



Hosken Consolidated Investments Limited

UNAUDITED GROUP INTERIM RESULTS

for the six months ended 30 September 2007

DIRECTORS

Executive

Marcel Jonathan Anthony Golding
(Executive Chairman)

John Anthony Copelyn
(Chief Executive Officer)

Velaphi Elias Mphande

Andre van der Veen

Jabulane Albert Mabuza

Non-executive

Virginia Mary Engel

Mimi Freddie Magugu

Dr Moretlo Lynette Molefi *

Jabulani Geffrey Ngcobo *

Amon Malencane Ntuli

Yunis Shaik *

Independent non-executive

WEBSITE ADDRESS

www.hci.co.za

COMPANY REGISTRATION NUMBER

1973/007111/06

SHARE CODE

HCI ISIN: ZAE000003257

COMPANY SECRETARY AND REGISTERED OFFICE

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AUDITORS

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Registration number 1994/001166/21
42 Wierda Road West,
Wierda Valley,
Sandton, 2196

Private Bag X10046,
Sandton 2146

BANKERS

First National Bank of Southern Africa
Limited
Investec Bank Limited

SPONSOR

Investec Bank Limited
100 Grayston Drive
Sandton, Sandown, 2196

TRANSFER SECRETARIES

Computershare Investor Services Limited
8th Floor, 11 Diagonal Street
Johannesburg, 2001

P O Box 1053
Johannesburg, 2000



Hosken Consolidated Investments Limited

Highlights

20% increase in headline profit

53% increase in profit attributable to HCI shareholders

19% increase in headline earnings per share

www.hci.co.za

Abridged Consolidated Income Statement

	30 September 2007 R'000 (unaudited)	30 September 2006 R'000 (unaudited)	% Change	31 March 2007 R'000 (audited)
Revenue	2 537 660	1 191 514		3 150 228
Net gaming win	1 688 668	35 557		1 166 155
Net funding income	20 791	35 196		66 477
Group revenue	4 247 119	1 262 267	237%	4 382 860
Other income	44 188	-		3 864
Income	4 291 307	1 262 267		4 386 724
Expenses	(2 893 122)	(927 304)		(3 089 004)
EBIDTA	1 398 185	334 963	317%	1 297 720
Depreciation and amortisation	(237 695)	(41 817)		(212 442)
Operating profit	1 160 490	293 146		1 085 278
Investment income	32 030	71 727		138 628
Finance costs	(138 152)	(69 360)		(175 662)
Share of profits of associates and joint ventures	118 820	118 537		215 407
Negative goodwill released	2 836	-		-
Investment surplus	56 391	51 334		57 647
Fair value adjustments of investment properties	-	-		568
Fair value adjustments of investments	-	354		444
Impairment of goodwill & investments	-	(2 021)		(3 112)
Profit before taxation	1 232 415	463 717	166%	1 319 198
Taxation	(390 408)	(100 934)		(370 079)
Profit for the year from continuing operations	842 007	362 783	132%	949 119
Discontinued operations	(3 504)	-		3 630
Profit for the period	838 503	362 783	131%	952 749
Attributable to:				
Equity holders of the parent	423 328	276 998	53%	574 737
Minority interest	415 175	85 785	384%	378 012
	838 503	362 783		952 749

