TSOGO SUN GROUP

Hotels, Gaming & Entertainment

COMMENTARY

INTRODUCTION

The merger of Tsogo Sun Holdings (Pty) Ltd ("TSH (Pty) Ltd") and Gold Reef Resorts Ltd ("Gold Reef") and the effective reverse listing of the Tsogo group via the acquisition by Gold Reef of the entire issued share capital of TSH (Pty) Ltd through the issue of new shares ("the consideration shares") to Tsogo Investment Holding Company (Pty) Ltd ("TIH") and SABSA Holdings (Pty) Ltd ("SABSA") was concluded on 24 February 2011.

In terms of IFRS 3 – Business Combinations (Revised), the transaction is a reverse acquisition as the shareholders of TSH (Pty) Ltd became the majority shareholders of Gold Reef. Accordingly, TSH (Pty) Ltd is treated as the acquirer for accounting purposes, whilst Gold Reef is the legal acquirer and remains the listed entity. Shareholder approval was obtained to rename Gold Reef to Tsogo Sun Holdings Ltd ("Tsogo Sun") at the Annual General Meeting held on 15 June 2011. The effective date of the name change occurred on 5 August 2011, and has been registered by the Companies and Intellectual Property Commission.

The condensed consolidated income statement and cash flow statement for the six months ended 30 September 2011 represent the consolidated results of the merged group. The comparative information for the prior period represents the consolidated results of TSH (Pty) Ltd for the six months ended 30 September 2010.

COMMENTARY

The past six months have seen the integration of the Gold Reef properties into the Tsogo group. This process has proceeded smoothly and is largely complete. The group has continued to pursue investments in terms of its stated growth strategy resulting in the recently announced acquisition of the hotel and office development in Rosebank, that previously traded as the Grace, for R85 million. The group has also reached agreement for the acquisition of an additional 16.5% effective interest in the Suncoast Casino for R510 million, bringing the total ownership of that operation to 90%. This acquisition remains subject to approval by the KwaZulu-Natal Gambling Board. On 26 September 2011, Tsogo Sun Emonti (Pty) Ltd, a subsidiary company of the group, started trading under its new gaming license awarded after a bidding process and accordingly construction work has begun on the R400 million redevelopment of the Hemingways casino in terms of the bid commitments.

The first half of the financial year saw accelerated growth in revenue across many of the group's casinos. Hotels, which benefited from the 2010 FIFA World Cup ("World Cup") in June and July 2010, has shown revenue decline on the prior period, as would be expected, although the effect is exaggerated in the six-month reporting period and will have less impact on the full year.

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 experiencing difficult trading conditions and increased administered costs. The group is poised for growth if these sectors of the South African economy improve.

Regulatory risks represent a threat to the group with possible changes to tax regulations and an increased cost burden of compliance with various imposed regulations being the most significant. The group continues to engage with the various regulatory bodies and other Government departments to ensure that proposed changes are warranted and capable of being implemented without having a negative impact on both current and new investment in the industry and consequently on employment levels.

Total income of R4.4 billion was 38.0% above the prior period, assisted by the inclusion of R1.2 billion income from the Gold Reef merger. Like-for-like growth in revenue (including Gold Reef) was 1% which was adversely impacted by the non-recurrence of World Cup related revenues.

Earnings before interest, income tax, depreciation, amortisation, property rentals, long-term incentives and exceptional items ("EBITDAR") at R1.6 billion reflected a 33.6% increase on the prior period. Additional EBITDAR from Gold Reef of R453 million, as well as foreign exchange gains of R20 million in the current period assisted this growth. Like-for-like EBITDAR (including Gold Reef) was flat on the prior period again impacted by the non-recurrence of World Cup-related earnings. The overall group EBITDAR margin of 37.2% is 1.2% below the prior period, but a satisfactory achievement in the current environment.

Gauteng recorded provincial growth in gaming win of 3.3% for the six months ended 30 September 2011 over the prior period. Montecasino and Gold Reef City casinos recorded gaming win growth of 7.3% and 8.4% respectively for the six months, while Silverstar casino recorded a decline of 1.8% for the same period. The results of Montecasino and Gold Reef City casinos are particularly satisfying as these units experienced good footfall during the prior period World Cup. Good cost control resulted in improved EBITDAR margins being recorded at all three units.

