

Income R5.4 billion **↑ 4%**  
 Ebitdar R2.0 billion **↓ 2%**  
 Adjusted earnings R0.9 billion **↓ 3%**  
 Adjusted HEPS **81 cents** unchanged from the prior period  
 Interim dividend per share **29 cents** unchanged from the prior period  
 Share buyback of **12%** of ordinary shares

## Review of operations

Trading during the first half of the financial year reflected continued pressure on the consumer due to the macro-economic environment and weak sentiment. Year-on-year growth was, however, achieved in both casino and hotel revenues and the trading results were positively impacted by the acquisition of the hotel assets from Liberty, noted below, and the acquisition in the prior year of a stake in Southern Sun Ikoyi offset by the closure of Southern Sun Maputo and Garden Court De Waal for refurbishment, the sale of Garden Court Sandton, the post-election and fiscal austerity impacts on government travel in South Africa, the impact of the Ebola epidemic on hotel occupancies mainly outside South Africa, and foreign exchange gains in the prior period.

Tsogo Sun has continued to allocate capital in terms of its growth strategy and accordingly has spent R4.7 billion during the period as follows:

- concluded agreements with Liberty Group Limited ("Liberty") for a 10% increase in the group's equity interest in The Cullinan Hotel Proprietary Limited ("Cullinan") to 60% and the acquisition by Cullinan of various hotel assets from Liberty. The net investment by the group is R762 million and the effective date of the transaction was 30 April 2014;
- acquired a 25% interest in Redefine BDL Hotel Group Limited for R145 million, a leading independent hotel management company in the United Kingdom with approximately 60 hotels under management, with effect from 1 May 2014;
- acquired the remaining 49% interest in Tsogo Sun One Monte Proprietary Limited, the Pivot office development, for R144 million with effect from 19 May 2014;
- completed the R206 million expansion of Emnotweni Casino, which included the construction of an expanded casino floor, additional gaming positions, additional covered parking, a conference and eventing area and restaurants. R16 million was spent during the period;
- completed the US\$30 million expansion of Southern Sun Maputo, including the addition of 111 rooms and conference facilities, the expansion of the existing restaurant, lobby and back-of-house facilities and the refurbishment of the existing 158 rooms. The hotel was closed from April 2014 and the refurbishment was completed during August 2014. R172 million was spent during the period;
- continued construction on the R560 million expansion and redevelopment of Silverstar Casino, which includes additional dining options, an outdoor events area, cinemas, 10-pin bowling alley, laser tag games, an expanded and enhanced casino floor and parking. R198 million was spent during the period and the project was completed during October 2014;
- continued the R630 million refurbishment and expansion of Gold Reef City Casino and Theme Park which will include an increased casino offering, cinemas and additional restaurants at the casino and additional food and beverage outlets and improved access systems at the Theme Park with an improved linkage to the casino complex and an expansion of the Apartheid Museum. R42 million was spent during the period;
- invested R391 million on maintenance capex group-wide, including gaming system replacements and major hotel refurbishments, ensuring our assets remain best in class; and
- in addition to the capital invested in the growth strategy, the group managed the exit of SABMiller PLC ("SABMiller") from its long-term 39.6% shareholding in the group, including a specific repurchase of 133.6 million Tsogo Sun Ordinary Shares for R2.8 billion on 28 August 2014. The shares were acquired at a price of R20.96 per share representing an 18.6% discount to the final book build price achieved on the sale of the SABMiller investment of R25.75 per share.

The group also opened the 353-roomed Southern Sun Abu Dhabi under management contract in the United Arab Emirates on 30 April 2014 and concluded a management agreement for a 150-room hotel in Tete Mozambique to be opened in the second quarter of 2015.

Total income for the six months of R5.4 billion ended 4% above the prior period with a disappointing 2% growth in gaming win assisted by a 6% growth in hotel rooms revenue and a 14% growth in food and beverage revenue. The resultant decline in earnings before interest, income tax, depreciation, amortisation, property rentals, long-term incentives and exceptional items ("Ebitdar") was limited to 2% at R2.0 billion for the six months.

