

REVIEWED CONDENSED CONSOLIDATED FINANCIAL RESULTS

for the year ended 31 March 2016



Income R12.3 billion **↑ 8%**

Ebitdar R4.5 billion **↑ 8%**

Adjusted HEPS **196.5 cents ↑ 12%**

Final dividend per share **67.0 cents ↑ 12%**

 **TSOGO SUN**

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

www.tsogosun.com

COMMENTARY

REVIEW OF OPERATIONS

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

Tsogo Sun has continued to allocate capital in terms of its growth strategy and accordingly spent R2.0 billion during the year as follows:

- continued the R640 million refurbishment and expansion of Gold Reef City Casino and Theme Park which includes an increased casino offering, cinemas and additional restaurants at the casino and additional food and beverage outlets and improved access systems at the Theme Park, with an improved linkage to the casino complex and an expansion of the Apartheid Museum. Phase one of the project, which excludes the Theme Park, was completed in November 2015. R256 million was spent during the year;
- continued with the planning for the expansion of the Suncoast Casino and Entertainment World with construction anticipated to commence in mid-2016 with two years to completion. The investment in the expansion has been decreased to R2.1 billion and will include a 22 000m² destination retail mall, additional restaurants and entertainment offerings, additional parking, an expansion of the casino floor to incorporate an additional 900 gaming machines and 16 gaming tables. An amount of R100 million made available to be spent on charitable or social infrastructural developments in the KwaZulu-Natal province was paid in the prior year and forms part of the investment. R47 million was spent during the year;
- acquired 55% of the Hospitality Property Fund Limited ("HPF") B-linked units for R252 million in August 2015;
- acquired a 25% interest in International Hotel Group Limited (an associate), along with the major shareholders of Redefine BDL, for R315 million between September 2015 and March 2016. The property fund, which has a dual listing in Luxembourg and on the Johannesburg Stock Exchange, will pursue hotel opportunities in the United Kingdom and Europe, the hotels being managed by Redefine BDL; and
- invested R945 million on maintenance 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 R12.3 billion ended 8% above the prior year with a 6% growth in gaming win, assisted by a 13% growth in rooms revenue and a 12% growth in food and beverage revenue. Earnings before interest, income tax, depreciation, amortisation, property rentals, long-term incentives and exceptional items ("Ebitdar") at R4.5 billion for the year was 8% up on the prior year. The overall group Ebitdar margin of 37.0% is 0.2 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) 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 year grew by 6% on the prior year with growth in slots win at 4% and tables win at 11%. Gaming win for both slots and tables was impacted by lower win percentages with growth in slots handle at 7% and tables drop at 13% on the prior year.

Gauteng recorded provincial growth in gaming win of 3.7% for the year. Gaming win growth of 5.1% was achieved at Montecasino, 4.9% at Silverstar and 5.5% at Gold Reef City. Montecasino and Silverstar experienced reduced win percentages during the year and Gold Reef City was impacted by the refurbishment and expansion work which was completed in October 2015. Administered costs (property rates and water) at Silverstar increased by R11 million post the redevelopment.

KwaZulu-Natal provincial gaming win grew by 7.3% for the year. Gaming win growth of 7.1% was achieved at Suncoast Casino and Entertainment World, 8.8% at Blackrock Casino in Newcastle and 9.5% at Golden Horse Casino in Pietermaritzburg.

Provincial gaming win in Mpumalanga reduced 2.8% for the year. Gaming win growth of 2.2% was achieved at Emnotweni Casino in Nelspruit with a reduction of 7.4% experienced at The Ridge Casino in Emalahleni impacted by significant economic disruptions to the steel industry in that area. Emnotweni and The Ridge experienced reduced tables drop and reduced win percentages during the year.

The Eastern Cape provincial gaming win grew by 1.9% for the year. Hemingways gaming win decreased by 0.7% on the prior year, impacted by the poor economic conditions in the East London area.

The Western Cape reported growth in provincial gaming win of 3.8% for the year. The Caledon Casino, Hotel and Spa, Garden Route Casino in Mossel Bay and Mykonos Casino in Langebaan reported growth of 10.0%, 18.2% and 6.7% respectively, reflecting a strong performance of the leisure markets in these areas.