KwaZulu-Natal provincial gaming win grew by 8.0% for the six months ended 30 September 2011 over the prior period with the Suncoast Casino and Entertainment World reflecting growth of 5.1% in gaming win with Golden Horse casino and Blackrock casino reflecting growth of 12.7% and 11.4% respectively for the six months, showing strong demand in their relevant catchment areas. EBITDAR margins at all three KwaZulu-Natal casinos also reflected growth on the prior period.

Mpumalanga reported growth in provincial gaming win of 8.1% for the six months ended 30 September 2011. The Ridge casino in Emalahleni and the Emnotweni casino in Nelspruit reported growth in gaming win of 6.7% and 6.6% respectively for the six months. EBITDAR margin improvement was achieved at Emnotweni, with the Ridge experiencing a decline in margin as a result of improved hotel trading diluting the high margin gaming business to some extent.

The Eastern Cape provincial gaming win grew marginally by 0.3% for the six months ended 30 September 2011 over the prior period. However, despite the difficult conditions in the East London economy, Hemingways reported growth in gaming win of 4.2%, and continues to benefit from the attractions associated with Hemingways Mall which opened in 2009. EBITDAR margin declined marginally on the prior period.

The Western Cape reported growth in provincial gaming win of 4.2% for the six months ended 30 September 2011 over the prior period. The Caledon Hotel and Spa and Garden Route casino in Mossel Bay reported growth of 8.7% and 2.4% respectively for the six months, while the Mykonos casino in Langebaan reported a decline in gaming win of 1.0% for the same period. The Western Cape market continues to be impacted by poor economic fundamentals, particularly in the leisure-based coastal areas outside of the larger Cape metropole. EBITDAR margin improvement was achieved in Caledon with margins at Garden Route flat on the prior period and a margin decline was reported at Mykonos.

The Goldfields casino in the Free State performed well in the six months with growth in gaming win of 10.3% on the prior period and an improvement in EBITDAR margin.

Other gaming operations, consisting of the Sandton Convention Centre, the Stay Easy Century City hotel and head office costs, reflected a loss of R76 million, R46 million adverse to the prior period mainly due to non-repeating World Cup-related trading at the Sandton Convention Centre and the inclusion of Gold Reef central costs.

The hotel industry in South Africa is still experiencing the dual impact of depressed demand and over supply, with overall industry occupancies of around 52% for the six months to September 2011. The group's hotels are likewise affected. However, as a result of the strong sales and distribution channels available within the group, a significant occupancy and rate premium is being achieved in the segments in which the group operates. With little recovery in the core corporate market, the group's system-wide occupancies remain under pressure in South Africa at 58.9% (2010: 59.3%). Average Room Rates in the total South African operations declined by 16% to R760, with virtually all the decline attributable to the higher achieved rates during the World Cup in the prior period. Overall revenue declined by 9% to R779 million during the six months. Operating costs were well controlled with a 3% increase on the prior period, despite regulated utility costs and property rates increases assisted by incremental overhead incurred for the World Cup not being repeated. EBITDAR declined 31% to R214 million at a margin of 27.5%.

The offshore division of hotels achieved total revenue of R153 million for the six months, representing a 21% improvement on the prior year, assisted by the inclusion of Southern Sun Nairobi as a leased hotel (previously managed) with effect from 1 August 2010. EBITDAR (pre-foreign exchange gains) of R43 million was achieved.

The Rand weakness towards the end of September 2011 impacted both the translation of USD and Euro earnings streams as well as resulting in a R20 million foreign exchange gain on the translation of offshore monetary items, being mainly cash and loans to associates.

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

	30 September 2011	30 September 2010
Occupancy (%)	**59.5**	58.5
Average Room Rate (R)	**786**	917
Revpar (R)	**467**	537
Rooms available ('000)	**1 662**	1 585
Rooms sold ('000)	**989**	927
Rooms revenue (Rm)	**777**	850

The corporate division reflected EBITDAR of R4 million as the group's captive insurance operations again benefited from the absence of any significant claims.