	30 September 2007 R'000 (unaudited)	30 September 2006 R'000 (unaudited)	% Change	31 March 2007 R'000 (audited)
Reconciliation of headline earnings				
Earnings attributable to equity holders of the parent	423 328	276 998		574 737
Investment surplus	(56 348)	(51 334)		(57 749)
Impairment of goodwill & investments	-	2 021		3 112
Revaluation of investment properties	-	-		777
Negative goodwill on acquisition of subsidiary	(2 836)	-		-
IAS 16 gains on the disposal of plant and equipment	(38 308)	-		(3 700)
Re-measurements included in equity accounted earnings of associates	(72 532)	(1 358)		(14 720)
Total tax effects of adjustments	3 200	10 747		8 669
Total minority interest of adjustments	27 524	-		101
Headline earnings	284 028	237 074	20%	511 227
Deferred tax in respect of losses	-	-		(33 421)
Deferred tax in respect of STC credits	14 335	11 355		32 515
Adjusted headline profit	298 363	248 429	20%	510 321
Earnings per share (cents)				
-Basic	340.34	223.74	52%	464.66
-Headline	228.35	191.49	19%	413.31
-Adjusted headline	239.87	200.66	19%	412.58
Weighted average number of shares in issue ('000)	124 384	123 806		123 691
Actual number of share in issue at end of period (net of treasury shares) ('000)	123 954	123 211		123 896
Diluted earnings per share (cents)				
-Basic	332.42	220.80	51%	457.42
-Headline	223.03	188.98	18%	406.88
-Adjusted headline	234.29	198.03	18%	406.15
Weighted average number of shares in issue ('000)	127 349	125 450		125 647

Abridged Consolidated Balance Sheet

	30 September 2007 R'000 (unaudited)	30 September 2006 R'000 (unaudited)	31 March 2007 R'000 (audited)
ASSETS			
Non-current assets	9 640 725	7 712 093	11 806 828
Property, plant and equipment	5 017 072	838 113	4 847 240
Investment properties	198 302	153 955	198 299
Goodwill	1 022 882	91 712	908 642
Interest in associates and joint ventures	640 028	1 273 129	592 460
Investments	192 659	120 320	226 584
Intangibles	305 901	3 941	276 719
Deferred taxation	283 919	295 213	325 813
Financial assets	1 626 373	4 636 740	3 986 861
Operating lease equalisation asset	4 988	4 300	5 000
Long-term receivables	348 601	294 670	439 210
Current assets	4 902 018	3 602 041	3 616 500
Other	1 848 615	1 265 163	1 385 335
Financial assets	2 269 653	1 711 495	1 489 062
Bank balances and deposits	783 750	625 383	742 103
Total assets	14 542 743	11 314 134	15 423 328
EQUITY AND LIABILITIES			
Equity	4 983 684	2 993 833	4 349 888
Equity attributable to equity holders of the parent	2 425 036	2 029 790	2 119 671
Minority interest	2 558 648	964 043	2 230 217
Non-current liabilities	4 322 255	5 649 386	6 713 453
Financial liabilities	1 652 953	4 674 666	4 044 356
Deferred taxation	121 435	51 131	101 373
Long-term borrowings	2 190 128	900 989	1 995 139
Operating lease equalisation liability	273 679	22 600	266 457
Other	84 060	-	306 128
Current liabilities	5 236 804	2 670 915	4 359 987
Other	2 972 962	958 838	2 874 712
Financial liabilities	2 263 842	1 712 077	1 485 275
Total equity and liabilities	14 542 743	11 314 134	15 423 328
Net asset value carrying per share (cents)	1 956	1 638	1 711

Abridged Statement of Changes in Equity

	6 months ended 30 September 2007 R'000 Unaudited	6 months ended 30 September 2006 R'000 Unaudited	12 months ended 31 March 2007 R'000 Audited
Opening balance	4 349 888	2 586 291	2 586 291
Net profit	423 328	276 998	574 737
Ordinary dividends paid	(62 491)	-	-
Shares issued	36 000	34 500	66 950
Shares repurchased	(67 000)	(11 700)	(11 700)
Treasury shares acquired by subsidiary	(6 066)	(21 306)	(20 775)
Minorities' share of profits and reserves	395 251	85 785	394 132
Changes in holding	28 558	49 896	1 233 774
Distributions to minorities	(95 378)	(6 500)	(144 466)
Revaluation reserve	(6 150)	-	15 784
Share-based repayments reserve	530	-	3
Cash flow hedging reserve	-	-	111
Currency translation differences	(12 786)	(131)	9 144
Share of equity accounted pre-acquisition profit of subsidiary	-	-	(354 097)
Closing Balance	4 983 684	2 993 833	4 349 888