The Goldfields Casino in Welkom in the Free State experienced difficult conditions with gaming win 4.2% down on the prior year.

Other Gaming operations consisting of the Sandton Convention Centre and head office costs reflected a net Ebitdar loss of R233 million, R17 million adverse to the prior year.

Overall revenue for the Gaming division increased 7% on the prior year to R8.9 billion. Ebitdar increased 5% on the prior year to R3.4 billion at a margin of 38.5%, 0.7pp below the prior year due to increased administered costs (property rates, water and electricity) and the opening of additional profitable lower margin businesses.

COMMENTARY

REVIEW OF OPERATIONS continued

The hotel industry in South Africa continues to experience a subdued recovery from the dual impact of depressed demand and oversupply. Overall industry occupancies have improved to 63.8% (2015: 62.5%) for the year, but were adversely impacted by visa regulations which constrained growth. As a result of the strong sales and distribution channels and the superior product and service quality available within the group, Tsogo Sun hotels continue to achieve occupancy and rate premiums in the segments in which the group operates.

Trading for the group's South African hotels for the year recorded a system-wide revenue per available room ("RevPar") growth of 8% on the prior year due mainly to an increase in average room rates by 7% to R1 018, with occupancies above the prior year at 63.5% (2015: 62.8%). Overall revenue for the South African Hotel division increased 9% on the prior year to R2.7 billion, assisted by the inclusion of the additional Cullinan hotels for an additional month and the closure of Garden Court De Waal for refurbishment during the prior year, offset by the closure of the Riverside Sun and Sabi River Sun for refurbishment during the current year. Ebitdar improved 11% to R920 million at a margin of 33.5% (2015: 33.1%).

The Offshore division of hotels achieved total revenue of R691 million, representing a 25% increase on the prior year due to a recovery from the impact of the Ebola epidemic on trading and the closure of Southern Sun Maputo for refurbishment during the prior year. The result was further assisted by the weakening of the Rand against both the US Dollar and the Euro. Ebitdar (pre-foreign exchange losses) increased by 40% to R192 million. Foreign exchange losses of R23 million (2015: R21 million) 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 year ended 31 March | 2016 | 2015 |
|-----------------------------|-------|-------|
| Occupancy (%) | 62.5 | 61.6 |
| Average room rate (R) | 1 035 | 945 |
| RevPar (R) | 646 | 583 |
| Rooms available ('000) | 4 307 | 4 209 |
| Rooms sold ('000) | 2 691 | 2 595 |
| Rooms revenue (Rm) | 2 784 | 2 453 |

Operating expenses including gaming levies and VAT and employee costs but excluding property rentals, exceptional items and long-term incentives increased by 9% on the prior year. The increase was mainly due to non-organic growth in the business as a result of acquisitions and expansions, increased marketing, promotional and administered costs (property rates, water and electricity) and increased offshore overheads as a result of the weakening of the Rand against both the US Dollar and the Euro, offset by savings initiatives.

Property rentals at R219 million are 4% up on the prior year mainly due to the inclusion of Holiday Inn Sandton and Crowne Plaza Rosebank rentals effective 1 March 2016, contractual increases and the weakening of the Rand against the US Dollar, offset by the acquisition of the Garden Court Polokwane hotel building.

Amortisation and depreciation at R812 million is 11% up on the prior year due mainly to the capital spend during the current and the prior year and the acquisition of the hotels in Cullinan from Liberty.

The long-term incentive expense at R46 million is R49 million below the prior year charge and values the liability (including dividend adjustments) by reference to the company's share price which is adjusted for management's best estimate of the appreciation units expected to vest and future performance of the group.

Exceptional losses for the year of R58 million comprises the pre-opening costs of R12 million during the period hotels were closed for refurbishment, capital asset disposals and impairments and loan impairments of R26 million, transaction costs of R26 million and restructure costs of R2 million, net of the profit on disposal of an investment property of R8 million. Exceptional losses for the prior year of R143 million comprises the IFRS 2 *Share-based Payment* charge on the executive facility amounting to R118 million, pre-opening costs of R19 million during the period hotels were closed for refurbishment, capital asset disposals and impairments and loan impairments of R17 million, a marketing fee income write off of R16 million (refer associates and joint ventures below) and transaction and restructure costs of R11 million, offset by the gain recognised on the change in other long-term employee benefits of R38 million.

