaudited Rm	2015 Restated[(1)] Rm
Reconciliation of operating profit to Ebitdar[(3)]			
Group Ebitdar pre-exceptional items is made up as follows:			
Operating profit		**1 581**	1 564
Add:			
Property rentals		**134**	106
Amortisation and depreciation		**421**	409
Long-term incentive expense/(credit)		**98**	(41)
		2 234	2 038
(Less)/Add: Exceptional (profits)/losses		**(32)**	27
Loss on disposal of property, plant and equipment		**2**	–
Impairment of property, plant and equipment		**1**	3
Gain on deemed disposal of financial asset classified as available-for-sale		**(46)**	–
Gain on bargain purchase		**(13)**	–
Fair value loss on interest rate swaps		**4**	–
Transaction costs		**18**	10
Other adjustments		**2**	14
Ebitdar	7	**2 202**	2 065

[(1)] *Restated for change in accounting policy – refer note 2*

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

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

for the six months ended 30 September

	2016 Unaudited Rm	2015 Restated[(1)] Rm
Cash flows from operating activities		
Profit before interest and income tax	**1 581**	1 564
Adjust for non-cash movements and dividends received	**667**	532
Increase in working capital	**(245)**	(67)
Cash generated from operations	**2 003**	2 029
Interest received	**17**	17
Finance costs	**(502)**	(411)
	1 518	1 635
Income tax paid	**(334)**	(357)
Dividends paid to shareholders	**(779)**	(579)
Dividends paid to non-controlling interests	**(9)**	–
Dividends received	**62**	5
Net cash generated from operations	**458**	704
Cash flows from investment activities		
Purchase of property, plant and equipment	**(795)**	(792)
Proceeds from disposals of property, plant and equipment	**2**	5
Purchase of intangible assets	**(2)**	(2)
Purchase of available-for-sale financial assets	**(480)**	(252)
Additions to investment property	**(29)**	(12)
Proceeds from disposal of investment property	**–**	19
Acquisition of subsidiaries, net of cash acquired	**189**	–
Other loans and investments (made)/repaid	**(3)**	14
Net cash utilised for investment activities	**(1 118)**	(1 020)
Cash flows from financing activities		
Borrowings raised	**936**	200
Borrowings repaid	**(233)**	(325)
Decrease in amounts due by share scheme participants	**5**	6
Net cash generated from/(utilised in) financing activities	**708**	(119)
Net increase/(decrease) in cash and cash equivalents	**48**	(435)
Cash and cash equivalents at beginning of period, net of bank overdrafts	**479**	883
Foreign currency translation	**(4)**	14
Cash and cash equivalents at end of period, net of bank overdrafts	**523**	462

(1) *Restated for change in accounting policy – refer note 2*

CONDENSED CONSOLIDATED BALANCE SHEET

as at	30 September 2016 Unaudited Rm	31 March 2016 Restated[(1)] Rm
ASSETS		
Non-current assets		
Property, plant and equipment	**14 582**	14 370
Investment properties	**4 960**	108
Goodwill and other intangible assets	**6 571**	6 582
Investments in associates and joint ventures	**622**	620
Available-for-sale financial assets	**1 271**	252
Non-current receivables	**60**	68
Derivative financial instruments	**10**	74
Deferred income tax assets	**238**	185
	28 314	22 259
Current assets		
Inventories	**147**	125
Non-current assets held for sale	**88**	–
Trade and other receivables	**835**	654
Derivative financial instruments	**14**	15
Current income tax assets	**126**	122
Cash and cash equivalents	**2 312**	2 492
	3 522	3 408
Total assets	**31 836**	25 667
EQUITY		
Capital and reserves attributable to equity holders of the company		
Ordinary share capital and premium	**4 576**	4 576
Other reserves	**578**	(232)
Retained earnings	**4 202**	3 974
Total shareholders' equity	**9 356**	8 318
Non-controlling interests	**2 570**	654
Total equity	**11 926**	8 972
LIABILITIES		
Non-current liabilities		
Interest-bearing borrowings	**8 287**	8 346
Derivative financial instruments	**529**	492
Deferred income tax liabilities	**2 121**	2 059
Provisions and other liabilities	**480**	509
	11 417	11 406
Current liabilities		
Interest-bearing borrowings	**5 554**	3 394
Derivative financial instruments	**20**	17
Trade and other payables	**2 404**	1 240
Provisions and other liabilities	**433**	510
Current income tax liabilities	**82**	128
	8 493	5 289
Total liabilities	**19 910**	16 695
Total equity and liabilities	**31 836**	25 667

