



Hosken Consolidated Investments Limited

(Incorporated in the Republic of South Africa)
(Registration number 1973/007111/06)
Share code: HCI ISIN: ZAE000003257
("HCI" or "the company" or "the group")

Group interim results for the six months ended 30 September 2004

The following are the unaudited results of the group for the six months ended 30 September 2004 together with the comparative figures:

ABRIDGED CONSOLIDATED INCOME STATEMENT

	Six months ended 30 September		Year ended 31 March
	2004 R'000	2003 R'000	2004 R'000
	(unaudited)	(unaudited)	(audited)
Revenue	634 859	304 848	862 598
– Continuing operations	634 859	304 848	877 969
– Discontinued	–	–	(15 371)
Operating expenses	(572 741)	(318 019)	(867 877)
– Continuing operations	(572 741)	(318 019)	(850 862)
– Discontinued	–	–	(17 015)
Operating profit/(loss)	62 118	(13 171)	(5 279)
Investment income	18 793	11 618	50 062
Finance costs	(347)	(2 879)	(22 621)
Share of associated companies' profits/(losses)	47 884	(533)	23 047
Negative goodwill released	109 036	–	31 981
Investment surplus	138 673	39 621	16 222
Recoupment of investments and goodwill	284	73 639	75 000
Profit before taxation	376 441	108 295	168 412
Taxation	8 040	6 101	43 549
Group profit	368 401	102 194	124 863
Attributable to minorities	(11 915)	(270)	7 159
Profit attributable to ordinary shareholders	356 486	101 924	132 022
<i>Reconciliation of headline profit/(loss)</i>			
Profit attributable to ordinary shareholders	356 486	101 924	132 022
Adjusted for:			
Investment surplus	(138 673)	(33 486)	(19 041)
Recoupment of investments and goodwill	(284)	(73 639)	(74 188)
Revaluation of investment properties	–	–	(1 617)
Negative goodwill released	(102 157)	–	(31 981)
Amortisation of goodwill	1 360	4 076	(2 328)
(Profit)/loss on sale of assets	(19 606)	(605)	112
Headline profit/(loss)	97 126	(1 730)	2 979
Earnings/(loss) per share (cents)			
– Basic	346,03	101,90	131,26
– Headline	94,28	(1,73)	2,96
Weighted average number of shares in issue ('000)	103 022	100 023	100 581
Actual number of shares in issue at end of period (net of treasury shares) ('000)	104 336	100 023	103 022
Diluted earnings/(loss) per share (cents)			
– Basic	309,16	91,16	117,50
– Headline	84,23	(1,55)	2,65
Weighted average number of shares			

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital R'000	Share premium R'000	NDR R'000	Accumulated profits R'000	Total R'000
Balances at 1 April 2003	25 005	474 743	624 586	(602 655)	521 679
<i>Share capital and premium</i>					
Shares issued	750	9 750	–	–	10 500
<i>Current operations</i>					
Profit for the year	–	–	–	132 022	132 022
Currency translation differences	–	–	(224)	–	(224)
Change in holdings in subsidiary companies	–	–	–	207	207
Transfer fair value adjustments on realisation	–	–	(15 749)	15 749	–
<i>Revaluation</i>					
Other transfers	–	–	(524 542)	524 542	–
Balances at 31 March 2004	25 755	484 493	84 071	69 865	664 184
<i>Share capital and premium</i>					
Shares issued	229	1 161	–	–	1 390
Shares released by share trust	100	760	–	–	860
Share issue costs	–	(25)	–	–	(25)
<i>Current operations</i>					
Profit for the period	–	–	–	356 486	356 486
Currency translation differences	–	–	2	–	2
Transfer fair value adjustments on realisation	–	–	(84 031)	84 031	–
	26 084	486 389	42	510 382	1 022 897

ABRIDGED CONSOLIDATED CASHFLOW STATEMENT

	Six months ended 30 September		Year ended 31 March
	2004 R'000	2003 R'000	2004 R'000
	(unaudited)	(unaudited)	(audited)
Cashflows from operating activities	29 043	203 286	298 423
Cashflows from investing activities	(84 796)	54 761	(240 790)
Cashflows from financing activities	(19 054)	(262 849)	(64 291)
(Decrease)/increase in cash and cash equivalents	(74 807)	(104 792)	(106 658)

in issue ('000)	103 022	100 023	100 581
Actual number of shares in issue at end of period (net of treasury shares) ('000)	104 336	100 023	103 022
Diluted earnings/(loss) per share (cents)			
– Basic	309,16	91,16	117,50
– Headline	84,23	(1,55)	2,65
Weighted average number of shares in issue ('000)	115 307	111 803	112 361