The overall group Ebitdar margin of 35.9% is 2.3 percentage points down on the prior period. The underlying operations of the group remain highly geared towards the South African consumer (in gaming) and the corporate market (in hotels) with both sectors still experiencing difficult economic conditions and increased administered costs. The high level of operational gearing still presents significant growth potential of the group should these sectors of the South African economy improve.

Gaming win for the six months grew by 2% on the prior period with growth in slots win at 1% and tables win growth at 5%.

Gauteng recorded growth in provincial gaming win of 4.4% for the six months. Gaming win growth of 6.5% was achieved at Montecasino and 1.5% at Silverstar with gaming win at Gold Reef City reducing by 5.2% on the prior period. Silverstar was impacted by the expansion and redevelopment work and Gold Reef City was impacted by the change in the gaming system during June 2014 and the refurbishment and expansion work which will continue during the second half of the year.

KwaZulu-Natal provincial gaming win grew by 2.3% for the six months. Gaming win growth of 2.6% was achieved at Suncoast Casino and Entertainment World and 2.3% at Blackrock Casino in Newcastle with Golden Horse Casino in Pietermaritzburg 4.7% down on the prior period.

Mpumalanga reported growth in provincial gaming win of 2.3% for the six months. Gaming win growth of 1.1% was achieved at The Ridge Casino in Emalahleni and 4.6% at Emnotweni Casino in Nelspruit.

The Eastern Cape provincial gaming win grew by 3.6% for the six months. Hemingways gaming win reduced by 6.9% on the prior period impacted by the poor economic conditions in the East London area.

The Western Cape reported a pleasing growth in provincial gaming win of 11.5% for the six months. The Caledon Casino, Hotel and Spa, Garden Route Casino in Mossel Bay and Mykonos Casino in Langebaan reported growth of 26.2%, 0.6% and 10.4% respectively.

Goldfields Casino in Welkom in the Free State experienced difficult conditions with a reduction in gaming win of 5.2% on the prior period.

Other Gaming division operations consisting of the Sandton Convention Centre, the StayEasy Century City hotel and head office costs reflected a net cost of R96 million, R6 million favourable to the prior period.

Overall revenue for the Gaming division increased 3% on the prior period to R4.1 billion. Ebitdar was flat on the prior period at R1.6 billion at a margin of 38.9% (2013: 39.8%).

The recovery in the hotel industry in South Africa was negatively impacted by a significant reduction in government travel post-election. Overall industry occupancies improved to 60.1% (2013: 58.8%) for the period. As a result of the strong sales and distribution channels and the superior product and service quality available within the group, Tsogo Sun hotels continues to achieve an occupancy and rate premium in the segments in which the group operates, albeit at a reduced level as a result of the high exposure of the group to government travel.



Trading for the group's South African hotels for the six months recorded system-wide revenue per available room ("RevPar") growth of 4% on the prior period due to an increase in average room rates by 5% to R901, with occupancies below the prior period at 61.8% (2013: 62.5%). Overall revenue for the South African Hotel division increased 12% on the prior period to R1.1 billion assisted by the inclusion of the additional Cullinan hotels offset by the sale of Garden Court Sandton in December 2013 and the closure of Garden Court De Waal for four months during the period for refurbishment. Ebitdar increased by 4% on the prior period to R325 million at a margin of 28.7% (2013: 31.1%).

The Offshore division of hotels achieved total revenue of R251 million, representing a 2% reduction on the prior period due to the closure of Southern Sun Maputo for five months during the period for refurbishment and particularly the impact of the Ebola epidemic on trading and the uncertain political environment in certain countries. This was offset by the acquisition of Southern Sun Ikoyi on 29 June 2013 and the weakening of the Rand against both the US\$ and the Euro. Ebitdar (pre-foreign exchange losses/gains) decreased by 32% to R51 million. Foreign exchange losses of R3 million (2013: R29 million gain) were incurred on the translation of offshore monetary items.