Abridged Consolidated Cash Flow Statement

	30 September 2007 R'000 (unaudited)	30 September 2006 R'000 (unaudited)	31 March 2007 R'000 (audited)
Cashflows from operating activities	861 620	214 595	726 362
Cashflows from investing activities	(456 255)	(592 848)	(604 839)
Cashflows from financing activities	(454 110)	227 707	(386 199)
Decrease in cash and cash equivalents	(48 745)	(150 546)	(264 676)
Cash and cash equivalents At beginning of period	710 445	768 755	-
On acquisition/disposal of subsidiaries At end of period	66 538	1 242	206 366
	728 238	619 451	710 445
Bank balances and deposits	783 750	625 383	742 103
Bank overdrafts	(55 512)	(5 932)	(31 658)
Cash and cash equivalents	728 238	619 451	710 445

Segment Analysis

Group revenue

	30 September 2007 R'000	30 September 2006 R'000	31 March 2007 R'000
Media & broadcasting	544 555	401 503	903 252
Financial services	76 012	61 197	199 447
Limited payout gaming	70 368	41 757	121 325
Casino gaming	1 890 150	-	1 198 984
Hotels	778 300	-	478 798
Information technology	104 895	58 340	120 799
Transport	392 876	372 198	738 809
Industrial	235 482	261 450	442 400
Energy	81 731	-	44 000
Exhibition and properties	72 750	63 000	118 000
Other	-	2 822	17 046
Total turnover	4 247 119	1 262 267	4 382 860

Profit before tax

	30 September 2007 R'000	30 September 2006 R'000	31 March 2007 R'000
Media & broadcasting	225 171	155 124	346 871
Financial services	14 078	21 939	14 492
Limited payout gaming	10 945	3 503	8 000
Casino gaming	614 150	67 588**	575 778*
Hotels	163 950	22 529**	111 563*
Information technology	26 671	16 471	28 631
Transport	58 812	56 747	120 911
Industrial	13 592	29 748	53 718
Food & beverage	83 905	14 433	28 796
Exhibition and properties	26 351	18 000	36 000
Energy	(43 644)	-	(66 000)
Other ***	38 434	57 635	60 438
Total group profit before tax	1 232 415	463 717	1 319 198

* Includes the group's equity-accounted share of after tax profits from TIH for eight months and the pre-tax profit of TIH before minority for four months

** Includes the group's equity-accounted share of after tax profits from TIH for six months

*** Includes investment surplus

COMMENTARY

BASIS OF PREPARATION AND ACCOUNTING POLICIES

The results for the period ended 30 September 2007 have been prepared in accordance with International Financial Reporting Standards ("IFRS"), specifically IAS 34: Interim Financial Reporting, and comply with the requirements of the South African Companies Act, 1973 and the Listings Requirements of the JSE Limited. The accounting policies of the group are consistent with those applied for the year ended 31 March 2007.

OVERVIEW OF RESULTS

Group results

Increases in revenue, EBITDA and operating profits in the group's media and gaming subsidiaries, together with the effects of the recent acquisitions in these sectors have resulted in increases in both headline profits (up 20% and adjusted headline profits (up 20%) for the period when compared to the six months ended 30 September 2006 ("the prior comparative period").

As reflected in the group's results for the year ended 31 March 2007 ("March 2007 results"), the group acquired control of the Tsogo Sun Group with effect from 1 December 2006. Accordingly the six months ending 30 September 2007 is the first full reporting period where Tsogo Sun Group is consolidated. The group's share of the results of the Tsogo Sun Group for the prior comparative period were equity accounted and were included in the share of profits of associate companies.

As stated in the March 2007 results, the business combination was accounted for using the provisional figures provided by the Tsogo Sun Group an alternative that is allowed in terms of IFRS 3. IFRS 3 allows a company to update these provisional figures within 12 months of the

combination date. The detailed assessment of Tsogo's assets, liabilities and contingent liabilities is in the process of being completed and the required adjustment, if any, will be made in due course and reflected in the year-end results.

