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")

Income R14.0 billion ⬆ **6%**

Ebitdar R5.3 billion ⬆ **4%**

Adjusted HEPS **197.8 cents ⬇ 5%**

Final dividend per share **70 cents unchanged**

REVIEWED CONDENSED CONSOLIDATED FINANCIAL RESULTS

for the year ended 31 March 2018

Commentary

REVIEW OF OPERATIONS

Trading for the year ended 31 March 2018 was impacted by the continued pressure on the consumer due to the macro-economic environment, extremely weak sentiment and political uncertainty. The trading results were assisted by the acquisition of Niveus Invest 19 Limited ("Gameco") comprising the Galaxy Bingo and Vukani Slots businesses on 20 November 2017 and the acquisition of two hotel businesses from the Liberty Group ("Liberty") and Hospitality Property Fund Limited ("HPF") in the prior year and negatively impacted in casino gaming by the opening of the Time Square casino in Menlyn. The potential impact of the positive political developments have resulted in improved sentiment which has not yet translated into a significant improvement in trading, although trading in the second half was better than in the first half of the year. In the low-revenue growth environment cost control remained a significant focus during the year.

In terms of the group's continued growth strategy R3.3 billion was spent during the year, including:

- the acquisition of Hosken Consolidated Investment Limited ("HCI") and all other shareholders' interests in Gameco for a combination of 98.5 million Tsogo Sun shares and R1.7 billion in cash;
- the continued construction on the R1.6 billion expansion and refurbishment of the Suncoast Casino and Entertainment World. The project includes past spend with the Salon Privè scheduled to open in July 2018 and the remainder of the project scheduled to open in December 2018. R291 million was spent during the year;
- the acquisition by HPF of various sections and exclusive use areas of the Sandton Eye sectional title scheme from Savana Property Proprietary Limited and an existing real right of extension in the scheme from Sandton Isle Investments Proprietary Limited for R302 million;
- the development of a US$16 million 125 room StayEasy in Maputo, Mozambique, which opened during April 2018. R145 million was spent during the year;
- the opening of a new 504 room SunSquare and StayEasy branded leased hotel in the Cape Town City Bowl during August 2017. The spend on furniture and fittings was R34 million during the year; and
- the group invested R670 million on replacement capex group-wide, including gaming system replacements and casino floor and major hotel refurbishments, ensuring our assets remain best in class.

Total income for the year of R14.0 billion ended 6% above the prior year with a 6% growth in net gaming win and assisted by a 9% growth in food and beverage revenue and strong growth in property rental income. The net gaming win growth is assisted by the acquisition of Gameco during the year. Earnings before interest, income tax, depreciation, amortisation, property rentals, long-term incentives and exceptional items ("Ebitdar") at R5.3 billion for the year was 4% up on the prior year. Excluding the impact of the Gameco acquisition total income grew by 1% and Ebitdar was flat on the prior year. The overall group Ebitdar margin of 37.7% is 0.5 percentage points ("pp") down on the prior year. 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 for the group should these sectors of the South African economy improve.

Net casino gaming win for the year reduced by 2% on the prior year with slots win down 1% and tables win down 4% and was negatively impacted by the opening of Time Square and a strong performance in the first quarter of the prior year in Gauteng, mainly at Montecasino.

Gauteng recorded growth in provincial gaming win of 7.1% for the year. Gaming win growth of 2.9% was achieved at Gold Reef City with a reduction at Montecasino of 4.5% and at Silverstar of 8.3%. Provincial gaming win was positively impacted during the current year by the opening of the Time Square casino in Menlyn on 1 April 2017, although the impact on the group's casinos, mainly at Montecasino and Silverstar, is significantly below expectation. Montecasino was, in addition, also impacted by very strong tables win in the first quarter of the prior year.

KwaZulu-Natal provincial gaming win grew by 1.9% for the year. Gaming win reduced by 2.3% at Suncoast Casino and Entertainment World and 8.8% at Blackrock Casino in Newcastle, impacted by disruptions to the local manufacturing industry in that area, but grew by 1.1% at Golden Horse Casino in Pietermaritzburg. Provincial gaming win statistics are not available from the gaming board for March 2018 and have been estimated.

Mpumalanga provincial gaming win was flat on the prior year. Gaming win growth of 0.2% was achieved at Emnotweni Casino in Nelspruit with a reduction at The Ridge Casino in Emalahleni of 0.9% impacted by economic disruptions to the local manufacturing industry in that area.

Eastern Cape provincial gaming win reduced by 0.4% on the prior year. Hemingways gaming win increased by 0.6% on the prior year.

The Western Cape reported growth in provincial gaming win of 1.1% for the year. The Garden Route Casino in Mossel Bay and Mykonos Casino in Langebaan reported growth of 4.1% and 10.2% respectively with the Caledon Casino, Hotel and Spa reducing by 2.7% on the prior year.

Goldfields Casino in Welkom in the Free State experienced difficult trading conditions but grew gaming win by 2.1% on the prior year.

Other Gaming division operations consisting of the Sandton Convention Centre, head office costs and dividend income reflected a net cost of R141 million, a decrease of R13 million on the prior year mainly due to four quarterly dividends received from SunWest in the current year where only three quarterly dividends were received in the prior year.

Overall income for the casino gaming division decreased 1% on the prior year to R9.0 billion. Ebitdar decreased 4% on the prior year to R3.4 billion at a margin of 37.7%, 1.1pp below the prior year with particularly good control on overheads mitigating the reduction in net gaming win.

Overall income for the Galaxy and Vukani ("Gameco") gaming businesses from 20 November 2017 was R263 million and R362 million respectively. Ebitdar was R69 million and R169 million respectively at a margin of 26.2% and 46.7% respectively.

Overall hotel industry occupancies in South Africa have reduced to 64.2% (2017: 65.2%) for the year. Occupancies in Cape Town have weakened, particularly during the last quarter as a result of the impact of the water crisis. Trading for the group's South African hotels for the year recorded system-wide revenue per available room ("RevPar") flat on the prior year due to flat average room rates at R1 066, with occupancies slightly up on the prior year at 64.7% (2017: 64.3%).