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

for the period ended 30 September	2014	2013
Occupancy (%)	60.6	62.9
Average room rate (R)	899	869
RevPar (R)	545	546
Rooms available ('000)	2 065	1 940
Rooms sold ('000)	1 252	1 220
Rooms revenue (Rm)	1 126	1 060

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 increased offshore overheads as a result of the weakening of the Rand against both the US\$ and the Euro offset by savings initiatives.

Property rentals at R107 million are flat on the prior period mainly due to the sale of Garden Court Sandton. Amortisation and depreciation at R332 million is 3% up on the prior period due mainly to the capital spend during the period and the acquisition of Southern Sun Ikoyi and the hotels in Cullinan.

The long-term incentive expense on the cash-settled incentive scheme at R5 million is R80 million below the prior period charge and reflects the effect of the decreased long-term incentive liability (including dividend adjustments) at 30 September 2014 as a result of a lower closing share price.

Exceptional losses for the six months of R159 million relate mainly to the IFRS 2, share-based payment charge, on the executive facility amounting to R118 million, pre-opening costs of R18 million during the closure period of the hotels closed for refurbishment, property, plant and equipment and loan impairments and transaction and retrenchments costs on early retirements. Exceptional losses for the prior period of R75 million relate mainly to property, plant and equipment and loan impairments, fair value adjustment to the value of an associate and transaction and retrenchments costs on the restructure of various departments in the business.

Net finance costs of R268 million are 47% above the prior period due to the increase in debt and reduction in cash, to fund the growth strategy and the share buyback.

The share of profit of associates and joint ventures of R4 million improved by R7 million on the prior period mainly due to earnings from the Redefine BDL acquisition.

The effective tax rate for the six months of 31.8% (2013: 28.1%) is impacted by non-deductible expenditure such as casino building depreciation and the IFRS share-based payment charge and non-deductible foreign exchange losses offset by the tax holiday at Southern Sun Ikoyi.

Profit attributable to non-controlling interests of R24 million is 47% below the prior period mainly due to the acquisition of the additional 10% of Suncoast and the closure for refurbishment of Southern Sun Maputo offset by increased profits attributable to the Southern Sun Ikoyi non-controlling interests.

Group adjusted headline earnings for the six months at R866 million are 3% below the prior period. The number of shares in issue decreased due to the buyback of 133.6 million ordinary shares on 28 August 2014 and the resultant adjusted headline earnings per share was in line with the prior period at 80.9 cents per share.

Net cash generated from operations for the period reduced 3% on the prior period at R0.5 billion. Cash flows utilised for investment activities of R1.9 billion consisted mainly of maintenance capital expenditure and the acquisitions and investments described above.

Interest-bearing debt net of cash at 30 September 2014 totalled R9.3 billion, which is R4.9 billion above the 31 March 2014 balance of R4.4 billion, with R659 million paid in dividends to group and non-controlling shareholders in addition to the investment activities during the period. Additional banking facilities of R5.7 billion have been negotiated to fund the group's growth strategy and the tenure of the majority of the term loans have been extended to between 2020 and 2021.