ABRIDGED CONSOLIDATED BALANCE SHEET

	30 September 2004 R'000 (unaudited)	31 March 2003 R'000 (unaudited)	31 March 2004 R'000 (audited)
ASSETS			
Non-current assets	719 323	419 625	409 621
Property, plant and equipment	396 734	66 138	121 971
Goodwill and trademark	8 865	–	9 979
Negative goodwill	–	–	(1 492)
Investments	313 724	353 487	279 163
Current assets	1 478 587	628 316	1 743 755
Total assets	2 197 910	1 047 941	2 153 376
EQUITY AND LIABILITIES			
Ordinary shareholders' equity	1 022 897	616 372	664 184
Minority shareholders' interest	177 227	157 290	230 142
Non-current liabilities and preference shares	82 937	29 216	38 619
Net financial liabilities	51 641	–	50 923
Deferred tax	49 514	15	16 857
Current liabilities	813 694	245 048	1 152 651
Total equity and liabilities	2 197 910	1 047 941	2 153 376
Net asset value per share (cents)	980	616	645
Actual number of shares in issue at end of period (net of treasury shares) ('000)	104 336	100 023	103 022

	2003 (unaudited) R'000	2003 (unaudited) R'000	2003 (audited) R'000
Cashflows from operating activities	29 043	203 286	298 423
Cashflows from investing activities	(84 796)	54 761	(240 790)
Cashflows from financing activities	(19 054)	(262 849)	(64 291)
(Decrease)/increase in cash and cash equivalents	(74 807)	(4 802)	(6 658)
Cash and cash equivalents			
At beginning of period	404 082	201 492	201 492
On acquisition/disposal of subsidiaries	210 345	–	209 248
At end of period	539 620	196 690	404 082

SEGMENT REPORT

The following are the summarised results for the various primary group segments for the interim period:

	Segment revenues R'000	Segment results R'000	Segment assets R'000	Segment liabilities R'000
Media and broadcasting	331 150	60 288	655 513	233 190
Financial services	47 197	17 475	709 683	437 439
Gaming and leisure	7 443	32 021	205 158	375
Information technology	–	679	18 628	–
Industrial	106 873	466	109 219	95 743
Transport	136 016	20 994	355 677	149 206
Other	6 180	224 563	144 032	81 833
	634 859	356 486	2 197 910	997 786

Taxation is included in other as follows:

Assets R2,441 million, liabilities R74,702 million and results R8,040 million

Included in other segment results is negative goodwill released of R89,38 million and the investment surplus of R138,67 million

No secondary segment report has been included as the group derives substantially all its revenues and income from within the Republic of South Africa.

COMMENTARY**REVIEW OF INVESTMENTS****Media and Broadcasting***Midi TV (Pty) Limited ("e-TV")*

e-TV has benefited from improved general economic conditions and favourable currency markets, with revenue growing significantly and a reduction in programming costs as compared to the comparative prior period.

e-TV contributed R61,05 million to group headline profits.

Africa-on-Air (Pty) Limited ("Africa-on-Air")

During the period under review shareholders approved the disposal by the group of its financial interest in Africa-on-Air for an amount of R180 million. Shareholders are referred to announcements made and the circular issued by the company for details of this disposal.

Gaming and Leisure*Vukani Gaming Corporation (Pty) Limited ("Vukani")*

Vukani operates limited payout gambling machines as a route operator under licence from three provincial gaming boards.

As was previously reported, expansion of trading operations continued at a slow pace. It is anticipated that this pace will increase in the coming period.

Vukani will require the injection of significant group cash resources during this initial roll-out phase. The directors of HCI are confident that once the business matures it will make a positive contribution to the group.

Tsogo Investment Holding Company (Pty) Limited ("TIH")

During the period under review the group increased its interest in TIH from 27,77% to 33,33%.

OPERATIONS AND RESULTS FOR THE PERIOD**Business operations**

The business operations of HCI include the making of investments in opportunities as identified by the board of directors and to add value to these investments over time. As such, HCI has consciously established itself and pursued an investment policy in terms of which it has endeavoured to maintain significant equity and capital participation in entrepreneurially run companies with significant growth potential. The investments are constantly reviewed and new ones sought to complement them. Your directors are confident that the group will deliver satisfactory growth in the future.

Accounting policies

The interim report to shareholders is prepared on the historical cost basis modified by the revaluation of investments and conforms with Statements of South African Generally Accepted Accounting Practice. The accounting policies of the group have been consistently applied.

Restatement of comparative figures

The group has consolidated the HCI Employee Trust (2001) in accordance with the JSE Securities Exchange SA's interpretation of the provisions of AC132. Accordingly, the comparative figures have been restated where necessary and fully diluted earnings per share are also presented.

Results for the period

The group reported headline earnings per share of 94,28 cents compared with the restated headline loss per share of 1,73 cents for the comparative period. This improvement is largely attributable to the improved performance of e-TV and the recognition for the first time of income from GABS and TIH. The investment surplus arose primarily from the disposal of the group's interest in Africa-on-Air, while negative goodwill released relates

