

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 ST	ATEMENT			CONSOLIDATED STATEME	NT OF CH	ANGES IN E	QUITY		
		nonths ended September 2003 R'000	Year ended 31 March 2004 R'000		Share capital R'000	Share premium R'000	4 NDR R'000	Accumulated profits R'000	R
	(unaudited)	(unaudited)	(audited)	Balances at 1 April 2003	25 005	474 743	624 586	(602 655)	521
Revenue	634 859	304 848	862 598	Share capital and premium					
 Continuing operations Discontinued 	634 859	304 848	877 969 (15 371)	Shares issued Current operations	750	9 750	-	-	1(
Operating expenses	(572 741)	(318 019)	(867 877)	Profit for the year Currency translation	-	-	-	132 022	132
 Continuing operations Discontinued 	(572 741)	(318 019)	(850 862) (17 015)	differences Change in holdings in	-	-	(224)	-	
Operating profit/(loss) Investment income	62 118 18 793	(13 171) 11 618	(5 279) 50 062	subsidiary companies Transfer fair value	-	-	-	207	
Finance costs Share of associated companies'	(347)	(2 879)	(22 621)	adjustments on realisation Revaluation	-	-	(15 749)	15 749	
profits/(losses)	47 884	(533)	23 047	Other transfers	-	-	(524 542)	524 542	
Negative goodwill released Investment surplus Recoupment of investments and goodwill	109 036 138 673 284	_ 39 621 73 639	31 981 16 222 75 000	Balances at 31 March 2004 Share capital and premium	25 755	484 493	84 071	69 865	66
Profit before taxation Taxation	376 441 8 040	108 295 6 101	168 412 43 549	Shares issued Shares released by	229	1 161	-	-	
Group profit	368 401	102 194	124 863	share trust	100	760	-	-	
Attributable to minorities	(11 915)	(270)	7 159	Share issue costs	-	(25)	-	-	
Profit attributable to ordinary shareholders	356 486	101 924	132 022	<i>Current operations</i> Profit for the period				356 486	356
Reconciliation of headline profit/(loss) Profit attributable to ordinary shareholders	356 486	101 924	132 022	Currency translation	_	-	- 2	300 400	300
Adjusted for:				Transfer fair value	-	_	2	-	
Investment surplus	(138 673)	(33 486)	(19 041)	adjustments on realisation	_	_	(84 031)	84 031	
Recoupment of investments and goodwill Revaluation of investment properties	(284)	(73 639) _	(74 188) (1 617)		26 084	486 389	42	510 382	1 022
Negative goodwill released Amortisation of goodwill	(102 157) 1 360	-	(31 981)	-					
(Profit)/loss on sale of assets	(19 606)	4 076 (605)	(2 328) 112						
Headline profit/(loss)	97 126	(1 730)	2 979	ABRIDGED CONSOLIDAT	ED CASH	FLOW STAT	EMENT		
Earnings/(loss) per share (cents) – Basic	346,03	101,90	131,26				Six months 30 Septer		(ear e 31 N
 Headline Weighted average number of shares 	94,28	(1,73)	2,96				2004 2000	2003 R'000	JIN
in issue ('000) Actual number of shares in issue at end	103 022	100 023	100 581			(unauc	lited) (un	audited)	(au
of period (net of treasury shares) ('000) Diluted earnings/(loss) per share (cents)	104 336	100 023	103 022	Cashflows from operating act	ivities	(84	796)	203 286 54 761	298 (24)
- Basic	309,16	91,16	117,50	Cashflows from financing activities		(19	054) (2	262 849)	(6
 Headline Weighted average number of shares 	84,23	(1,55)	2,65	(Decrease)/increase in cash	and		0.07)	(4.000)	

333091 HCI ENGLISH 06/1	2/2004 1:58 pm	Page 1 (1	1,2)
in issue ('000)	103 022	100 023	100 581
Actual number of shares in issue at e of period (net of treasury shares) ('		100 023	103 022
Diluted earnings/(loss) per share (cer			
– 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

30 September

2003

R'000

(unaudited)

419 625

66 138

353 487

628 316

616 372

157 290

245 048

100 023

1 047 941

29 216

15

616

1 047 941

2004

R'000

(unaudited)