The consolidation of the results of the Tsogo Sun Group has resulted in significant increases in many of the disclosable line items in the group income statement. As a result all of the line items in the income statement up to and including profit for the period are not comparable with the prior comparative period. The profit attributable to HCI shareholders (up 52%), headline profit (up 20%) and adjusted headline profit (up 20%) are comparable with that of the prior comparative period. The basic earnings per share, headline earnings per share and adjusted headline earnings per share are also comparable with that of the prior comparative period.

Basic earnings per share amounted to 340 cents for the period. This represents a 52% increase when compared to the prior comparable period. This increase is due to the continued improved performance of the group's major investments and the group's share of profits on the disposal of Johnson Crane Hire and the sale of the Clover Ultramel business by Clover Industries Limited included in investment surpluses and share of profits of associates respectively.

Headline earnings increased during the period to R284 million from R237 million in the prior comparative period.

Adjusted headline earnings, which your directors feel are more reflective of the sustainable earnings of the group, increased by 20% from R248 million to R298 million. Adjusted headline earnings exclude all abnormal profits and losses and the effects of net deferred tax assets raised or expensed in respect of unused tax losses and available STC credits. Adjusted headline earnings per share increased by 19% from 200 cents to

240 cents. This increase is mainly due to the continued improved overall performance of the group's major investments during the year.

Group Balance Sheet

The group balance sheet reflects significant increases in non-current assets, non-current liabilities and minority interest when compared to the prior comparative period. These increases are mainly due to the consolidation of the Tsogo Sun Group with effect from 1 December 2006. The balance sheets at 30 September 2007 and 31 March 2007 are thus not comparable with the prior comparative period balance sheet.

Non-current liabilities at 30 September 2007 comprise non-recourse debt that is presently ringfenced in operating subsidiaries (R1 628 million) and recourse debt at the HCI corporate level (R562 million).

During the period under review shareholders approved the specific repurchase of 1 million HCI shares from the Fabcos Group for a total consideration of R67 million.

INVESTMENTS

Media and Broadcasting

Sabido Investments (Pty) Ltd (Sabido") - 63% interest

The group's primary media and broadcasting investments are housed in Sabido. Sabido's major investments include the free to air television channel e.tv, Gauteng-based radio station Yfm, Dreamworld Film Studios, satellite television licence holder e.sat tv and mobile solutions and innovations provider ViaMedia. The revenue from the media and broadcasting segment continued to grow in line with expectations during the period under review. More importantly, while revenue increased 36% from R401 million to R544 million, profit before tax increased by 45% to R225 million. This was up from R155 million in

the prior comparable period and demonstrated management's focus on containing costs while leveraging the inherent advantages of the media business model.

e.tv has consolidated its position as the most-watched English-medium television channel in South Africa and the second-largest channel overall. The business remains committed to a pan-African media strategy but a cautious approach is required. Expansion plans remain focused on Sabido becoming a multi-channel, multi-platform business and a television content aggregator.

ViaMedia is now integrated in the group and plans to increase its product offering through synergies with the group and other new opportunities.

During the period under review, HCI restructured its interest in Yfm by transferring its 77,5% interest to Sabido for a consideration of R146 million, subject to certain regulatory approvals. Sabido has also acquired the remaining minorities in Yfm on the same terms resulting in Sabido now owning 100% of Yfm. Yfm is not performing to potential but the integration into Sabido should enable the station to regain market share.

e.sat tv's application for a satellite pay television license was successful. The group is currently evaluating opportunities in the sector with a view to launching new channels in 2008, without exposing itself to excessive financial and operational risk.

Gaming, Hotels and Leisure

Vukani Gaming Corporation (Pty) Limited ("Vukani") - 100% interest

Vukani, the group's limited payout machine operator, increased its installed machine base to 1 775 machines during the period. The roll-out remains behind target but is improving following improved submission processes, management changes and improved gaming board interactions. Significantly, the speed of the KwaZulu-Natal

roll-out will be improved after the legal impasse relating to liquor license conditions was resolved.

A bid was submitted for a route operator license in the Free State. Further, the long awaiting RFP for the Gauteng province was released, requiring submissions to be made at the end of February 2008. The RFP has indicated that five licenses will be granted in the province.