Overall revenue for the South African hotels division increased 8% on the prior year to R3.8 billion assisted by the inclusion of the Garden Court Umhlanga and the StayEasy Pietermaritzburg from October 2016, the consolidation of HPF from September 2016 and the opening of the SunSquare and StayEasy City Bowl hotels on 1 September 2017. Ebitdar increased by 8% on the prior year to R1.5 billion at a margin of 38.7% (2017: 38.7%).

The offshore division of hotels achieved total revenue of R565 million which was 11% down on the prior year 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 the US Dollar. Ebitdar (pre-foreign exchange gains/losses) decreased by 18% to R119 million. Foreign exchange gains of R1 million (2017: R38 million loss) were incurred on the translation of offshore monetary items, principally between local country currencies and the US Dollar.

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 year ended 31 March	**2018**	2017
Occupancy (%)	**63.5**	63.3
Average room rate (R)	**1 045**	1 063
RevPar (R)	**664**	672
Rooms available ('000)	**4 763**	4 578
Rooms sold ('000)	**3 024**	2 895
Rooms revenue (Rm)	**3 160**	3 078

The decrease in average room rate is impacted by US Dollar average rate weakness and effect of the Rand strength on the offshore portfolio.

Operating expenses including gaming levies and VAT and employee costs, but excluding exceptional items and long-term incentives, increased by 6% on the prior year mainly due to non-organic growth in the business as a result of acquisitions and expansions, offset by savings initiatives. Excluding the non-organic growth and foreign exchange gains/losses, operating expenses increased by only 1% due to tight overhead control. Non-organic represents all new business operations commencing during the current and prior year.

Property rentals at R282 million are 16% up on the prior year mainly due to the opening of the SunSquare and StayEasy Cape Town City Bowl hotels on 1 September 2017, offset by the renegotiation of the Southern Sun Nairobi lease.

Amortisation and depreciation at R912 million is 8% up on the prior year due mainly to the capital spend during the current and prior years.

The long-term incentive credit on the cash-settled incentive scheme of R24 million 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. A share price of R25.50 was used to value the liability at 31 March 2018.

Exceptional losses for the year of R439 million relate to fair value losses on the revaluation of investment properties of R191 million, mainly related to the non-Tsogo leased hotels in HPF, goodwill and intangible asset impairments of R112 million, preopening costs of R19 million, transaction costs of R33 million, restructure costs of R38 million and plant and equipment disposals and impairments of R70 million, mainly related to the Suncoast expansion, interest rate swap fair value adjustments of R2 million and fair value losses on non-current assets held for sale of R1 million, offset by previously impaired loans recovered net of impairments of R27 million. Exceptional gains for the prior year of R787 million relate to fair value gains on the revaluation of investment properties of R757 million related to the non-Tsogo leased hotels in HPF, the release of a fair value reserve for the available-for-sale HPF investment of R46 million, profit on sale of investment properties of R36 million related to the Inn on the Square disposed of by HPF and gains on bargain purchases of R82 million, offset by property, plant and equipment disposals and impairments and loan impairments of R94 million, including an impairment of the Southern Sun Ikoyi of R75 million, interest rate swap fair value adjustments of R6 million and transaction and restructure costs of R34 million.

Net finance costs of R1.2 billion are 13% above the prior year due to the increase in debt to fund the growth strategy.

The share of profit of associates and joint ventures of R63 million improved by R25 million on the prior year mainly due to earnings, including the group's share of exceptional gains of R15 million, from International Hotel Properties Limited and RBH Hotel Group Limited, the group's European hotel investments.

The effective tax rate, which excludes the group's share of profit of associates and joint ventures, for the year of 16.4% is impacted by the release of deferred tax liabilities of R307 million on the disposal of assets to HPF, tax exempt dividend income, pre-tax profits attributable to the HPF non-controlling interests due to its real estate investment trust ("REIT") tax status, offset by the non-deductible fair value losses on investment property referred to above and non-deductible expenditure such as casino building depreciation. The effective tax rate for the prior year of 18.1% is impacted by the non-taxable fair value gains on investment property and the gains on bargain purchases referred to above, the release of deferred tax liabilities of R56 million on the disposal of assets to HPF, tax exempt dividend income, pre-tax profits attributable to the HPF non-controlling interests due to its REIT tax 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 and the effective interest on the SunWest and Worcester acquisition.

Profit attributable to non-controlling interests of R187 million is R355 million below the prior year mainly due to the HPF non-controlling interests' share of the fair value losses on investment properties in the current year and gains in the prior year, offset by increased local currency profits at Southern Sun Ikoyi and Southern Sun Maputo due to foreign exchange losses in the prior year not repeated in the current year.

Group adjusted headline earnings for the year at R2.0 billion ended 1% below the prior year. The adjustments include the reversal of the post-tax impacts of the exceptional gains or losses noted above, in addition to the release of the deferred tax liabilities of R307 million noted in taxation above and the exceptional gains in the share of profit of associates and joint ventures, net of tax and non-controlling interests. The adjustments in the prior year include the reversal of the post-tax impacts of the exceptional gains or losses noted above, in addition to the reversal of the remeasurement of the Cullinan put option included in net finance costs, the release of deferred tax liabilities of R56 million noted in taxation above and the exceptional gains in the share of profit of associates and joint ventures, net of tax and non-controlling interests.

The number of shares in issue increased during the year on the acquisition of Gameco with the weighted average increasing by 4% and the resultant adjusted headline earnings per share is 5% down on the prior year at 197.8 cents per share.

Cash generated from operations for the year reduced by 8% on the prior year to R4.4 billion. Net finance costs increased by 7% due to the increase in net debt, taxation paid increased by 10% mainly due to refunds received from SARS in the prior year, dividends paid to shareholders and non-controlling interests increased by 8% and the prior year included a HPF pre-acquisition dividend paid of R133 million. Cash flows utilised for investment activities of R2.1 billion (net of the R1.0 billion rights issue in HPF) consisted mainly of replacement capital expenditure and the acquisitions and investments described above.