All operating cost categories for the six months are not comparable to the same period in the prior year as a result of the consolidation of Gold Reef. However the group continues to exercise strict cost control and ensure that any synergies available from the merger are achieved. Net finance costs are flat on the prior period despite the take on of the additional Gold Reef debt, as the cash generated by the group has reduced steady state borrowing levels.

The group's share of associate and joint venture profits at R3 million for the six months reflected a 91% decrease as the investment in Gold Reef was equity accounted in the prior period.

The effective tax rate for the period under review, at 36.3% is affected by, *inter alia*, the Secondary Tax on Companies ("STC") impact of R67 million on the final dividend for the year ended 31 March 2011, declared on 19 May 2011 and the implementation of the Tsogo Sun Emonti (Pty) Ltd related new ownership structure. The comparative effective tax rate of 30.8% is assisted by there being no STC charge in the prior period. The group's long-term effective tax rate is expected to be higher than the statutory rate as a result of non-deductible expenditure such as casino building depreciation, preference share dividends relating to preference share capital of subsidiaries of the group, as well as STC, until replaced by the proposed tax on dividends.

Group adjusted headline earnings for the six months at R550 million is 19% above the prior period. In determining the closing and weighted average number of shares for the period under review and the prior comparative period, the group has used the consideration shares as the appropriate number of shares for calculating the earnings per share ("EPS"), headline earnings per share ("HEPS") and adjusted headline earnings per share ("adjusted HEPS") for TSH (Pty) Ltd and the actual shares in issue post the issue of the consideration shares, excluding treasury shares, for the combined group. Adjusted HEPS is 4% below the prior period for the six months ended 30 September 2011, impacted by the effect of the World Cup, and notably the variance in STC as described above, which amounted to 5.9 cents per share in its own right.

Cash generated from operations during the six months was R1.5 billion, an increase of 32% on the prior year as a result of the Gold Reef merger. Cash flows utilised for investment activities of R234 million consisted mainly of capital maintenance expenditure of R195 million, reinvestment in the Hemingways casino in terms of the new licence of R14 million, part settlement of the contingent consideration for the Millennium acquisition of R24 million and other minor investments.

Interest-bearing debt net of cash at 30 September 2011 totalled R4.0 billion, a decrease of R139 million over the 31 March 2011 balance, with R584 million paid in dividends to group and non-controlling shareholders during the six months.

PROSPECTS

Despite a difficult trading environment for gaming and hotels, the group remains highly cash-generative and has significant opportunities to invest capital in its growth strategy at attractive rates of return. The ability to continue to pursue such investments will depend on the final outcome of, and impact from, the variety of proposed regulatory changes by Government.

DIVIDEND

The board of directors has declared an interim cash dividend of 20 (twenty) cents per share. 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 on Friday, 9 December 2011.

In compliance with the requirements of Strate, the electronic and custody system used by the JSE Limited ("JSE"), the following dates are applicable:

	2011
Last date to trade cum dividend	Friday, 2 December
Shares trade ex dividend	Monday, 5 December
Record date	Friday, 9 December
Payment date	Monday, 12 December

Share certificates may not be dematerialised or rematerialised during the period Monday, 5 December 2011 to Friday, 9 December 2011, both days inclusive.

On Monday, 12 December 2011 the cash dividend will be electronically transferred to the bank accounts of all certificated shareholders where this facility is available. Where electronic funds transfer is not available or desired, cheques dated 12 December 2011 will be posted on that date. Shareholders who have dematerialised their share certificates will have their accounts at their Central Securities Depository Participant ("CSDP") or broker credited on Monday, 12 December 2011.

CHANGE IN DIRECTORATE

In terms of the announcements released on 10 May 2011 and 18 July 2011, shareholders were advised that:

- Mr Jabu Mabuza would retire from his executive responsibilities as Chief Executive Officer with effect from 30 September 2011 but would remain on the board of directors of the company as a Non-executive Director and assume the position of Deputy Chairman;
- Mr Mabuza would be succeeded by Mr Marcel von Aulock, the then Chief Financial Officer; and
- Mr Rob Huddy would, with effect from 1 October 2011, succeed Mr von Aulock as Chief Financial Officer.