EBITDA increased by 145% compared to the prior comparable period. Gross gaming revenue per machine has been stable through the period under review.

Tsogo Investment Holding Company (Pty) Limited ("TIH") - 65,5% effective interest

The group's effective interest now amounts to 65,5% and the period under review will be the first full reporting period where the results of Tsogo Sun are consolidated in the HCI results. Consolidated EBITDAR (before rentals) for Tsogo Sun Group for the six months amounted to R1 001 million, up 20% when compared to the prior period. Net interest-bearing debt reduced to R838 million since year-end. Tsogo Sun Gaming increased revenues by 19% and EBITDA by 21% when compared to the prior period. Southern Sun Hotels increased revenues by 16% and EBITDA by 20%.

The gaming market is still growing at rates significantly above CPIX but it is expected that the current economic conditions will reduce future gaming growth rates. Hotel occupancies remain at a record high for the group and it is expected that the division will gain from further expected rate growth in the market.

The SunCoast Casino's dispute with the Ethekweni Municipality has been settled. It is hoped that the R150 million advanced to the Municipality will be committed to the upgrade of the precinct which will enhance the overall appearance of the property and reduce current parking and

logistical constraints.

As reported previously the Mpumalanga Gaming Board did not approve HCI's application to increase its shareholding in Tsogo Sun and HCI has taken that decision on review, the outcome of which is still pending. The group also made a bid to acquire other minority interests in TIH but has been unsuccessful to date in this regard.

Johnnic Holdings Limited ("Johnnic") - 53% interest

Johnnic's reported profit after tax for the period amounted to R70 million of which the majority relates to Johnnic's gaming interests. Johnnic continued to report losses in its energy division whilst the property and exhibitions division has performed well in the current reporting period when compared to the prior comparable period. The segmental analysis provides further information on the divisional performance of the above Johnnic sectors which have been fully consolidated into the group.

Johnnic has successfully concluded a settlement agreement with Blue Wolf Capital Management ("BWCM") where Johnnic acquired a 25% interest in the carried interest of BWCM in the first two funds raised by BWCM. The interest was acquired inter alia for providing a US\$800 000 loan and assistance by HCI directors in the fundraising efforts. Importantly Johnnic is not required to invest in the two funds to obtain the interest. Under the previous agreement Johnnic was required to invest up to R240 million in the first fund.

Johnnic will allocate to HCI, in exchange for the procurement of the loan funding, serving on the investment committee and assistance in the fundraising, 50% of the interest it acquired from BWCM.

Shareholders are referred to Johnnic's results for its performance and activities.

Financial Services

Mettle Consolidated Investments (Pty) Ltd ("Mettle") - 100% interest

Mettle's traditional business delivered profit before tax of R15,5 million for the period. Mettle's new businesses excluding Mettle Motor Loans ("MML"), many of which are still in the startup phase, performed satisfactorily with R14 million profit before tax for the six-month period. Mettle Factors, predominantly active in the bridging finance market, was the main contributor for the period.

Profits were negatively affected by continued losses of R21 million in MML as a result of increased bad debt costs of R21 million. It is hoped that the loan book will now stabilise but the general economic environment is cause for concern. The management team now consists of experienced staff recruited from the industry, the effects of which can already be seen in improved collections and customer service. We remain committed to the business subject to continuing funding support from our senior debt funder.

Transport

Golden Arrow Bus Services (Pty) Ltd ("GABS") - 100% interest

GABS has performed in line with budget with the increased fuel prices placing pressure on margins. Revenue growth is being constrained by infrastructural capacity. The group has addressed this by bringing on line a further 50 buses during the period under review. The group remains committed to providing an efficient transport system to the people of Cape Town and will continue to upgrade its fleet and facilities. On average a 6,8% fare increase is expected to be implemented on 30 December 2007. The company continues to trade under an interim contract.

Food and Beverages

Clover Industries Limited ("Clover") - 44% economic interest

Pursuant to HCI's rights in its share subscription agreement, the group increased its interest in Clover's ordinary shares to 34,9%. HCI currently holds 44% of Clover's preference shares.