Net finance costs of R857 million are 26% above the prior year due to the increase in debt and reduction in net cash to fund the growth strategy and the share buy-back in the prior year, and a charge in respect of the Cullinan put option of R7 million (2015: R8 million credit).

The share of profit of associates and joint ventures of R29 million improved by R4 million on the prior year mainly due to a full year's earnings from Redefine BDL, offset by the group's share of a joint venture's marketing fee reversal of R20 million in the prior year.

COMMENTARY

REVIEW OF OPERATIONS continued

The effective tax rate for the year at 30.4% is impacted by the increase in the Capital Gains Tax ("CGT") inclusion rate on deferred tax of R54 million and non-deductible expenditure such as casino building depreciation, offset by foreign exchange losses on the US Dollar denominated loans in the local currencies. The comparative effective tax rate of 28.8% was impacted by non-deductible expenditure such as casino building depreciation, non-deductible foreign exchange losses and the IFRS share-based payment charge, offset by the tax holiday at Southern Sun Ikoyi.

Profit attributable to non-controlling interests of R18 million is R16 million below the prior year mainly due to the prior year acquisition of 15% of Garden Route Casino, 49% of One Monte and reduced profits at Southern Sun Maputo due to local currency losses on the US Dollar denominated loans and at Cullinan due to an adjustment in the interest rate on shareholders' loans, and the increased deferred tax charge referred to above.

Group adjusted headline earnings for the year ended 31 March 2016 at R1.9 billion are 6% above the prior year. The adjustments include the reversal of the post-tax impacts of the exceptional losses noted above in addition to the reversal of the remeasurement of the Cullinan put option in finance costs and the CGT inclusion rate deferred tax adjustment referred to above, net of non-controlling interests. The weighted average number of shares in issue decreased due to the buy-back of 133.6 million ordinary shares on 28 August 2014 and the resultant adjusted headline earnings per share is 12% up on the prior year at 196.5 cents.

Cash generated from operations for the year improved by 13% on the prior year to R4.4 billion. Cash flows utilised for investment activities of R2.0 billion consisted mainly of maintenance capital expenditure and the acquisitions and investments described above.

Interest-bearing debt, net of cash, at 31 March 2016 totaled R9.2 billion, in line with 31 March 2015, with R878 million paid in dividends to shareholders in addition to the investment activities during the year.

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. However, the fourth quarter of the financial year was strong in both the Gaming and particularly the SA hotel environment. The sustainability of this performance is uncertain and 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 instill in areas ranging from visa regulations to gaming taxes and administered costs. Nevertheless, the group remains highly cash generative and is confident in achieving attractive returns from the growth strategy once the macro-economic environment improves.

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

- the group has entered into a transaction with Sun International Limited and Grand Parade Investments Limited for the acquisition of a 20% equity interest in each of SunWest International Proprietary Limited and Worcester Casino Proprietary Limited for an aggregate R1.35 billion;
- as previously noted, agreement has been reached with HPF to acquire a controlling stake through the injection of appropriate hotel assets having a value such that the issue of shares to the group at the time will result in the group owning not less than 50% of the shares following the reconstitution of HPF's capital into a single class of shares. All resolutions required in order to approve the transaction were passed by the requisite majority of shareholders at the general meeting of HPF shareholders held on Monday, 11 April 2016. The acquisition is subject to the fulfilment of conditions precedent, which include the approvals of the competition authorities. The Competition Commission Tribunal hearing is scheduled for August 2016;
- agreement has been reached for the further acquisition of two hotels from Liberty by Cullinan, being the Garden Court Umhlanga and the StayEasy Pietermaritzburg for R310 million. Regulatory approval has been received and control will follow transfer, expected in the next few months;
- 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; and
- the Mpumalanga Gambling Board withdrew the second request for proposal for the fourth licence. The group is pursuing a legal challenge in this regard.