## PROSPECTS

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

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

- the group has entered into a transaction with Sun International Limited and Grand Parade Investments Limited for the acquisition of a 40% equity interest in each of SunWest International Proprietary Limited and Worcester Casino Proprietary Limited for an aggregate R2 185 million. The acquisition is subject to the fulfilment of conditions precedent, which include the approvals of the provincial gambling and the competition authorities;
- the group has received the requisite regulatory approvals for a R1.8 billion expansion of the Suncoast Casino and Entertainment World. The expansion includes a 22 000m<sup>2</sup> destination retail mall, additional restaurants and entertainment offerings, a 2 000-seat multipurpose venue, resort style roof-top swimming pools, additional parking, an expansion of the casino floor to incorporate an additional 900 gaming machines and 16 gaming tables and an amount of R100 million available to be spent on charitable or social infrastructural developments in the KwaZulu-Natal province. Construction is expected to commence in 2015 with three years to completion;
- the group acquired the remaining 15% minority shareholding in the Garden Route Casino for R51 million during October 2014;
- the Mpumalanga Gaming Board has withdrawn the second request for proposal for the fourth licence. The group is pursuing a legal challenge in this regard; and
- 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 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 of 29.0 (twenty-nine) cents per share for the six months ended 30 September 2014. 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, 12 December 2014. There are no STC credits to be utilised. The number of ordinary shares in issue at the date of this declaration is 956 885 033 (excluding treasury shares). The dividend will be subject to a local dividend tax rate of 15%, which will result in a net dividend of 24.65 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 2014:

Last date to trade cum dividend	Friday, 5 December
Shares trade ex dividend	Monday, 8 December
Record date	Friday, 12 December
Payment date	Monday, 15 December

Share certificates may not be dematerialised or rematerialised during the period Monday, 8 December 2014 to Friday, 12 December 2014, both days inclusive. On Monday, 15 December 2014 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 15 December 2014 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, 15 December 2014.

## DIRECTORATE

The board is pleased to announce the appointment of Mrs BA Mabuza as an independent non-executive director with effect from 1 June 2014. Pursuant to the disposal of SABMiller's 39.6% interest in the group Messrs JS Wilson, MI Wyman, J Davidson and JA Mabuza all resigned with effect from 28 August 2014.

## SUBSEQUENT EVENTS

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

## PRESENTATION

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

**MN von Aulock**

Chief Executive Officer

**RB Huddy**

Chief Financial Officer

20 November 2014

## NOTES TO THE CONDENSED UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### 1 BASIS OF PREPARATION

The condensed unaudited consolidated interim financial statements for the six months ended 30 September 2014 have been prepared in accordance with the framework concepts and the recognition and measurement criteria of International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), the preparation and disclosure requirements of IAS 34 *Interim Financial Reporting*, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by Financial Reporting Standards Council, the Listings Requirements of the JSE Limited and the requirements of the Companies Act of South Africa. The accounting policies are consistent with IFRS as well as those applied in the most recent audited annual financial statements as at 31 March 2014 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 2014, which have been prepared in accordance with IFRS. This interim report has not been audited or reviewed by the company's auditors.

### 2 NEW ACCOUNTING STANDARDS

The group has adopted all the new, revised or amended accounting standards as issued by the IASB which were effective for the group from 1 April 2014, none of which had a material impact on the group.

### 3 BUSINESS COMBINATIONS

The following business acquisition was concluded during the six months under review:

#### Acquisition of businesses by The Cullinan Hotel Proprietary Limited

The Cullinan Hotel Proprietary Limited, a group subsidiary, concluded agreements with Liberty Group Limited ("Liberty") and Southern Sun Hotel Interests Proprietary Limited ("SSH"), also a group subsidiary, for the acquisition by Cullinan of various hotel assets from SSH and Liberty. The net investment by the group is R762 million and the effective date of the transaction was 30 April 2014.

The acquired hotels were previously managed by SSH and the acquisition thereof is in line with management's strategy to own its operations. The fair valuations of the net assets acquired are still in progress and are expected to equate to the fair values of the considerations paid at the date of acquisition, and therefore no provisional goodwill has arisen and no intangible assets have been identified on these acquisitions. The acquired businesses contributed incremental revenues of R71 million and adjusted earnings of R19 million to the group for the period from date of control to 30 September 2014. Had the acquisitions occurred on 1 April 2014, group income would have increased by an additional R86 million and adjusted earnings would have increased by an additional R24 million. These amounts have been calculated using the group's accounting policies.