Interest-bearing debt net of cash at 31 March 2018 totalled R12.5 billion, which is R0.4 billion above the 31 March 2017 balance of R12.1 billion, with R1.2 billion paid in dividends to group shareholders in addition to the investment activities during the year. The increase is mainly due to the additional funding for the group's expansion programme.

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 achieve. 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 internal restructuring and negotiations with HPF for the acquisition by HPF of certain of the casino precinct properties currently owned by the group in consideration for the issue by HPF of new shares in HPF, and the unbundling of the group's entire interest in HPF as announced on SENS on 2 March 2018 and updated on SENS on 18 April 2018;
- 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. The Western Cape Provincial Treasury published a draft Bill and Regulations intended to permit the relocation of outlying casinos to within the Metropole;
- the acquisition of additional hotel properties by International Hotel Properties Limited, which currently owns nine hotels in the United Kingdom, is anticipated in the future and the group may apply additional capital in this regard.

DIVIDEND

Subsequent to year end, the board of directors has declared a final gross cash dividend from income reserves in respect of the year ended 31 March 2018 of 70.0 (seventy) 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 Friday, 15 June 2018. The number of ordinary shares in issue at the date of this declaration is 1 059 189 290 (excluding treasury shares of 88 468 494). The dividend will be subject to a local dividend tax rate of 20%, which will result in a net dividend of 56.0 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 2018:

Last date to trade cum dividend	Tuesday, 12 June
Shares trade ex dividend	Wednesday, 13 June
Record date	Friday, 15 June
Payment date	Monday, 18 June

Share certificates may not be dematerialised or rematerialised during the period Wednesday, 13 June 2018 and Friday, 15 June 2018, both days inclusive. On Monday, 18 June 2018, 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 or desired, cheques dated 18 June 2018 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, 18 June 2018.

SUBSEQUENT EVENTS

The directors are not aware of any matter or circumstance arising since the end of the financial year, 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.

FORWARD-LOOKING INFORMATION DISCLAIMER

Any forward-looking information included in Prospects above has not been reviewed or reported on by the company's external auditors.

J Booysen
Chief Executive Officer
23 May 2018

RB Huddy
Chief Financial Officer

Independent auditor's review report on condensed consolidated financial statements

TO THE SHAREHOLDERS OF TSOGO SUN HOLDINGS LIMITED

We have reviewed the condensed consolidated financial statements of Tsogo Sun Holdings Limited, set out on pages 2 to 6 and pages 8 to 23 of the provisional report, which comprise the condensed consolidated balance sheet as at 31 March 2018 and the related condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated cash flow statement for the year then ended, and selected explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports, as set out in note 1 to the financial statements, and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express a conclusion on these financial statements. We conducted our review in accordance with International Standard on Review Engagements ("ISRE") 2410, which applies to a review of historical financial information performed by the independent auditor of the entity. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making enquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements of Tsogo Sun Holdings Limited for the year ended 31 March 2018 are not prepared, in all material respects, in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports, as set out in note 1 to the financial statements, and the requirements of the Companies Act of South Africa.

PricewaterhouseCoopers Inc.
Director: BS Humphreys
Registered Auditor
Johannesburg
23 May 2018

Notes to the reviewed condensed consolidated financial statements

for the year ended 31 March 2018

1 BASIS OF PREPARATION

The condensed consolidated financial statements for the year ended 31 March 2018 have been prepared in accordance with the requirements of the JSE Limited Listings Requirements ("Listings Requirements") for provisional reports and the requirements of the Companies Act of South Africa. The Listings Requirements require provisional reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements 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 the Financial Reporting Standards Council ("FRSC"). Chief Financial Officer, RB Huddy CA(SA), supervised the preparation of the condensed consolidated financial statements. The accounting policies applied in the preparation of the condensed consolidated financial statements are in terms of IFRS and are consistent with those applied in the previous consolidated annual financial statements as at 31 March 2017 other than as described in note 2. The condensed consolidated financial statements should be read in conjunction with the annual financial statements for the year ended 31 March 2017, which have been prepared in accordance with IFRS. These condensed consolidated financial statements for the year ended 31 March 2018 have been reviewed by PricewaterhouseCoopers Inc., and their unmodified review conclusion is included on page 7.

2 CHANGE IN ACCOUNTING POLICIES AND INTERPRETATIONS

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 2017, none of which had a material impact on the group.

IFRS 9 Financial Instruments

IFRS 9 *Financial Instruments* addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The group has reviewed its financial assets and financial liabilities and is expecting the following impact from the adoption of the new standard on 1 April 2018:

Classification and measurement

The majority of financial assets held by the group include:

- debt instruments – trade and other receivables – currently classified as loans and receivables and are measured at amortised cost. Trade and other receivables continue to qualify for measurement at amortised cost under IFRS 9 because they are held to collect contractual cash flows comprising principal and interest, therefore there is no change to the accounting for these assets; and
- an investment in unlisted equity instruments – these are currently classified as available-for-sale financial assets for which the fair value through other comprehensive income ("FVOCI") and fair value through profit or loss ("FVPL") election are available. The group has elected to measure equity instruments at FVOCI.

Accordingly, the group does not expect the new guidance to affect the classification and measurement of these financial assets. There will be no impact on the group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at FVPL and the group does not have any such liabilities. The derecognition rules have been transferred from IAS 39 *Financial Instruments: Recognition and Measurement* and have not been changed.

Hedge accounting

The new hedge accounting rules will align the accounting for hedging instruments more closely with the group's risk management practices. The group has confirmed that its current hedge relationships will qualify as continuing hedges upon the adoption of IFRS 9.

Impairment

Trade and other receivables is the most significant financial asset in the group that will be impacted. The provision matrix is used to calculate expected credit losses. The impact of forward-looking information is immaterial on trade receivables and as such no significant impact was noted on adoption.