Shareholders are referred to the announcement released on SENS on 1 November 2011 in terms of which notice was given that, at a meeting of the board of directors of the company held on 31 October 2011, Mr Rob Huddy was appointed to the board of directors as an Executive Director with effect from 31 October 2011.

In addition, given the customary practice of a number of listed companies of limiting the number of Executive Directors on their Boards to the Chief Executive Officer and Chief Financial Officer, Messrs Rob Collins and Graham Wood stepped down as Executive Directors with effect from 31 October 2011. Messrs Collins and Wood will continue to serve as part of the Executive Committee of the Tsogo Sun group. The result of these changes is that the board of directors of Tsogo Sun now comprises eleven Non-executive Directors, which includes three Independent Non-executive Directors of which one is a Lead Independent Non-executive Director, and two Executive Directors.

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.tsogosunholdings.com.

MN VON AULOCK
Chief Executive Officer

RB HUDDY
Chief Financial Officer

17 November 2011

NOTES TO THE CONDENSED UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The condensed unaudited interim financial statements for the six months ended 30 September 2011 have been prepared in accordance with IAS 34 – *Interim Financial Reporting*, AC 500 standards as issued by the Accounting Practices Board or its successor 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 2011. The condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 March 2011, which have been prepared in accordance with IFRS. The condensed unaudited consolidated interim financial statements have not been audited or reviewed by Tsogo Sun's auditors.

2. SEGMENT INFORMATION

In terms of IFRS 8 – *Operating Segments* the chief operating decision-maker has been identified as the group's board of directors. The board reviews the group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on the reports reviewed by the group's board of directors at the board meetings which are used to make strategic decisions.

The board considers the business from both a geographical basis and business type, being hotels and gaming. All gaming segments and the South African hotels division conduct business in South Africa, with the offshore hotels division having operations in other African countries, the Middle East and the Seychelles. Other gaming operations consists mainly of the Sandton Convention Centre and management fee income. The corporate segment includes the treasury and management function of the group, together with the group's captive insurance operations.

Although the offshore hotels segment does not meet the quantitative thresholds of IFRS 8, management has concluded that the segment should be reported as it has a different risk and reward profile. It is closely monitored as it is expected to materially contribute to group revenue in the future.

The reportable segments derive their revenue from hotel and gaming operations.

The group's board of directors assesses 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 such as rebranding and pre-opening expenses. 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.

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

condensed unaudited interim results

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2011

TSOGO SUN GROUP
Hotels, Gaming & Entertainment

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")

CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 SEPTEMBER

	Change %	2011 Unaudited Rm	2010 Unaudited Rm	Year ended 31 March 2011 Audited Rm
Revenue		**1 393**	1 382	2 683
Rooms revenue		**777**	850	1 591
Food and beverage revenue		**341**	321	677
Other revenue		**275**	211	415
Net gaming win	67	**2 963**	1 774	3 804
Income	38	**4 356**	3 156	6 487
Gaming levies and Value Added Tax		**(605)**	(359)	(773)
Property and equipment rentals		**(115)**	(97)	(211)
Amortisation and depreciation		**(321)**	(227)	(447)
Employee costs		**(1 243)**	(749)	(1 434)
Other operating expenses		**(898)**	(841)	(2 137)
Operating profit	33	**1 174**	883	1 485
Interest income		**26**	10	24
Finance costs		**(235)**	(218)	(415)
Share of profit of associates and joint ventures		**3**	34	79
Profit before income tax	37	**968**	709	1 173
Income tax expense		**(350)**	(208)	(440)
Profit for the period	23	**618**	501	733
Profit attributable to:				
Equity holders of the company		**553**	448	606
Non-controlling interests		**65**	53	127
		618	501	733
Number of shares in issue (m)		**1 097**	888	1 097
Weighted number of shares in issue (m)		**1 097**	888	906
Basic and diluted earnings per share (cents)		**50.4**	50.4	66.9

