



CHOBE HOLDINGS LIMITED

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("the Group" or "the Company")

Incorporated in the Republic of Botswana (Registration Number Co. 4543)

UNAUDITED RESULTS FOR THE SIX MONTHS ENDED 31 AUGUST 2015

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	6 months ended 31/08/2015 P'000's Unaudited	6 months ended 31/08/2014 P'000's Unaudited	Year ended 28/02/2015 P'000's Audited
Revenue	119 180	121 494	209 515
Other operating income	3 942	3 616	8 147
Amortisation of intangible assets	(1 775)	(1 775)	(3 549)
Depreciation	(5 886)	(5 025)	(10 435)
Other operating expenses	(71 615)	(70 947)	(136 075)
Operating profit	43 846	47 363	67 603
Finance income	579	69	913
Finance cost	(3)	(47)	(80)
Profit before income tax expense	44 422	47 385	68 436
Income tax expense	(10 360)	(12 382)	(16 939)
Profit for the period	34 062	35 003	51 497
Other comprehensive income			
Currency translation differences	(341)	73	59
Total comprehensive income for the period	33 721	35 076	51 556
Attributable to			
Owners of the parent	33 655	35 036	51 454
Non-controlling interest	66	40	102
	33 721	35 076	51 556
Earnings per share (thebe) - basic	38.08	39.14	57.58
Dividend per share (thebe)	-	-	35.00
Occupancy	47%	53%	44%

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31/08/2015 P'000's Unaudited	As at 31/08/2014 P'000's Unaudited	As at 28/02/2015 P'000's Audited
ASSETS			
Non-current assets			
Property, plant and equipment	116 605	99 592	103 473
Land lease rights	53 759	57 308	55 534
Deferred income tax assets	2 118	1 363	1 736
	172 482	158 263	160 743
Current assets			
Inventory	4 319	4 161	3 429
Trade and other receivables	23 611	22 543	5 511
Current income tax receivable	2 511	1 675	2 492
Cash and cash equivalents	60 231	49 759	74 944
	90 672	78 138	86 376
Total assets	263 154	236 401	247 119
EQUITY AND LIABILITIES			
Equity			
Stated capital	102 899	102 899	102 899
Foreign currency translation reserve	(1,043)	(688)	(702)
Retained income	84 548	65 424	81 856
	186 404	167 635	184 053
Non-controlling interest	489	361	423
Total equity	186 893	167 996	184 476
Liabilities			
Non-current liabilities			
Deferred income tax liabilities	22 191	20 923	21 028
Deferred lease obligations	5 281	2 951	3 587
	27 472	23 874	24 615
Current liabilities			
Borrowings	259	417	347
Current income tax payable	815	407	878
Advance travel receipts	22 822	20 751	14 323
Trade and other payables	24 893	22 956	22 480
	48 789	44 531	38 028
Total liabilities	76 261	68 405	62 643
Total equity and liabilities	263 154	236 401	247 119

CONSOLIDATED STATEMENT OF CASH FLOWS

	6 months ended 31/08/2015 P'000's Unaudited	6 months ended 31/08/2014 P'000's Unaudited	Year ended 28/02/2015 P'000's Audited
Operating activities			
Cash generated from operations	45 178	50 410	89 322
Interest paid	(3)	(47)	(80)
Income tax paid	(9 661)	(11 791)	(16 959)
Cash generated from operating activities	35 514	38 572	72 283
Investing activities			
Purchase of property, plant and equipment	(19 602)	(12 053)	(21 415)
Proceeds on sale of property, plant and equipment	188	162	225
Interest received	579	69	913
Net cash used in investing activities	(18 835)	(11 822)	(20 277)
Financing activities			
Net repayment of borrowings	(88)	(91)	(161)
Dividends paid	(31 304)	(20 571)	(20 571)
Net cash used in financing activities	(31 392)	(20 662)	(20 732)
Net (decrease)/increase in cash and cash equivalents	(14 713)	6 088	31 274
Movement in cash and cash equivalents			
At beginning of period	74 944	43 671	43 670
(Decrease)/increase	(14 713)	6 088	31 274
At end of period	60 231	49 759	74 944