Disclosure

The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the group's disclosures about its financial instruments particularly in the year of the adoption of the new standard.

Date of adoption

The impact of applying IFRS 9 will be adjusted against opening retained earnings on 1 April 2018 and comparatives will not be restated.

IFRS 15 Revenue from Contracts with Customers

As the group recognises significantly all of its revenue at a point in time, there will be no significant impact on the group's revenue recognition by the adoption of the new standard, IFRS 15 *Revenue from Contracts with Customers*. The impact on the group's customer loyalty programmes will also not be significant. IFRS 15 must be applied for financial years commencing on or after 1 January 2018. The group will apply the new standard from 1 April 2018.

IFRS 16 Leases

The group is in the process of assessing the possible impact of the application of IFRS 16 *Leases* which has been issued but is not effective at year end.

The Sandton Convention Centre and some hotel property leases (accounted for as operating leases), where the group is the lessee, will be mostly impacted. IFRS 16 must be applied for financial years commencing on or after 1 January 2019. The group will apply the new standard from 1 April 2019.

3 FAIR VALUE ESTIMATION

As shown below, the group fair values its investment properties, interest rate swaps and its available-for-sale investments. There were no transfers into or out of level 3 financial instruments.

3.1 Interest rate swaps

The fair value of the group's derivatives used for hedge accounting is a net liability of R135 million (31 March 2017: R51 million) and is calculated as the present value of the estimated future cash flows based on observable yield curves, which is consistent with the prior year.

The group has interest rate swaps that are effective with a fair value net liability of R133 million (2017: R50 million), as well as interest rate swaps from HPF that are not effective with a net liability of R2 million (2017: R1 million) being level 2 fair value measurements.

3.2 Investment properties

The movement of investment properties for the year is as follows:

	2018 Reviewed Rm	2017 Audited Rm
Opening net carrying amount	**4 969**	108
Acquisition and development of investment properties	**471**	92
Disposals	**–**	(106)
Acquisition of subsidiary (note 5)	**6**	4 185
Transfers	**–**	(67)
Fair value adjustments recognised in profit or loss	**(191)**	757
Closing net carrying amount	**5 255**	4 969

The group's investment properties have been categorised as level 3 values based on the inputs to the valuation technique used. The group has elected to measure investment properties at fair value. The fair value is determined by using the discounted cash flow method by discounting the rental income (based on expected net cash flows of the underlying hotels) after considering the capital expenditure requirements. The expected cash flows are discounted using an appropriate discount rate. The core discount rate is calculated using the R186 (long bond) at the time of valuation, to which is added premiums for market risk and equity and debt costs. The discount rate takes into account a risk premium associated with the local economy as well as that specific to the local property market and the hotel industry. At 31 March 2018, the group's investment properties were independently valued by professionally qualified valuers having recent experience in the locations and categories of the group's investment property being valued.

As at 31 March 2018 the significant unobservable inputs were as follows:
- A weighted average rental growth rate of 5.0% (2017: 5.5%);
- A terminal capitalisation rate of 7.23% – 8.07% (2017: 7.26%); and
- A risk-adjusted discount rate of 12.23% – 13.07% (2017: 12.76%).

The table below indicates the sensitivities of the aggregate investment property portfolio by increasing or decreasing value inputs as follows:

	2018		2017	
	Increase Rm	Decrease Rm	Increase Rm	Decrease Rm
5% change in the net cash flows	**282**	**(283)**	241	(241)
25bps change in the terminal capitalisation rate	**(121)**	**128**	(116)	118
50bps change in the discount rate	**(373)**	**326**	(203)	189

3.3 Available-for-sale investment

During the prior year, aligned with the group's 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 ("GPI") for the acquisition of a 20% equity interest in each of SunWest and Worcester. The group has pre-emptive rights but no representation on the board of directors of either company and has no operational responsibilities. The group 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 investment is remeasured and the increase or decrease recognised in other comprehensive income. The asset has been remeasured to R1 275 million at 31 March 2018. A discounted cash flow valuation was used to estimate the fair value. The valuation model considers the present value of net cash flows to be generated from SunWest and Worcester, together with its operating capital expenditure taking into account expected growth in gaming win and other revenue generated from non-gaming related activities. The expected net cash flows are discounted using a risk-adjusted discount rate. Among other factors, the discount rate estimation considers risks associated with the gaming and hospitality industry in which SunWest and Worcester operates.

As at 31 March 2018 the significant unobservable inputs were as follows:
- Expected gaming win growth between 4.3% and 6.3% (2017: 4.3% and 7.0%);
- Operating expenditure cost growth between 5.1% and 5.6% (2017: 5.5% and 6.5%);
- Risk-adjusted discount rate of 11.3% (2017: 12.3%); and
- Long-term growth rate of 5.6% (2017: 5.6%).

The table below indicates the sensitivities for the valuation by increasing or decreasing the above inputs by 1%:

	2018		2017	
	Increase Rm	Decrease Rm	Increase Rm	Decrease Rm
Expected gaming win growth	**281**	**(260)**	265	(245)
Operating expenditure cost growth	**(239)**	**221**	(203)	188
Risk-adjusted discount rate	**(208)**	**298**	(185)	251
Long-term growth rate	**178**	**(125)**	143	(106)
Total	**12**	**134**	20	88

3 FAIR VALUE ESTIMATION continued

3.3 Available-for-sale investment continued

SI put option

In terms of the acquisition agreement of the SunWest and Worcester interests, 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 the group'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 at 31 March 2018 (Rnil at 31 March 2017).