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

DIVIDEND

Subsequent to year end, the board of directors has declared a final gross cash dividend in respect of the year ended 31 March 2016 of 67.0 (sixty-seven) 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, 17 June 2016. The number of ordinary shares in issue at the date of this declaration is 957 388 870 (excluding 91 792 519 treasury shares). The dividend will be subject to a local dividend tax rate of 15%, which will result in a net dividend of 56.95 cents per share to those shareholders who are not exempt from paying dividend tax. The company's tax reference number is 9250039717.

COMMENTARY

DIVIDEND continued

In compliance with the requirements of Strate, the electronic and custody system used by the JSE, the following dates are applicable in 2016:

| | |
|---------------------------------|------------------|
| Last date to trade cum dividend | Thursday, 9 June |
| Shares trade ex dividend | Friday, 10 June |
| Record date | Friday, 17 June |
| Payment date | Monday, 20 June |

Share certificates may not be dematerialised or rematerialised during the period Friday, 10 June 2016 and Friday, 17 June 2016, both days inclusive. On Monday, 20 June 2016, the cash dividend will be electronically transferred to the bank accounts of all certificated shareholders where this facility is available. Where electronic fund transfer is not available or desired, cheques dated 20 June 2016 will be posted on that date. Shareholders who have dematerialised their share certificates will have their accounts at their CSDP or broker credited on Monday, 20 June 2016.

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 condensed 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
25 May 2016

RB Huddy

Chief Financial Officer

INDEPENDENT AUDITOR'S REVIEW REPORT ON CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

TO THE SHAREHOLDERS OF TSOGO SUN HOLDINGS LIMITED

INTRODUCTION

We have reviewed the condensed consolidated financial statements of Tsogo Sun Holdings Limited, set out on pages 1 to 7 and 9 to 18 of the provisional report, which comprise the condensed consolidated balance sheet as at 31 March 2016 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.

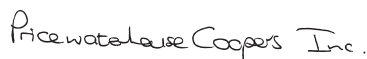
AUDITOR'S RESPONSIBILITY

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 inquiries 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 2016 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: P Calicchio

Registered Auditor

Johannesburg

25 May 2016

NOTES TO THE REVIEWED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2016

1 BASIS OF PREPARATION

The condensed consolidated financial statements for the year ended 31 March 2016 have been prepared in accordance with the requirements of the JSE Limited 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") and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 *Interim Financial Reporting*. 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 2015 other than as mentioned below. The condensed consolidated financial statements should be read in conjunction with the annual financial statements for the year ended 31 March 2015, which have been prepared in accordance with IFRS. These condensed consolidated financial statements for the year ended 31 March 2016 have been reviewed by PricewaterhouseCoopers Inc., and their unmodified review conclusion is included on page 8.

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 2016 as noted below.

The adoption of the improvements made in the 2010 – 2012 Cycle and 2011 – 2013 Cycle will require additional disclosures in the group's annual financial statements. Other than that, the adoption of these amendments did not have any impact on the current period or any prior period and is not likely to affect future periods. No other changes to accounting standards had any impact on the current period or any prior period and are not likely to affect future periods.

3 FINANCIAL INSTRUMENTS

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

Interest rate swaps

The group has interest rate swaps, being level 2 fair value measurements. The fair value of the interest rate swap asset of R72 million (2015: R90 million liability) is calculated as the present value of the estimated future cash flows based on observable yield curves.

Available-for-sale investment

During August 2015, the group acquired 55% of HPF's, a listed entity on the Johannesburg Stock Exchange, B-linked units for R252 million (currently 27.3% of the voting rights) which equated to the investment's fair value at 31 March 2016 based on the entity's listed share price at that date. This investment is classified as a level 1 fair value measurement. This acquisition has been accounted for as an available-for-sale investment as the group currently has no significant influence over the financial and operating decisions of HPF.