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 SEPTEMBER

	2011 Unaudited Rm	2010 Unaudited Rm	Year ended 31 March 2011 Audited Rm
Profit for the period	**618**	501	733
Other comprehensive income for the period, net of tax	**31**	(29)	6
Cash flow hedges	**(46)**	(17)	42
Currency translation adjustments	**64**	(17)	(24)
Income tax relating to components of other comprehensive income	**13**	5	(12)
Total comprehensive income for the period	**649**	472	739
Total comprehensive income attributable to:			
Equity holders of the company	**584**	419	612
Non-controlling interests	**65**	53	127
	649	472	739

SUPPLEMENTARY INFORMATION

FOR THE SIX MONTHS ENDED 30 SEPTEMBER

	Change %	2011 Unaudited Rm	2010 Unaudited Rm	Year ended 31 March 2011 Audited 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		**553**	448	606
Gain on disposal of property, plant and equipment		**(3)**	(4)	(5)
Impairment of plant and equipment		**–**	–	8
Fair value loss on devaluation of associate		**–**	–	299
Headline earnings	24	**550**	444	908
Transaction costs on acquisition of Gold Reef (including associate cost)		**–**	14	83
Other exceptional items		**–**	5	15
Adjusted headling earnings	19	**550**	463	1 006
Number of shares in issue (m)		**1 097**	888	1 097
Weighted number of shares in issue (m)		**1 097**	888	906
Basic and diluted headline earnings per share (cents)		**50.1**	50.0	100.2
Basic and diluted adjusted headline earnings per share (cents)	(4)	**50.1**	52.1	111.1

[1] *Adjustments net of income tax and non-controlling interests.*

	Change %	2011 Unaudited Rm	2010 Unaudited Rm	Year ended 31 March 2011 Audited Rm
Reconciliation of operating profit to EBITDAR				
Group EBITDAR pre-exceptional items is made up as follows:				
Operating profit		**1 174**	883	1 485
Add:				
Property rentals		**95**	82	171
Depreciation and amortisation		**321**	227	447
Long-term incentive expense/(credit)		**33**	3	(13)
		1 623	1 195	2 090
(Less)/Add: Exceptional (gains)/losses		**(4)**	17	420
Gain on disposal of property, plant and equipment		**(4)**	(5)	(6)
Transaction costs on acquisition of Gold Reef		**–**	11	93
Fair value loss on devaluation of associate		**–**	–	299
Other adjustments		**–**	11	34
EBITDAR	34	**1 619**	1 212	2 510

CONDENSED CONSOLIDATED BALANCE SHEET

AS AT 30 SEPTEMBER

	2011 Unaudited Rm	2010 Unaudited Rm	31 March 2011 Audited Rm
ASSETS			
Non-current assets			
Property, plant and equipment	**8 070**	5 504	8 099
Goodwill and other intangible assets	**6 076**	1 667	6 077
Investments in associates and joint ventures	**253**	1 697	249
Non-current receivables	**172**	136	169
Deferred income tax assets	**117**	84	110
Derivative financial instruments	**2**	–	18
	14 690	9 088	14 722
Current assets			
Inventories	**175**	147	171
Trade and other receivables	**495**	354	383
Current income tax assets	**59**	54	62
Cash and cash equivalents	**984**	418	956
	1 713	973	1 572
Total assets	**16 403**	10 061	16 294
EQUITY			
Capital and reserves attributable to equity holders of the company			
Ordinary share capital and premium	**4 752**	1 074	4 751
Share-based payment reserve	**3**	–	2
Surplus arising on change in control in joint venture	**130**	130	130
Other reserves	**44**	(22)	13
Retained earnings	**2 181**	2 019	2 177
Total shareholders' equity	**7 110**	3 201	7 073
Non-controlling interests	**914**	672	864
Total equity	**8 024**	3 873	7 937
LIABILITIES			
Non-current liabilities			
Interest-bearing borrowings	**3 808**	3 021	3 866
Derivative financial instruments	**20**	21	–
Deferred income tax liabilities	**1 485**	215	1 481
Provisions and other liabilities	**369**	698	628
	5 682	3 955	5 975
Current liabilities			
Interest-bearing borrowings	**1 191**	1 360	1 244
Derivative financial instruments	**46**	58	72
Trade and other payables	**1 247**	705	799
Current income tax liabilities	**70**	21	81
Provisions and other liabilities	**143**	89	186
	2 697	2 233	2 382
Total liabilities	**8 379**	6 188	8 357
Total equity and liabilities	**16 403**	10 061	16 294