719 323

396 734

313 724

1 478 587

2 197 910

1 022 897

177 227

82 937

51 641

49 514

980

813 694

104 336

2 197 910

8 865

(unaudited)	(unaudited)	(audited)
29 043	203 286	298 423
(84 796)	54 761	(240 790)
(19 054)	(262 849)	(64 291)
(74 807)	(4 802)	(6 658)
404 082	201 492	201 492
210 345	-	209 248
539 620	196 690	404 082
	29 043 (84 796) (19 054) (74 807) 404 082 210 345	29 043 203 286 (84 796) 54 761 (19 054) (262 849) (74 807) (4 802) 404 082 201 492 210 345 -

SEGMENT REPORT

Media Financ

Gamir

Inform

Indust

Transi

Other

31 March

2004

R'000

(audited)

409 621

121 971

9 979

(1 492)

279 163

1 743 755

2 153 376

664 184

230 142

38 619

50 923

16 857

645

1 152 651

2 153 376

103 022

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
a and broadcasting	331 150	60 288	655 513	233 190
cial services	47 197	17 475	709 683	437 439
ng and leisure	7 443	32 021	205 158	375
nation technology	-	679	18 628	-
trial	106 873	466	109 219	95 743
port	136 016	20 994	355 677	149 206
	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

ASSETS

Non-current assets

Negative goodwill

Investments

Total assets

Deferred tax

Current liabilities

Current assets

Property, plant and equipment Goodwill and trademark

EQUITY AND LIABILITIES

Net financial liabilities

Total equity and liabilities

Net asset value per share (cents)

Actual number of shares in issue at end

of period (net of treasury shares) ('000)

Ordinary shareholders' equity

Minority shareholders' interest

Non-current liabilities and preference shares

Midi TV (Ptv) 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.

ABRIDGED CONSOLIDATED BALANCE SHEET

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 (Ptv) Limited ("TIH")

During the period under review the group increased its interest in TIH from 27,77% to 5404 A T

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 333091 HCI ENGLISH 06/12/2004 1:58 pm Page 1 (1,3)

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 32,07% at a cost of R45 million. TIH owns 51% of Tsogo Sun Holdings (Pty) Limited ("Tsogo Sun"), thus giving the group an effective 16,35% interest in Tsogo Sun.

During the period under review TIH's equity accounted results contributed R22,62 million to group headline earnings.

Financial Services

Mettle Limited ("Mettle")

Mettle, which is again profitable after the disposal of the treasury operations, has performed in line with expectations and has contributed R7,01 million to group headline profit.

Subsequent to the period under review the group made a successful offer, in terms of Section 440 of the Companies Act, to acquire all of those Mettle shares not already owned by the group. Shareholders are referred to announcements made by the group for detailed results of the offer.

Transport

Golden Arrow Bus Services (Pty) Limited ("GABS")

During the period under review shareholders approved the acquisition by the group of GABS. Shareholders are referred to announcements made and the circular issued by the company for details of this acquisition.

The results of GABS, which were consolidated with those of the group for the second half of the period under review, contributed R21,9 million to group headline profit.

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 mainly to the acquisition of GABS.

PROPOSED DELISTING OF HCI AND OFFER TO ALL SHAREHOLDERS

The proposed delisting of the company was being held in abeyance until the finalisation of an application by a shareholder of HCI, in the High Court of South Africa. During the period under review your directors had taken a decision to cause the company to withdraw its opposition to the litigation. Consequently the company did not pursue its delisting proposal and instead applied to the JSE for the lifting of the suspension of the company's shares. The company's shares resumed trading on the JSE on 13 September 2004.

DIRECTORATE

The board is pleased to welcome JG Ngcobo as its newest member.

DISTRIBUTION TO SHAREHOLDERS

On 21 October 2004 the directors declared a dividend of ninety five cents per share.

In view of the fact that many of the larger businesses that the group is invested in are now profitable, the board has decided that it will make annual distributions to shareholders based on the year end audited results of the group.

For and on behalf of the board of directors.

MJA Golding Chairman JA Copelyn Chief Executive Officer

Durban

6 December 2004



(m) тотіч

Registered office: Suite 624, Office Tower, Overport City, 430 Ridge Road, Durban, 4001 (PO Box 70874, Overport City, 4067) Transfer secretaries: Computershare Investor Services 2004 (Pty) Ltd, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, Johannesburg, 2107) Directors: MA Golding (Chairman), JA Copelyn (Chief Executive Officer), VE Mphande, VM Engel*, MF Magugu*, JG Ngcobo*, AM Ntuli* *(non-executive) Company secretary: TG Govender

333091 HOSKENS INTERIMS 47x6 BLACK MOTIV VAL SPELL CHECKED 🗸 6 DECEMBER 2004 PROOF THREE