The provisional fair value of net assets acquired is as follows:	Rm
Hotel property, plant and equipment	1 469
Net liabilities	(199)
Total identifiable net assets acquired	1 270
Purchase consideration (R762 million paid in cash, R508 million loan)	(1 270)
Provisional goodwill	–

# CONDENSED UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

for the six months ended 30 September 2014

www.tsogosun.com

## NOTES TO THE CONDENSED UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS continued

### 4 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.

### 5 DERIVATIVE FINANCIAL INSTRUMENTS

Tsogo Sun has a call option over Liberty's 40% shareholding in The Cullinan Hotel Proprietary Limited and Liberty has a corresponding put option, both exercisable at the fair value of the shares. A liability for the put option of R493 million and a corresponding debit in equity have been recognised. This option is the group's only level 3 instrument, the fair value of which was determined utilising a discounted cash flow valuation. In subsequent years the liability will be remeasured and the increase or decrease will be recognised in the income statement.

### 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. R926 million of the committed capital expenditure has been contracted for.

## CONDENSED CONSOLIDATED INCOME STATEMENT

for the six months ended 30 September

	Change %	2014 Unaudited Rm	2013 Unaudited Rm
Net gaming win	2	3 428	3 364
Rooms revenue	6	1 126	1 060
Food and beverage revenue	14	558	489
Other revenue		332	311
<b>Income</b>	4	<b>5 444</b>	<b>5 224</b>
Gaming levies and Value Added Tax		(711)	(694)
Property and equipment rentals		(134)	(135)
Amortisation and depreciation		(332)	(322)
Employee costs		(1 444)	(1 400)
Other operating expenses		(1 472)	(1 265)
<b>Operating profit</b>	(4)	<b>1 351</b>	<b>1 408</b>
Interest income		57	10
Finance costs		(325)	(192)
Share of profit of associates and joint ventures		4	(3)
<b>Profit before income tax</b>	(11)	<b>1 087</b>	<b>1 223</b>
Income tax expense		(344)	(345)
<b>Profit for the period</b>	(15)	<b>743</b>	<b>878</b>
<b>Profit attributable to:</b>			
Equity holders of the company		719	833
Non-controlling interests		24	45
		<b>743</b>	<b>878</b>
Number of shares in issue (million)		957	1 098
Weighted number of shares in issue (million)		1 071	1 098
Basic and diluted earnings per share (cents)	(12)	67.1	75.9

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 30 September

	2014 Unaudited Rm	2013 Unaudited Rm
<b>Profit for the period</b>	<b>743</b>	<b>878</b>
<b>Other comprehensive income for the period, net of tax</b>		
Items that may be reclassified subsequently to profit or loss:	17	113
Cash flow hedges	(38)	89
Currency translation adjustments	44	49
Income tax relating to items that may subsequently be reclassified	11	(25)
<b>Total comprehensive income for the period</b>	<b>760</b>	<b>991</b>
<b>Total comprehensive income attributable to:</b>		
Equity holders of the company	736	946
Non-controlling interests	24	45
	<b>760</b>	<b>991</b>

## SUPPLEMENTARY INFORMATION

for the six months ended 30 September

	Change %	2014 Unaudited Rm	2013 Unaudited Rm
<b>Reconciliation of earnings attributable to equity holders of the company to headline earnings and adjusted earnings<sup>(1)</sup></b>			
Earnings attributable to equity holders of the company		719	833
Loss on disposal of property, plant and equipment		1	-
Impairment of property, plant and equipment		3	7
Fair value loss on revaluation of previously held interest in associate		-	6
<b>Headline earnings</b>	(15)	<b>723</b>	<b>846</b>
IFRS 2 share-based payment expense – equity-settled		118	-
Other exceptional items		25	47
<b>Adjusted headline earnings</b>	(3)	<b>866</b>	<b>893</b>
Number of shares in issue (million)		957	1 098
Weighted number of shares in issue (million)		1 071	1 098
Basic and diluted HEPS (cents)		67.5	77.0
Basic and diluted adjusted HEPS (cents)	-	80.9	81.3
<sup>(1)</sup> Net of tax and non-controlling interests			
<b>Reconciliation of operating profit to Ebitdar</b>			
Group Ebitdar pre-exceptional items is made up as follows:			
Operating profit		1 351	1 408
Add:			
Property rentals		107	107
Amortisation and depreciation		332	322
Long-term incentive expense		5	85
		<b>1 795</b>	<b>1 922</b>
Add: Exceptional losses		159	75
Loss/(gain) on disposal of property, plant and equipment		1	(1)
Impairment of property, plant and equipment		5	10
Fair value loss on revaluation of previously held interest in associate		-	6
IFRS 2 share-based payment expense – equity-settled		118	-
Restructuring costs		8	45
Other adjustments		27	15
<b>Ebitdar</b>	(2)	<b>1 954</b>	<b>1 997</b>