3 FINANCIAL INSTRUMENTS continued

Put option

During the prior year the group entered into a call option over Liberty's 40% shareholding in Cullinan and Liberty has a corresponding put option, both exercisable at the fair value of the shares. A financial liability for the put option and a corresponding debit to transactions with non-controlling interest was recognised on initial recognition. At the end of each reporting period the liability is remeasured and the increase or decrease recognised in the income statement. The non-current liability, included in derivative financial instruments, has been remeasured to R492 million at 31 March 2016 (2015: R485 million) with the increase of R7 million (2015: R8 million decrease) recognised in finance costs. A discounted cash flow valuation was used to estimate the liability.

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 ("CEO") and the Group Executive Committee ("GEC"). Management has determined the operating segments based on the reports reviewed by the chief operating decision maker.

There has been no change in the basis of segmentation or in the basis of measurement of segment profit or loss from the last annual financial statements.

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 assets and liabilities and other exceptional items. 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.

5 BUSINESS COMBINATIONS

The group entered into management and lease agreements for the Holiday Inn Sandton and the Crowne Plaza Rosebank hotels currently owned by HPF. The group acquired the shares in Majormatic 194 Proprietary Limited (the lessee) and the management contracts from Extrabold Hotel Management Proprietary Limited for R15 million, being the fair value of the net assets acquired resulting in no goodwill arising on the transaction. The effective date of the transaction was 1 March 2016.

6 CAPITAL COMMITMENTS

The board has committed a total of R4.9 billion for maintenance and expansion capital items at its gaming and hotel properties of which R2.8 billion is anticipated to be spent during the next financial year. R506 million of the committed capital expenditure has been contracted for.

CONDENSED CONSOLIDATED INCOME STATEMENT

for the year ended 31 March

| | Change % | 2016 Reviewed Rm | 2015 Audited Rm |
|--|-------------|------------------------|-----------------------|
| Net gaming win | 6 | 7 361 | 6 976 |
| Rooms revenue | 13 | 2 784 | 2 453 |
| Food and beverage revenue | 12 | 1 353 | 1 203 |
| Other revenue | | 785 | 711 |
| Income | 8 | 12 283 | 11 343 |
| Gaming levies and Value Added Tax | | (1 531) | (1 450) |
| Property and equipment rentals | | (287) | (276) |
| Amortisation and depreciation | | (812) | (733) |
| Employee costs | | (2 871) | (2 816) |
| Other operating expenses | | (3 374) | (3 026) |
| Operating profit | 12 | 3 408 | 3 042 |
| Interest income | | 35 | 79 |
| Finance costs | | (892) | (760) |
| Share of profit of associates and joint ventures | | 29 | 25 |
| Profit before income tax | | 2 580 | 2 386 |
| Income tax expense | | (774) | (680) |
| Profit for the year | | 1 806 | 1 706 |
| Profit attributable to: | | | |
| Equity holders of the company | | 1 788 | 1 672 |
| Non-controlling interests | | 18 | 34 |
| | | 1 806 | 1 706 |
| Number of shares in issue (million) | | 957 | 957 |
| Weighted average number of shares in issue (million) | | 957 | 1 014 |
| Basic and diluted earnings per share (cents) | 13 | 186.8 | 164.9 |

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March

| | 2016 Reviewed Rm | 2015 Audited Rm |
|---|------------------------|-----------------------|
| Profit for the year | 1 806 | 1 706 |
| Other comprehensive income for the year, net of tax | | |
| Items that may be reclassified subsequently to profit or loss: | 332 | (13) |
| Cash flow hedges | 162 | (138) |
| Currency translation adjustments | 215 | 86 |
| Income tax relating to items that may subsequently be reclassified | (45) | 39 |
| Items that may not be reclassified subsequently to profit or loss: | 3 | 1 |
| Actuarial gains on post-employment benefit liability | 4 | 1 |
| Income tax relating to items that may not subsequently be reclassified | (1) | — |
| Total comprehensive income for the year | 2 141 | 1 694 |
| Total comprehensive income attributable to: | | |
| Equity holders of the company | 2 122 | 1 660 |
| Non-controlling interests | 19 | 34 |
| | 2 141 | 1 694 |