4 TRANSACTIONS WITH NON-CONTROLLING INTERESTS

The following transactions with non-controlling interests ("NCI") were concluded during the year under review:

4.1 Acquisition of 29 hotel properties by HPF from Tsogo Sun

HPF acquired two Tsogo Sun subsidiaries which in aggregate hold a portfolio of 29 hotel properties for an aggregate purchase consideration of R3.6 billion settled R1.03 billion in cash (by way of a renounceable rights offer to Hospitality shareholders) and R2.6 billion in shares. This transaction received shareholder approval at the HPF general meeting held on 10 July 2017. The impact of this transaction is a transaction with the NCI of HPF whereby NCI in HPF have been acquired and as a result the group's effective holding increased from 50.6% to 67.8% with effect from 10 July 2017. The overall value of the NCI acquired after also taking into account the effect of the rights issue below was R436 million and the consideration in hotel assets to HPF's NCI was R1.066 billion. The acquisition of the 29 hotel properties by HPF resulted in the deferred tax liability in Merway and Cullinan of R307 million being derecognised due to HPF's REIT tax status.

4.2 HPF rights issue

HPF shareholders were offered a total of 71 428 571 HPF shares ("rights offer shares") at an issue price of R14.00 per rights offer share in the ratio of 21.76820 rights offer shares for every 100 HPF shares held on the record date of the rights offer. As a result of 99.2% of the rights offer shares being subscribed for by third parties, the group's effective holding decreased from 67.8% (refer note above) to 59.4% in HPF with effect from 4 August 2017. The overall effect of this transaction with NCI is mentioned above.

The resulting transactions with NCI are as follows:

	Rm
Hotel assets sold to HPF	**2 626**
NCI share in hotel assets sold to HPF (40.6%)	**1 066**
Total consideration received from HPF	**(1 466)**
NCI acquired by Tsogo Sun through share issue from HPF to Tsogo Sun	**(436)**
Cash received from HPF	**(1 030)**
Gain in transacting with NCI in other reserves	**(400)**

4.3 Sandton Eye and Real Right of Extension

With effect 31 August 2017, HPF issued the last tranche of 2 150 856 shares to Savana Property Proprietary Limited ("Savana") as part settlement in terms of an agreement concluded with Savana to acquire various sections and exclusive use areas of the Sandton Eye sectional title scheme and an agreement with Sandton Isle Investments Proprietary Limited to acquire an existing real right of extension in the scheme for an aggregate purchase consideration of R302 million of which R271 million was settled in cash and 2 150 856 HPF shares were issued (Sandton Eye is part of Radisson Gautrain). As a result of this issue, the group's effective holding was diluted from 59.4% (refer note above) to 59.2%. The value acquired by non-controlling interests was R15 million.

5 COMMON CONTROL ACQUISITION

Acquisition of certain gaming businesses from Niveus Investments Limited ("Niveus")

Shareholders are referred to the various SENS announcements released by Tsogo Sun during the prior year together with the final SENS issued on 2 January 2018, in respect of, inter alia, the group's acquisition of the shares in Niveus Invest 19 Limited ("Gameco") the holding company of certain gaming businesses in the Niveus group. All conditions precedent to the transaction were fulfilled and/or waived and the transaction's effective date was 20 November 2017. In total, 50.8% of the shares were acquired from HCI with effect from 20 November 2017 and an offer to purchase the remaining 49.2% NCI was made on 15 November 2017. In consideration for their Gameco shares the NCI received one ordinary Tsogo Sun share ("consideration share") for every 2.875 Gameco shares or at their election, 20% in consideration shares (in the ratio of one consideration share for every 2.875 Gameco shares) and 80% of R9.796 per Gameco share in cash ("cash-based alternative').

The transaction is deemed to be a transaction under common control and consequently falls outside the scope of IFRS 3 *Business Combinations*. Tsogo Sun's accounting policy is to apply predecessor accounting to common control transactions. Common control accounting is applied as the purchase is from HCI, the company's controlling shareholder and under the predecessor accounting method, assets and liabilities acquired, including goodwill acquired, are recognised at the predecessor values with the difference between the acquisition value and the aggregate purchase consideration recognised as a separate reserve in equity.

The acquisition of Gameco is in keeping with the group's strategy of expanding its gaming operations. The identifiable assets less liabilities assumed at acquisition date is less than the value of the consideration paid at the date of acquisition, and therefore the group recognised a common control reserve in the statement of changes in equity of R3.2 billion:

	Rm
Property, plant and equipment	**468**
Investment properties	**6**
Goodwill	**48**
Other intangible assets	**10**
Other non-current assets	**3**
Deferred tax assets	**32**
Inventory	**8**
Other current assets	**170**
Cash and cash equivalents	**191**
Other non-current liabilities	**(6)**
Other current liabilities	**(391)**
Income tax liabilities	**(15)**
Total identifiable net assets assumed from Gameco	**524**
NCI	**38**
Total carried forward	**562**

5 COMMON CONTROL ACQUISITION continued

Acquisition of certain gaming businesses from Niveus Investments Limited ("Niveus") continued

	Rm
Total brought forward	**562**
Less: Purchase consideration	**(3 716)**
Consideration in the form of Tsogo Sun shares to HCI	**(1 625)**
Consideration in the form of Tsogo Sun shares to NCI	**(358)**
Consideration in the form of cash payable	**(1 733)**
Common control reserve arising on transaction	**(3 154)**
Net cash flow:	
Cash consideration to acquire Gameco	**(1 733)**
Add: Cash balances acquired with Gameco	**191**
Net outflow of cash	**(1 542)**

As part of this transaction the group paid an amount of R95 million for the purchase of Niveus Invest 1, which owns the Grand Oasis Casino "Kuruman", from Niveus which requires the approvals by the Northern Cape Gambling Board, and as these approvals had not been obtained by 31 March 2018, this payment has been accounted for as a prepayment.

Excluding the funding impact and by using the group's accounting policies, had the acquisition occurred on 1 April 2017, the group's income would have increased by R983 million and adjusted earnings would have increased by R157 million.

Transaction-related costs of R18 million were incurred during the year and recognised in other operating expenses in the income statement. R9 million share issue costs were also incurred and debited to the share premium account.