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 30 SEPTEMBER

	2011 Unaudited Rm	2010 Unaudited Rm	31 March 2011 Audited Rm
Cash flow from operating activities			
Profit before interest and income tax	**1 174**	883	1 485
Non-cash movements	**420**	282	873
Increase in working capital	**(91)**	(9)	(70)
Cash generated from operations	**1 503**	1 156	2 288
Interest received	**26**	10	25
Interest paid	**(248)**	(175)	(418)
	1 281	991	1 895
Income tax paid	**(356)**	(282)	(464)
Dividends received	**5**	48	57
Dividends paid to shareholders	**(548)**	–	–
Dividends paid to non-controlling interests	**(36)**	(4)	(23)
Net cash generated from operations	**346**	753	1 465
Cash flows from investment activities			
Purchase of property, plant and equipment	**(215)**	(212)	(306)
Proceeds from disposals of property, plant and equipment	**8**	11	13
Purchase of intangible assets	**(5)**	(7)	(29)
Acquisition of subsidiaries, net of cash acquired	**–**	–	479
Part settlement of contingent consideration for Millennium acquisition	**(24)**	–	–
Other loans and investments	**2**	4	(7)
Net cash (used for)/generated from investment activities	**(234)**	(204)	150
Cash flows from financing activities			
Borrowings raised	**372**	–	1 000
Borrowings repaid	**(483)**	(551)	(2 076)
Loan repayments to non-controlling interests	**–**	(2)	(2)
Acquisition of non-controlling interests	**–**	*	(1)
Increase in share scheme loans	**(1)**	–	–
Net cash utilised for financing activities	**(112)**	(553)	(1 079)
Net increase/(decrease) in cash and cash equivalents	**–**	(4)	536
Cash and cash equivalents at beginning of period	**956**	425	425
Foreign currency translation	**28**	(3)	(5)
Cash and cash equivalents at end of period	**984**	418	956

**Less than R1 million.*

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the company							
	Ordinary share capital and premium Rm	Share-based payment reserve Rm	Surplus arising on change in control in joint venture Rm	Other reserves** Rm	Retained earnings Rm	Total Rm	Non-controlling interests Rm	Total equity Rm
Balance at 31 March 2010 (audited)	1 074	–	130	7	1 571	**2 782**	625	**3 407**
Total comprehensive income for the six months ended 30 September 2010	–	–	–	(29)	448	**419**	53	**472**
Repayment of non-controlling interests' equity loans	–	–	–	–	–	**–**	(2)	**(2)**
Acquisition of non-controlling interests	–	–	–	–	–	**–**	*	*****
Ordinary dividends	–	–	–	–	–	**–**	(4)	**(4)**
Balance at 30 September 2010 (unaudited)	1 074	–	130	(22)	2 019	**3 201**	672	**3 873**
Total comprehensive income for the six months ended 31 March 2011	–	–	–	35	158	**193**	74	**267**
Recognition of share-based payments	–	2	–	–	–	**2**	–	**2**
Release of reserve	–	–	*	–	–	*****	*	*****
Non-controlling interests' share of property brought into use	–	–	–	–	–	**–**	93	**93**
Acquisition of non-controlling interests	–	–	–	–	–	**–**	(1)	**(1)**
Share capital and premium arising on reverse acquisition	3 677	–	–	–	–	**3 677**	–	**3 677**
Non-controlling interests recognised on reverse acquisition	–	–	–	–	–	**–**	45	**45**
Ordinary dividends	–	–	–	–	–	**–**	(19)	**(19)**
Balance at 31 March 2011 (audited)	4 751	2	130	13	2 177	**7 073**	864	**7 937**
Total comprehensive income for the six months ended 30 September 2011	–	–	–	31	553	**584**	65	**649**
Recognition of share-based payments	–	1	–	–	–	**1**	–	**1**
Shares issued to share trust	35	–	–	–	–	**35**	–	**35**
Treasury shares held by share trust	(35)	–	–	–	–	**(35)**	–	**(35)**
Shares taken up by participants	1	–	–	–	–	**1**	–	**1**
Shares issued by subsidiary taken up by non-controlling interests	–	–	–	–	–	**–**	20	**20**
Ordinary dividends	–	–	–	–	(549)	**(549)**	(35)	**(584)**
Balance at 30 September 2011 (unaudited)	4 752	3	130	44	2 181	**7 110**	914	**8 024**