Clover's results for the year ended 30 June 2007, enhanced significantly through once-off gains from the sale of the Ultramel business to Danone, remain below expectations and those of Clover's peer group. The sale to Danone also resulted in Clover increasing its shareholding in Clover Beverages to 95%. An offer to acquire the remaining 5% was rejected by the minority shareholders.

We hold the view that the current capital structure is a significant constraint to the business and that a single capital structure is required to free it from milk quotas. Through our board representation we have requested that the board investigate the recapitalisation of the group but progress remains extremely slow. Management has publicly indicated that additional capital will, when deployed, generate significant returns for shareholders.

Equity-accounted profits for the period amounted to R83,9 million (R14,4 million in the prior year). After adjusting for the Ultramel Danone transaction headline equity-accounted earnings from Clover amounted to R17,8 million.

Information Technology

Syntell (Pty) Ltd ("Syntell") - 50.01% interest

Syntell provides electronic monitoring of traffic and traffic violations to municipalities throughout South Africa.

Syntell's profit after tax for the period amounted to R17,3 million compared to R9,8 million in the prior comparable period, an increase of 77%. As anticipated the Johannesburg Metro contract has made a significant contribution to the increased profits. The collection rate on issued violations is a key driver of profitability and Syntell's processing efficiency and use of innovative technology has enabled the Metro to increase the collection rate on outstanding violations from 28% to 50% over the first 12 months of the contract. This increase has been assisted by www.payfine.co.za that is now the most successful website of it's kind in South Africa and collects over R10 million per month for Metros around the country. Marketing is focused on demonstrating Syntell's superior technology to other Metros and although the list of prospects is good, the sales process continues to be very long. Syntell's traffic management services were expanded through the acquisition of Mikros, a business focused on the gathering of traffic data for national, provincial as well as local government.

Industrial

The group's share of profit before tax from the industrial assets declined by R16,5 million from R29 million to R13,5 million mainly due to the disposal of Johnson Crane Hire and Tylon. Following these disposals the group's remaining industrial assets comprise Johnson Access and Formex Industries.

Johnson Access is benefiting from the construction boom with revenue growing by 39% when compared to the prior comparable period. The shortage of access platforms internationally is however constraining growth.

Formex was negatively affected by the recent strike in the motor industry as well as higher than expected costs in both the pulley and pressing business. Management have indicated corrective actions should reduce costs to budgeted levels

for the next six months.

In line with Formex's strategy to provide a wider array of products to its client base, Formex completed the acquisition of Autotube Manufacturing ("ATM") for R65 million. ATM manufactures and manipulates tubes for the catalytic industry.

HCI Khusela Coal - 80% interest

Plans to commence mining in the first half of 2008 at the Klippoortjie and Loopspruit (now renamed Palesa Mine) mines are on track. To ensure that the procurement and commissioning of the plants are managed in line with budgets and time plans, the management team has been strengthened through the recruitment of executives with industry experience.

The construction boom is placing pressure on the cost of plant but the current quotes, whilst not final, are within business plan tolerances. Prior to project finance debt, which should result in a return of funds to HCI, it is expected that the group's total investment will be approximately R180 million for the two mines.

DISTRIBUTIONS TO SHAREHOLDERS

Your directors have decided not to declare any dividends at this interim stage. In line with HCI's dividend policy, an annual dividend will be considered with the publishing of the year-end results.

For and behalf of the Board of Directors



MJA Golding

Chairman

Cape Town

15th November 2007



JA Copelyn

Chief Executive Officer

Business Segments

GAMING, HOTELS
AND LEISURE



MEDIA AND
BROADCASTING



FOOD AND
BEVERAGES



TRANSPORT

ENERGY



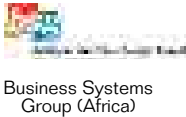
FINANCIAL
SERVICES



INDUSTRIAL



SERVICES AND
TECHNOLOGY



PROPERTY
AND EXHIBITIONS