6 CHANGES IN INTEREST-BEARING BORROWINGS ARISING FROM FINANCING ACTIVITIES

Changes arising from financing activities for 2018 related to interest-bearing borrowings excluding bank overdrafts from short-term borrowings of R1 707 million (2017: R1 699 million), are as follows:

	Long-term Rm	**Short-term Rm**	Total Rm
Balance at 1 April 2017	9 439	3 399	12 838
Borrowings raised	5 961	533	6 494
Borrowings repaid	(2 602)	(2 997)	(5 599)
Currency translation	(129)	–	(129)
Other	(2)	6	4
Balance at 31 March 2018	**12 667**	**941**	**13 608**

7 OTHER SIGNIFICANT TRANSACTIONS

7.1 StayEasy Maputo hotel development

The development of the StayEasy Maputo hotel was substantially completed by the end of March 2018 and was included in plant, property and equipment categorised as "Property under construction" having a cost of R145 million, including capitalised finance costs of R9 million. The hotel commenced trading during April 2018.

7 OTHER SIGNIFICANT TRANSACTIONS continued

7.2 Cape Town City Bowl hotels

During September 2017, the new SunSquare and StayEasy City Bowl hotels in Cape Town commenced trading. Included in property rental costs are rentals of R28 million related to these new leased hotels.

7.3 Planned disposal of various casino properties to HPF

The group continues with the project of the internal restructuring and negotiations with HPF for the acquisition by HPF of certain of the casino precinct properties currently owned by the group in consideration for the issue by HPF of new shares in HPF, and the unbundling of the group's entire interest in HPF as announced on SENS on 2 March 2018 and updated on SENS on 18 April 2018. As the necessary shareholder approvals, which is a substantive condition for the transaction to take place, are not considered to be highly probable by the board of directors, these assets have not been classified as non-current assets held for sale.

8 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, other than the Gameco operations being included in the Gaming division with effect 20 November 2017 (the acquisition date – refer note 5).

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 earnings adjustments, impairments and fair value adjustments on non-current and current assets and liabilities. Interest income and finance costs are not included in the results for each operating segment as this is driven by the group treasury function which manages the cash and debt position of the group.

9 CAPITAL COMMITMENTS

The board has committed a total of R3.3 billion for replacement and expansion capital items at its gaming and hotel properties of which R2.3 billion is anticipated to be spent during the next financial year. R979 million of the committed capital expenditure has been contracted for.

10 CONTINGENT LIABILITIES

The group had no significant contingent liabilities as at 31 March 2018.

11 RELATED PARTY TRANSACTIONS

The group had no significant related party transactions during the year under review, other than the group concluding the common control acquisition of Gameco with Hosken Consolidated Investments Limited ("HCI") as noted in note 5.

12 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

Other than the dividend declaration noted below, no other events occurred after the balance sheet date.

Dividend declaration

Subsequent to the company's year end, on 23 May 2018, the board of directors declared a final gross cash dividend of 70 cents per share in respect of the year ended 31 March 2018. The aggregate amount of the dividend, which will be paid on 18 June 2018 out of retained earnings at 31 March 2018, not recognised as a liability at year end is R745 million.

Condensed consolidated income statement

for the year ended 31 March

	Change %	2018 Reviewed Rm	2017 Audited Rm
Net gaming win	6	**7 940**	7 483
Rooms revenue	3	**3 160**	3 078
Food and beverage revenue	9	**1 561**	1 434
Property rental income	23	**549**	445
Other revenue	(2)	**765**	782
Income	6	**13 975**	13 222
Gaming levies and value added tax		**(1 681)**	(1 557)
Property and equipment rentals		**(380)**	(303)
Amortisation and depreciation		**(912)**	(846)
Employee costs		**(3 184)**	(3 044)
Other operating expenses		**(3 965)**	(3 530)
Fair value adjustment of investment properties		**(191)**	757
Operating profit	(22)	**3 662**	4 699
Interest income		**72**	43
Finance costs		**(1 229)**	(1 066)
Share of profit of associates and joint ventures		**63**	38
Profit before income tax		**2 568**	3 714
Income tax expense		**(410)**	(665)
Profit for the year		**2 158**	3 049
Profit attributable to:			
Equity holders of the company		**1 971**	2 507
Non-controlling interests		**187**	542
		2 158	3 049
Number of shares in issue (million)		**1 059**	957
Weighted average number of shares in issue (million)		**994**	957
Basic and diluted earnings per share (cents)	(24)	**198.3**	262.0

Condensed consolidated statement of comprehensive income

for the year ended 31 March

	2018 Reviewed Rm	2017 Audited Rm
Profit for the year	**2 158**	3 049
Other comprehensive income for the year, net of tax		
Items that may be reclassified subsequently to profit or loss:	**(145)**	(194)
Cash flow hedges	**(83)**	(121)
Currency translation adjustments	**(86)**	(96)
Available-for-sale investment fair value adjustment	**3**	–
Income tax relating to items that may not subsequently be reclassified to profit or loss	**21**	23
Items that may not be reclassified subsequently to profit or loss:	**3**	2
Remeasurements of post-employment defined benefit liability	**4**	3
Income tax relating to items that may not subsequently be reclassified to profit or loss	**(1)**	(1)
Total comprehensive income for the year	**2 016**	2 857
Total comprehensive income attributable to:		
Equity holders of the company	**1 830**	2 315
Non-controlling interests	**186**	542
	2 016	2 857