* *Less than R1 million.*
** *Comprises cash flow hedge reserve and foreign currency translation reserve.*

SEGMENTAL ANALYSIS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER

	Income		EBITDAR		EBITDAR margin		Depreciation and amortisation	
	2011 Unaudited Rm	2010 Unaudited Rm	2011 Unaudited Rm	2010 Unaudited Rm	2011 Unaudited %	2010 Unaudited %	2011 Unaudited Rm	2010 Unaudited Rm
Montecasino	**1 029**	993	**427**	403	**41.5**	40.6	**48**	58
Suncoast	**627**	606	**292**	277	**46.6**	45.7	**48**	49
Gold Reef City	**558**	n/a	**210**	n/a	**37.6**	n/a	**45**	n/a
Silverstar	**275**	n/a	**98**	n/a	**35.6**	n/a	**28**	n/a
The Ridge	**172**	162	**79**	75	**45.9**	46.3	**13**	12
Emnotweni	**142**	133	**62**	56	**43.7**	42.1	**8**	8
Hemingways	**139**	134	**57**	56	**41.0**	41.8	**9**	10
Golden Horse	**138**	n/a	**68**	n/a	**49.3**	n/a	**16**	n/a
Garden Route	**71**	n/a	**31**	n/a	**43.7**	n/a	**7**	n/a
Goldfields	**64**	n/a	**29**	n/a	**45.3**	n/a	**6**	n/a
Blackrock	**59**	52	**22**	18	**37.3**	34.6	**5**	4
Caledon	**59**	57	**16**	14	**27.1**	24.6	**4**	7
Mykonos	**57**	n/a	**23**	n/a	**40.4**	n/a	**5**	n/a
Other gaming operations	**49**	51	**(76)**	(30)			**5**	7
Total gaming operations	**3 439**	2 188	**1 338**	869	**38.9**	39.7	**247**	155
South African hotels division†	**779**	859	**214**	309	**27.5**	36.0	**67**	67
Offshore hotels division	**153**	126	**63**	29	**41.2**	23.0	**6**	4
Pre-foreign exchange gains			***43***	*34*	***28.1***	*26.9*		
Foreign exchange gains/(losses)			***20***	*(5)*				
Corporate	**(15)**	(17)	**4**	5			**1**	1
Group	**4 356**	3 156	**1 619**	1 212	**37.2**	38.4	**321**	227

† *Includes R14.6 million (2010: R17.6 million) intergroup management fees.*

Note: *In order to improve reporting of segments as reviewed by the chief operating decision-maker all gaming precincts have been disclosed separately. This is as a result of the reverse acquisition of Gold Reef on 24 February 2011. All casino units are reported pre-internal gaming management fees.*

DIRECTORS: JA Copelyn (Chairman)* JA Mabuza (Deputy Chairman)* MN von Aulock (Chief Executive Officer) RB Huddy (Chief Financial Officer) MJA Golding* JM Kahn* EAG Mackay* VE Mphande* JG Ngcobo> Y Shaik> RG Tomlinson (Lead Independent)> A van der Veen* MI Wyman*°
(*Non-executive Director >Independent Director °British)

COMPANY SECRETARY: WJ van Wyngaardt

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

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