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT

for the six months ended 30 September

	2014 Unaudited Rm	2013 Unaudited Rm
<b>Cash flows from operating activities</b>		
Profit before interest and income tax	1 351	1 408
Non-cash movements	592	571
Increase in working capital	(202)	(247)
Cash generated from operations	1 741	1 732
Interest received	57	11
Finance costs	(344)	(211)
	<b>1 454</b>	<b>1 532</b>
Income tax paid	(247)	(400)
Dividends paid to shareholders	(659)	(560)
Dividends paid to non-controlling interests	(1)	(8)
Dividends received	1	3
Net cash generated from operations	<b>548</b>	<b>567</b>
<b>Cash flows from investment activities</b>		
Purchase of property, plant and equipment	(865)	(679)
Proceeds from disposals of property, plant and equipment	2	3
Purchase of intangible assets	(6)	(8)
Purchase of investment property	-	(4)
Acquisition of subsidiaries, net of cash acquired	-	(513)
Acquisition of businesses	(762)	(67)
Acquisition of associate	(145)	-
Other loans and investments repaid/(made)	1	(16)
Net cash utilised for investment activities	<b>(1 775)</b>	<b>(1 324)</b>
<b>Cash flows from financing activities</b>		
Borrowings raised	3 465	1 165
Borrowings repaid	(311)	(169)
Shares repurchased	(2 819)	-
Treasury shares acquired	(200)	-
Acquisition of non-controlling interests	(144)	(381)
Decrease in amounts due by share scheme participants	2	4
Net cash (utilised in)/generated by financing activities	<b>(7)</b>	<b>619</b>
Net decrease in cash and cash equivalents	<b>(1 234)</b>	<b>(138)</b>
Cash and cash equivalents at beginning of period	1 715	750
Foreign currency translation	8	27
<b>Cash and cash equivalents, net of overdrafts, at end of period</b>	<b>489</b>	<b>639</b>

## 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
<b>Balance at 31 March 2013 (audited)</b>	4 768	3	130	(583)	3 997	<b>8 315</b>	807	<b>9 122</b>
Total comprehensive income	-	-	-	113	833	<b>946</b>	45	<b>991</b>
Share options exercised	1	-	-	-	-	<b>1</b>	-	<b>1</b>
Non-controlling interests arising on business combinations	-	-	-	-	-	-	164	<b>164</b>
Transactions with non-controlling interests	-	-	-	268	-	<b>268</b>	(286)	<b>(18)</b>
Ordinary dividends	-	-	-	-	(560)	<b>(560)</b>	(8)	<b>(568)</b>
<b>Balance at 30 September 2013 (unaudited)</b>	<b>4 769</b>	<b>3</b>	<b>130</b>	<b>(202)</b>	<b>4 270</b>	<b>8 970</b>	<b>722</b>	<b>9 692</b>
<b>Balance at 31 March 2014 (audited)</b>	4 771	3	130	(114)	5 000	<b>9 790</b>	732	<b>10 522</b>
Total comprehensive income	-	-	-	17	719	<b>736</b>	24	<b>760</b>
Shares repurchased and cancelled	(3)	-	-	-	(2 816)	<b>(2 819)</b>	-	<b>(2 819)</b>
Treasury shares acquired	(200)	-	-	-	-	<b>(200)</b>	-	<b>(200)</b>
Recognition of share-based payments	-	118	-	-	-	<b>118</b>	-	<b>118</b>
Transactions with non-controlling interests	-	-	-	(553)	-	<b>(553)</b>	(85)	<b>(638)</b>
Ordinary dividends	-	-	-	-	(659)	<b>(659)</b>	(1)	<b>(660)</b>
<b>Balance at 30 September 2014 (unaudited)</b>	<b>4 568</b>	<b>121</b>	<b>130</b>	<b>(650)</b>	<b>2 244</b>	<b>6 413</b>	<b>670</b>	<b>7 083</b>