SUPPLEMENTARY INFORMATION

for the year ended 31 March

| | Change % | 2016 Reviewed Rm | 2015 Audited Rm |
|---|-------------|------------------------|-----------------------|
| Reconciliation of earnings attributable to equity holders of the company to headline earnings and adjusted headline earnings⁽¹⁾ | | | |
| Profit attributable to equity holders of the company | | 1 788 | 1 672 |
| Loss on disposal of property, plant and equipment | | 4 | 3 |
| Impairment of property, plant and equipment | | 5 | 7 |
| Impairment of intangibles | | 10 | – |
| Gain on disposal of investment property | | (7) | – |
| Headline earnings | 7 | 1 800 | 1 682 |
| Other exceptional items (net) included in operating profit | | 40 | 1 |
| IFRS 2 <i>Share-based Payment</i> expense – equity settled | | – | 118 |
| Loss/(gain) on remeasurement of put liability | | 5 | (6) |
| Change in capital gains tax inclusion rate on at acquisition assets of subsidiaries | | 36 | – |
| Share of joint venture's exceptional item | | – | (20) |
| Adjusted headline earnings | 6 | 1 881 | 1 775 |
| Number of shares in issue (million) | | 957 | 957 |
| Weighted average number of shares in issue (million) | | 957 | 1 014 |
| Basic and diluted HEPS (cents) | | 188.1 | 165.9 |
| Basic and diluted adjusted HEPS (cents) | 12 | 196.5 | 175.0 |
| ⁽¹⁾ Net of tax and non-controlling interests | | | |
| Reconciliation of operating profit to Ebitdar⁽²⁾ | | | |
| Ebitdar pre-exceptional items is made up as follows: | | | |
| Operating profit | | 3 408 | 3 042 |
| Add: | | | |
| Property rentals | | 219 | 210 |
| Amortisation and depreciation | | 812 | 733 |
| Long-term incentive expense | | 46 | 95 |
| | | 4 485 | 4 080 |
| Add: Exceptional losses, net of gains | | 58 | 143 |
| Loss on disposal of property, plant and equipment | | 5 | 4 |
| Impairment of property, plant and equipment | | 7 | 10 |
| Impairment of intangibles | | 10 | – |
| Gain on disposal of investment property | | (8) | – |
| Transaction costs | | 26 | 2 |
| Pre-opening expenses | | 12 | 19 |
| Impairment of financial instruments, net of recoveries | | 4 | 3 |
| Restructuring costs | | 2 | 8 |
| IFRS 2 <i>Share-based Payment</i> expense – equity settled | | – | 118 |
| Write-off of marketing fee income raised previously from joint venture | | – | 16 |
| Settlement fee paid on termination of tenant leases | | – | 1 |
| Gain recognised on the change in other long-term employee benefits | | – | (38) |
| Ebitdar | 8 | 4 543 | 4 223 |

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

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 March

| | 2016 Reviewed Rm | 2015 Audited Rm |
|---|------------------------|-----------------------|
| Cash flows from operating activities | | |
| Operating profit | 3 408 | 3 042 |
| Adjust for non-cash movements and dividends received | 1 265 | 1 312 |
| Increase in working capital | (297) | (488) |
| Cash generated from operations | 4 376 | 3 866 |
| Interest received | 31 | 74 |
| Finance costs paid | (832) | (789) |
| | 3 575 | 3 151 |
| Income tax paid | (657) | (537) |
| Dividends paid to shareholders | (878) | (939) |
| Dividends paid to non-controlling interests | – | (8) |
| Dividends received | 51 | 7 |
| Net cash generated from operations | 2 091 | 1 674 |
| Cash flows from investment activities | | |
| Purchase of property, plant and equipment | (1 377) | (1 610) |
| Proceeds from disposals of property, plant and equipment | 9 | 5 |
| Purchase of intangible assets | (10) | (136) |
| Development of investment property | (27) | (7) |
| Proceeds from disposal of investment property | 19 | – |
| Purchase of available-for-sale financial assets | (252) | – |
| Acquisition of subsidiary, net of cash acquired | (12) | – |
| Acquisition of businesses | – | (762) |
| Acquisition of interest in associate | (315) | (145) |
| Other loans and investments repaid | 18 | 4 |
| Other loans and investments made | – | (5) |
| Net cash utilised for investment activities | (1 947) | (2 656) |
| Cash flows from financing activities | | |
| Borrowings raised | 485 | 5 155 |
| Borrowings repaid | (1 061) | (1 810) |
| Shares repurchased | – | (2 819) |
| Treasury shares acquired | – | (200) |
| Acquisition of non-controlling interests | – | (196) |
| Decrease in amounts due by share scheme participants | 9 | 15 |
| Net cash (utilised for)/generated from financing activities | (567) | 145 |
| Net decrease in cash and cash equivalents | (423) | (837) |
| Cash and cash equivalents at beginning of the year, net of bank overdrafts | 883 | 1 715 |
| Foreign currency translation | 19 | 5 |
| Cash and cash equivalents at end of the year, net of bank overdrafts | 479 | 883 |