(1) *Restated for change in accounting policy – refer note 2*

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Ordinary share capital and premium Rm
Balance at 31 March 2015 as previously reported	4 576
Recognition of fair value of investment properties net of deferred tax	–
Balance at 31 March 2015 (restated)[1]	4 576
Total comprehensive income	–
Share options exercised	1
Ordinary dividends	–
Balance at 30 September 2015 (restated)[1]	4 577
Balance at 31 March 2016 as previously reported	4 576
Recognition of fair value of investment properties net of deferred tax	–
Balance at 31 March 2016 (restated)[1]	4 576
Total comprehensive income	–
Non-controlling interests arising on business combination	–
Transactions with non-controlling interests	–
Ordinary dividends	–
Balance at 30 September 2016 (unaudited)	4 576

[1] *Restated for change in accounting policy – refer note 2*

Attributable to equity holders of the company

Other reserves Rm	Retained earnings Rm	**Total Rm**	Non-controlling interests Rm	**Total equity Rm**
(442)	2 917	**7 051**	635	**7 686**
–	9	**9**	–	**9**
(442)	2 926	**7 060**	635	**7 695**
193	818	**1 011**	6	**1 017**
–	–	**1**	–	**1**
–	(579)	**(579)**	–	**(579)**
(249)	3 165	**7 493**	641	**8 134**
(232)	3 951	**8 295**	654	**8 949**
–	23	**23**	–	**23**
(232)	3 974	**8 318**	654	**8 972**
(159)	875	**716**	(6)	**710**
–	–	**–**	1 944	**1 944**
969	–	**969**	–	**969**
–	(647)	**(647)**	(22)	**(669)**
578	4 202	**9 356**	2 570	**11 926**

SEGMENTAL ANALYSIS

for the six months ended 30 September

	Income[1]	
	2016 Rm	2015 Rm
Montecasino	**1 337**	1 315
Suncoast	**839**	827
Gold Reef City	**714**	638
Silverstar	**360**	363
Emnotweni	**194**	184
Golden Horse	**193**	173
The Ridge	**192**	194
Hemingways	**150**	155
Garden Route	**102**	97
Blackrock	**86**	83
The Caledon	**82**	79
Mykonos	**76**	73
Goldfields	**67**	68
Other gaming operations	**95**	61
Total gaming operations	**4 487**	4 310
South African hotels division[3]	**1 498**	1 230
Offshore hotels division	**337**	337
Pre-foreign exchange losses		
Foreign exchange losses		
Corporate[3][4]	**(28)**	(26)
Group	**6 294**	5 851

[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 R28 million (2015: R26 million) intergroup management fees. South African hotels division also includes HPF with effect from 1 September 2016 – refer note 4*

[4] *Includes the treasury and management function of the group*

Ebitdar[2]		Ebitdar margin		Amortisation and depreciation	
2016 Rm	2015 Rm	**2016 %**	2015 %	**2016 Rm**	2015 Rm
593	579	**44.4**	44.0	**52**	48
385	374	**45.9**	45.2	**47**	48
265	229	**37.1**	36.0	**54**	44
119	125	**33.1**	34.5	**42**	49
73	71	**37.8**	38.3	**15**	16
87	73	**44.8**	42.0	**18**	17
76	78	**39.4**	40.0	**15**	13
47	55	**31.0**	35.4	**22**	20
42	38	**41.6**	39.7	**7**	7
33	31	**38.7**	37.6	**7**	6
23	20	**27.6**	25.1	**5**	4
32	31	**42.6**	42.8	**5**	4
21	23	**31.4**	33.9	**5**	5
(81)	(111)			**8**	12
1 715	1 616	**38.2**	37.5	**302**	293
455	349	**30.4**	28.4	**101**	89
25	92	**7.4**	27.3	**17**	24
82	*98*	***24.3***	*29.1*		
(57)	*(6)*				
7	8			**1**	3
2 202	2 065	**35.0**	35.3	**421**	409

DIRECTORS: JA Copelyn (Chairman)* MN von Aulock (Chief Executive Officer) RB Huddy (Chief Financial Officer) MSI Gani** MJA Golding* BA Mabuza (Lead Independent)** VE Mphande* JG Ngcobo** Y Shaik* (*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 Services South Africa Proprietary Limited, 13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein, 2001 (PO Box 4844, Johannesburg, 2000)

SPONSOR: Deutsche Securities (SA) Proprietary Limited, 3 Exchange Square, 87 Maude Street, Sandton, 2196 (Private Bag X9933, Sandton, 2146)