## SEGMENTAL ANALYSIS

for the six months ended 30 September

	Income <sup>(1)</sup>		Ebitdar <sup>(2)</sup>		Ebitdar margin		Amortisation and depreciation	
	2014 Rm	2013 Rm	2014 Rm	2013 Rm	2014 %	2013 %	2014 Rm	2013 Rm
Montecasino	1 261	1 185	565	524	44.8	44.3	45	45
Suncoast	754	737	340	344	45.1	46.7	55	54
Gold Reef City	620	639	233	251	37.6	39.3	36	36
Silverstar	321	316	122	127	38.1	40.2	23	24
The Ridge	208	204	95	96	45.7	47.1	7	13
Emnotweni	176	163	72	72	41.1	44.4	11	7
Golden Horse	162	158	71	73	43.8	46.3	17	16
Hemingways	152	166	54	66	35.4	39.9	24	19
Garden Route	84	82	34	35	39.9	42.2	7	7
Blackrock	74	70	29	27	39.6	38.9	5	4
The Caledon	70	65	17	16	23.5	24.0	3	3
Mykonos	68	62	29	25	42.6	40.0	3	4
Goldfields	67	72	25	30	36.9	41.1	5	5
Other gaming operations	69	59	(96)	(102)			6	5
<b>Total gaming operations</b>	<b>4 086</b>	<b>3 978</b>	<b>1 590</b>	<b>1 584</b>	<b>38.9</b>	<b>39.8</b>	<b>247</b>	<b>242</b>
South African hotels division <sup>(3)</sup>	1 131	1 010	325	314	28.7	31.1	71	67
Offshore hotels division	251	256	48	104	19.1	40.6	11	12
Pre-foreign exchange (losses)/gains			51	75	20.3	29.3		
Foreign exchange (losses)/gains			(3)	29				
Corporate <sup>(3) (4)</sup>	(24)	(20)	(9)	(5)			3	1
<b>Group</b>	<b>5 444</b>	<b>5 224</b>	<b>1 954</b>	<b>1 997</b>	<b>35.9</b>	<b>38.2</b>	<b>332</b>	<b>322</b>

<sup>(1)</sup> 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.

<sup>(2)</sup> All casino units are reported pre-internal gaming management fees

<sup>(3)</sup> Includes R24 million (2013: R23 million) intergroup management fees

<sup>(4)</sup> Includes the treasury and management function of the group

**DIRECTORS:** JA Copelyn (Chairman)\* MN von Aulock (Chief Executive Officer) RB Huddy (Chief Financial Officer) MJA Golding\* BA Mabuza\*\* VE Mphande\* JG Ngcobo\*\* Y Shaik\* RG Tomlinson (Lead Independent)\*\*  
 (\*Non-executive Director \*\*Independent Director)  
**COMPANY SECRETARY:** GD Tyrrell  
**REGISTERED OFFICE:** Palazzo Towers East, Montecasino Boulevard, Fourways, 2055 (Private Bag X200, Bryanston, 2021)  
**TRANSFER SECRETARIES:** Link Market Services South Africa Proprietary Limited, 13th Floor, Rennie House, 19 Arneschoff Street, Braamfontein, 2001 (PO Box 4844, Johannesburg, 2000)  
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