CONDENSED CONSOLIDATED BALANCE SHEET

as at 31 March

| | 2016 Reviewed Rm | 2015 Audited Rm |
|---|------------------------|-----------------------|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 14 370 | 13 470 |
| Investment property | 79 | 109 |
| Goodwill and other intangible assets | 6 582 | 6 596 |
| Investments in associates and joint ventures | 620 | 311 |
| Available-for-sale financial assets | 252 | – |
| Non-current receivables | 68 | 88 |
| Derivative financial instruments | 74 | 22 |
| Deferred income tax assets | 185 | 180 |
| | 22 230 | 20 776 |
| Current assets | | |
| Inventories | 125 | 108 |
| Trade and other receivables | 654 | 601 |
| Derivative financial instruments | 15 | – |
| Current income tax assets | 122 | 99 |
| Cash and cash equivalents | 2 492 | 3 048 |
| | 3 408 | 3 856 |
| Total assets | 25 638 | 24 632 |
| EQUITY | | |
| Capital and reserves attributable to equity holders of the company | | |
| Ordinary share capital and premium | 4 576 | 4 576 |
| Other reserves | (232) | (442) |
| Retained earnings | 3 951 | 2 917 |
| Total shareholders' equity | 8 295 | 7 051 |
| Non-controlling interests | 654 | 635 |
| Total equity | 8 949 | 7 686 |
| LIABILITIES | | |
| Non-current liabilities | | |
| Interest-bearing borrowings | 8 346 | 8 559 |
| Derivative financial instruments | 492 | 538 |
| Deferred income tax liabilities | 2 053 | 1 868 |
| Provisions and other liabilities | 509 | 501 |
| | 11 400 | 11 466 |
| Current liabilities | | |
| Interest-bearing borrowings | 3 394 | 3 700 |
| Derivative financial instruments | 17 | 59 |
| Trade and other payables | 1 240 | 1 144 |
| Provisions and other liabilities | 510 | 456 |
| Current income tax liabilities | 128 | 121 |
| | 5 289 | 5 480 |
| Total liabilities | 16 689 | 16 946 |
| Total equity and liabilities | 25 638 | 24 632 |

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| | Ordinary share capital and premium Rm |
|--|--|
| Balance at 31 March 2014 (audited) | 4 771 |
| Total comprehensive income | – |
| Profit for the year | – |
| Other comprehensive income | – |
| Shares repurchased and cancelled | (2) |
| Treasury shares acquired | (200) |
| Shares issued to share scheme participants | 8 |
| Share options lapsed | (1) |
| Recognition of share-based payments | – |
| Recognition of put liability with non-controlling interests | – |
| Transactions with non-controlling interests | – |
| Ordinary dividends | – |
| Balance at 31 March 2015 (audited) | 4 576 |
| Total comprehensive income | – |
| Profit for the year | – |
| Other comprehensive income | – |
| Transfer from share-based payment reserve to retained earnings | – |
| Ordinary dividends | – |
| Balance at 31 March 2016 (reviewed) | 4 576 |