Supplementary information

for the year ended 31 March

	Change %	2018 Reviewed Rm	2017 Audited Rm
Reconciliation of earnings attributable to equity holders of the company to headline earnings and adjusted headline earnings			
Profit attributable to equity holders of the company		**1 971**	2 507
Loss on disposal of property, plant and equipment		**2**	12
Impairment of property, plant and equipment		**68**	77
Gain on disposal of investment property		**–**	(36)
Fair value adjustment of investment properties		**191**	(757)
Impairment of goodwill		**20**	–
Impairment of casino licences and bid costs (intangibles)		**92**	1
Impairment of equity loan to associate		**7**	–
Fair value adjustment on non-current assets held for sale		**1**	–
Gain on deemed disposal of financial asset classified as available-for-sale		**–**	(46)
Gain on bargain purchases		**–**	(82)
Share of associates' headline earnings adjustments		**(7)**	2
Total tax effects of adjustments		**(31)**	(27)
Total non-controlling interest effects of adjustments		**(76)**	382
Headline earnings	10	**2 238**	2 033
Other exceptional items included in operating profit		**58**	44
Early debt settlement costs		**3**	–
Gain on remeasurement of put liability		**–**	(35)
Deferred tax liability derecognised on plant, property and equipment on sale to the group's REIT subsidiary		**(307)**	(56)
Deferred tax asset derecognised on foreign subsidiary assessed losses		**–**	19
Share of associates' exceptional items		**(8)**	(11)
Total tax effects of adjustments		**(16)**	–
Total non-controlling interest effects of adjustments		**(2)**	(7)
Adjusted headline earnings	(1)	**1 966**	1 987
Number of shares in issue (million)		**1 059**	957
Weighted average number of shares in issue (million)		**994**	957
Basic and diluted HEPS (cents)		**225.2**	212.4
Basic and diluted adjusted HEPS (cents)	(5)	**197.8**	207.6
Reconciliation of operating profit to Ebitdar[(1)]			
Ebitdar pre-exceptional items is made up as follows:			
Operating profit		**3 662**	4 699
Add:			
Property rentals		**282**	242
Amortisation and depreciation		**912**	846
Long-term incentive (credit)/expense		**(24)**	49
		4 832	5 836
Add/(less): Exceptional losses/(gains)		**439**	(787)
Loss on disposal of property, plant and equipment		**2**	12
Impairment of property, plant and equipment		**68**	77
Gain on disposal of investment property		**–**	(36)
Fair value adjustment of investment properties		**191**	(757)
Impairment of goodwill		**20**	–
Impairment of casino licences and bid costs (intangibles)		**92**	1
Impairment of equity loan to associate		**7**	–
Fair value adjustment on non-current assets held for sale		**1**	–
Gain on deemed disposal of financial asset classified as available-for-sale		**–**	(46)
Gain on bargain purchases		**–**	(82)
Fair value adjustment on interest rate swaps		**2**	6
Impairment of financial instruments, net of recoveries		**(34)**	4
Pre-opening expenses		**19**	–
Restructuring costs		**38**	7
Transaction costs		**33**	27
Ebitdar	4	**5 271**	5 049

[(1)] *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 year ended 31 March

	2018 Reviewed Rm	2017 Audited Rm
Cash flows from operating activities		
Operating profit	**3 662**	4 699
Non-cash movements	**1 623**	425
Increase in working capital	**(891)**	(348)
Cash generated from operations	**4 394**	4 776
Interest received	**72**	43
Finance costs paid	**(1 220)**	(1 119)
	3 246	3 700
Income tax paid	**(688)**	(627)
Dividends paid to shareholders	**(1 015)**	(975)
Dividends paid to non-controlling interests	**(161)**	(113)
Pre-acquisition dividend paid	**–**	(133)
Dividends received	**110**	134
Net cash generated from operating activities	**1 492**	1 986
Cash flows from investment activities		
Purchase of property, plant and equipment – expansionary	**(546)**	(665)
Purchase of property, plant and equipment – replacement	**(564)**	(573)
Proceeds from disposals of property, plant and equipment	**8**	1
Acquisition and development of investment properties	**(443)**	(92)
Proceeds from disposal of investment property	**–**	144
Purchase of intangible assets	**(20)**	(14)
Purchase of available-for-sale financial assets	**–**	(1 272)
Proceeds from disposal of non-current assets held for sale	**1**	–
Acquisition of Gameco, net of cash acquired	**(1 542)**	–
Acquisition of HPF, net of cash acquired	**–**	189
Acquisition of Umhlanga and Pietermaritzburg businesses	**–**	(310)
Loans repaid by associates	**–**	3
Other loans granted	**–**	(2)
Net cash utilised for investment activities	**(3 106)**	(2 591)
Cash flows from financing activities		
Borrowings raised	**6 494**	4 156
Borrowings repaid	**(5 599)**	(2 651)
Treasury shares settled	**86**	–
Cash proceeds from rights issue to HPF non-controlling interests	**995**	–
Share issue expenses arising from the issue of shares for Gameco acquisition	**(9)**	–
Acquisition of non-controlling interests	**–**	(655)
Decrease in amounts due by share scheme participants	**1**	6
Net cash generated from financing activities	**1 968**	856
Net increase in cash and cash equivalents	**353**	251
Cash and cash equivalents at beginning of the year, net of bank overdrafts	**725**	479
Foreign currency translation	**(8)**	(5)
Cash and cash equivalents at end of the year, net of bank overdrafts	**1 071**	725

Condensed consolidated balance sheet

for the year ended 31 March

	2018 Reviewed Rm	2017 Audited Rm
ASSETS		
Non-current assets		
Property, plant and equipment	**16 038**	15 556
Investment properties	**5 255**	4 969
Goodwill and other intangible assets	**6 507**	6 567
Investments in associates and joint ventures	**641**	609
Available-for-sale financial assets	**1 275**	1 272
Non-current receivables	**66**	60
Deferred income tax assets	**142**	121
	29 924	29 154
Current assets		
Inventories	**119**	115
Trade and other receivables	**857**	682
Derivative financial instruments	**–**	14
Current income tax assets	**36**	78
Cash and cash equivalents	**2 778**	2 424
	3 790	3 313
Non-current assets held for sale	**66**	66
Total current assets	**3 856**	3 379
Total assets	**33 780**	32 533
EQUITY		
Capital and reserves attributable to equity holders of the company		
Ordinary share capital and premium	**6 636**	4 576
Other reserves	**(2 040)**	874
Retained earnings	**6 280**	5 321
Total shareholders' equity	**10 876**	10 771
Non-controlling interests	**3 318**	2 685
Total equity	**14 194**	13 456
LIABILITIES		
Non-current liabilities		
Interest-bearing borrowings	**12 667**	9 439
Derivative financial instruments	**132**	37
Deferred income tax liabilities	**1 670**	2 029
Provisions and other liabilities	**468**	511
	14 937	12 016
Current liabilities		
Interest-bearing borrowings	**2 648**	5 098
Trade and other payables	**1 876**	1 867
Current income tax liabilities	**125**	96
	4 649	7 061
Total liabilities	**19 586**	19 077
Total equity and liabilities	**33 780**	32 533