Attributable to equity holders of the company

| Other reserves Rm | Retained earnings Rm | Total Rm | Non-controlling interests Rm | Total equity Rm |
|----------------------|-------------------------|--------------|---------------------------------|--------------------|
| 19 | 5 000 | 9 790 | 732 | 10 522 |
| (13) | 1 673 | 1 660 | 34 | 1 694 |
| – | 1 672 | 1 672 | 34 | 1 706 |
| (13) | 1 | (12) | – | (12) |
| – | (2 817) | (2 819) | – | (2 819) |
| – | – | (200) | – | (200) |
| – | – | 8 | – | 8 |
| – | – | (1) | – | (1) |
| 118 | – | 118 | – | 118 |
| (493) | – | (493) | – | (493) |
| (73) | – | (73) | (123) | (196) |
| – | (939) | (939) | (8) | (947) |
| (442) | 2 917 | 7 051 | 635 | 7 686 |
| 331 | 1 791 | 2 122 | 19 | 2 141 |
| – | 1 788 | 1 788 | 18 | 1 806 |
| 331 | 3 | 334 | 1 | 335 |
| (121) | 121 | – | – | – |
| – | (878) | (878) | – | (878) |
| (232) | 3 951 | 8 295 | 654 | 8 949 |

SEGMENTAL ANALYSIS

for the year ended 31 March

| | Income ⁽¹⁾ | |
|--|-----------------------|------------|
| | 2016 Rm | 2015 Rm |
| Montecasino | 2 674 | 2 510 |
| Suncoast | 1 701 | 1 581 |
| Gold Reef City | 1 380 | 1 270 |
| Silverstar | 735 | 676 |
| The Ridge | 391 | 415 |
| Emnotweni | 384 | 367 |
| Golden Horse | 369 | 334 |
| Hemingways | 318 | 310 |
| Garden Route | 218 | 188 |
| Blackrock | 168 | 152 |
| The Caledon | 163 | 149 |
| Mykonos | 156 | 145 |
| Goldfields | 134 | 138 |
| Other gaming operations | 109 | 100 |
| Total gaming operations | 8 900 | 8 335 |
| South African hotels division ⁽³⁾ | 2 744 | 2 506 |
| Offshore hotels division | 691 | 552 |
| <i>Pre-foreign exchange losses</i> | | |
| <i>Foreign exchange losses</i> | | |
| Corporate ⁽³⁾⁽⁴⁾ | (52) | (50) |
| Group | 12 283 | 11 343 |

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

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

⁽³⁾ Includes R53 million (2015: R50 million) intergroup management fees

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

| Ebitdar ⁽²⁾ | | Ebitdar margin | | Amortisation and depreciation | |
|------------------------|------------|----------------|-----------|-------------------------------|------------|
| 2016 Rm | 2015 Rm | 2016 % | 2015 % | 2016 Rm | 2015 Rm |
| 1 194 | 1 133 | 44.7 | 45.1 | 95 | 100 |
| 791 | 732 | 46.5 | 46.3 | 91 | 109 |
| 525 | 479 | 38.1 | 37.7 | 96 | 73 |
| 254 | 248 | 34.6 | 36.7 | 86 | 58 |
| 160 | 188 | 40.9 | 45.2 | 26 | 19 |
| 152 | 154 | 39.5 | 42.0 | 27 | 30 |
| 163 | 148 | 44.2 | 44.3 | 33 | 31 |
| 113 | 109 | 35.4 | 35.1 | 42 | 40 |
| 92 | 79 | 42.3 | 42.0 | 14 | 14 |
| 63 | 58 | 37.7 | 38.1 | 11 | 11 |
| 43 | 38 | 26.2 | 25.5 | 8 | 6 |
| 68 | 64 | 44.0 | 44.1 | 9 | 7 |
| 44 | 51 | 32.4 | 37.1 | 10 | 9 |
| (233) | (216) | | | 15 | 9 |
| 3 429 | 3 265 | 38.5 | 39.2 | 563 | 516 |
| 920 | 830 | 33.5 | 33.1 | 193 | 171 |
| 169 | 116 | 24.5 | 21.0 | 50 | 40 |
| 192 | 137 | 27.8 | 24.8 | | |
| (23) | (21) | | | | |
| 25 | 12 | | | 6 | 6 |
| 4 543 | 4 223 | 37.0 | 37.2 | 812 | 733 |

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 Ameshoff
 Street, Braamfontein, 2001 (PO Box 4844,
 Johannesburg, 2000)

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