Condensed consolidated statement of changes in equity

	Ordinary share capital and premium Rm
Balance at 1 April 2016 (audited)	4 576
Total comprehensive income	–
Profit for the year	–
Other comprehensive income	–
Settlement of Cullinan put liability with non-controlling interests	–
Consideration to HPF non-controlling interests in hotels assets	–
Acquisition of non-controlling interests from HPF	–
Acquisition of Mykonos and Blackrock casinos' non-controlling interests	–
Ordinary dividends	–
Balance at 31 March 2017 (audited)	**4 576**
Total comprehensive income	–
Profit for the year	–
Other comprehensive income	–
Issue of ordinary share capital	1 974
Treasury shares settled	86
Consideration to HPF non-controlling interests in hotels assets	–
Acquisition of non-controlling interests from HPF	–
Consideration to HPF non-controlling interests – Sandton Isle	–
Common control reserve arising on acquisition of Gameco	–
Acquisition activity Gameco	–
Ordinary dividends	–
Balance at 31 March 2018 (reviewed)	6 636

Attributable to equity holders of the company

Other reserves Rm	Retained earnings Rm	**Total Rm**	Non-controlling interests Rm	**Total equity Rm**
(232)	3 974	**8 318**	654	**8 972**
(194)	2 509	**2 315**	542	**2 857**
–	2 507	**2 507**	542	**3 049**
(194)	2	**(192)**	–	**(192)**
493	(187)	**306**	(306)	**–**
968	–	**968**	353	**1 321**
–	–	**–**	1 592	**1 592**
(161)	–	**(161)**	(37)	**(198)**
–	(975)	**(975)**	(113)	**(1 088)**
874	**5 321**	**10 771**	**2 685**	**13 456**
(144)	1 974	**1 830**	186	**2 016**
–	1 971	**1 971**	187	**2 158**
(144)	3	**(141)**	(1)	**(142)**
–	–	**1 974**	–	**1 974**
–	–	**86**	–	**86**
(37)	–	**(37)**	1 067	**1 030**
436	–	**436**	(436)	**–**
(15)	–	**(15)**	15	**–**
(3 154)	–	**(3 154)**	–	**(3 154)**
–	–	**–**	(38)	**(38)**
–	(1 015)	**(1 015)**	(161)	**(1 176)**
(2 040)	6 280	**10 876**	3 318	**14 194**

Segmental analysis

for the year ended 31 March

	Income[1]	
	2018 Rm	2017 Rm
Casino gaming		
Montecasino	**2 625**	2 694
Suncoast	**1 681**	1 732
Gold Reef City	**1 497**	1 450
Silverstar	**686**	735
Golden Horse	**397**	392
Emnotweni	**381**	383
The Ridge	**381**	382
Hemingways	**314**	306
Garden Route	**235**	225
Mykonos	**183**	162
The Caledon	**177**	175
Blackrock	**160**	170
Goldfields	**135**	133
Alternative gaming[3]		
Galaxy	**263**	n/a
Vukani	**362**	n/a
Other gaming operations	**184**	195
Total gaming operations	**9 661**	9 134
South African hotels division[4]	**3 799**	3 509
Offshore hotels division	**565**	635
Pre-foreign exchange gains/(losses)		
Foreign exchange gains/(losses)		
Corporate[4][5]	**(50)**	(56)
Group	**13 975**	13 222

[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] Gaming division includes Galaxy and Vukani ("Gameco") with effect from 20 November 2017 – refer note 5

[4] Includes R50 million (2017: R55 million) intergroup management fees

[5] Includes the treasury and management function of the group

Ebitdar[2]		Ebitdar margin		Amortisation and depreciation	
2018 Rm	2017 Rm	**2018 %**	2017 %	**2018 Rm**	2017 Rm
1 135	1 196	**43.3**	44.4	**111**	111
752	810	**44.7**	46.8	**84**	88
569	549	**38.0**	37.9	**118**	109
212	248	**30.9**	33.7	**80**	82
177	176	**44.6**	44.8	**31**	34
136	145	**35.7**	37.9	**28**	29
145	147	**38.0**	38.6	**30**	29
97	95	**30.8**	31.2	**38**	40
99	96	**41.9**	42.8	**16**	15
86	72	**47.2**	44.5	**11**	11
49	54	**28.0**	30.6	**11**	10
54	65	**33.6**	37.9	**12**	12
38	41	**28.5**	31.0	**12**	10
69	n/a	**26.2**	n/a	**12**	n/a
169	n/a	**46.7**	n/a	**34**	n/a
(141)	(154)			**13**	14
3 646	3 540	**37.7**	38.8	**641**	594
1 470	1 359	**38.7**	38.7	**231**	213
120	108	**21.2**	17.0	**38**	35
119	*146*	***21.1***	*23.0*		
1	*(38)*				
35	42			**2**	4
5 271	5 049	**37.7**	38.2	**912**	846

DIRECTORS: JA Copelyn (Chairman)*
J Booysen (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)

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MONTECASINO SUNCOAST Gold Reef City SILVERSTAR THE RIDGE EMNOTWENI GOLDEN HORSE
HEMINGWAYS GARDEN ROUTE GOLDFIELDS BLACKROCK THE CALEDON MYKONOS Galaxy BINGO
SLOTS Southern Sun SUN SQUARE Garden Court stayeasy SUN 1 Hospitality