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the parent				
	Stated capital P'000's	Retained earnings P'000's	Foreign currency translation reserve P'000's	Non-controlling interest P'000's	Total P'000's
Balance at 1 March 2015	102 899	81 856	(702)	423	184 476
Profit for the period	-	33 996	-	66	34 062
Other comprehensive income	-	-	(341)	-	(341)
Dividend paid (final 2015)	-	(31 304)	-	-	(31 304)
Balance at 31 August 2015	102 899	84 548	(1 043)	489	186 893

COMMENTARY

Highlights

- Profit after tax decreases by 4%.
- An 11% decrease in occupancy levels.
- A 2% decrease in revenue.
- Marginal increase in costs relative to occupancy.
- Capital expenditure of P19.6 million financed from internally generated cash flows.
- Cash and cash equivalents of P60.2million.
- Negligible debt maintained.

Basis of Preparation

The unaudited abridged financial statements for the half year ended 31st August 2015 have been prepared based on accounting policies which comply with International Financial Reporting Standards ("IFRS"). The accounting policies applied are consistent with those of the annual financial statements for the year ended 28th February 2015, as described in those annual financial statements.

Financial Results

During the period under review occupancy decreased by 11% due to the negative effect on travel plans as a result of the Ebola outbreak in parts of Africa in 2014 and challenging market conditions especially in the European market. A weaker Euro relative to the US Dollar resulted in Botswana packages, which are priced in US Dollars, being perceived as expensive. Continued improvements at Chobe Game Lodge reduced this property's available capacity with a knock-on effect on other group properties that are packaged with it. Revenues however remained relatively flat due to favourable exchange rates and a marginal increase in achieved bed rates in US Dollar terms.

An operating cost increase of 1% is considered satisfactory in light of decreased volume of business, operational efficiencies, current inflation levels, a 50% increase in resource royalties and the impact of expensing future lease rentals with above-inflation annual escalation terms.

The Group spent P19.6 million, financed from internally generated cashflows, on significantly improving existing equipment, buildings, as well as the purchase of additional equipment.

Leases

In December 2013, two of the Company's subsidiaries submitted tenders for the lease, utilisation and management of Camp Okavango and Shinde Camp for non-consumptive tourism purposes.

After considerable delay both leases have been re-awarded to the Group for an initial period of fifteen years although the formal leases have still to be signed.

Future Outlook

Trading conditions for the rest of this financial year remain tough. However your Directors are optimistic of the Group's ability to report sustainably good results for 2016 on the back of confirmed and provisional bookings held to date.

The Group's strong cash position provides it with the opportunity to take advantage of expansion opportunities that may arise.

Dividends

In keeping with the Company's dividend policy no interim dividend has been declared in favour of a final year end declaration.

Unclaimed Dividends

The Directors wish to bring to the notice of shareholders that there are certain amounts of unclaimed dividends in the Company's records. Shareholders are reminded to contact the Transfer Secretaries to claim their outstanding dividends.

By order of the Board of Directors

J M Gibson, CEO & Deputy Chairman
17th November 2015



Sponsoring Broker



Registered Office
Plot 50371, Fairground Office Park, Gaborone
Postal Address
P O Box 32, Kasane

Transfer Secretaries
DPS Consulting Services (Pty) Ltd
P. O. Box 294, Gaborone

Website: www.chobeholdings.co.bw
Directors

P. M. Van Riet-Lowe (Chairman), J. M. Gibson (Deputy Chairman & CEO), J. A. Bescoby (British), A. D. Chilisa, B. D. Flatt, R. Gerrard (Malawian), K. Ledimo, J.M. Nganunu-Macharia, D. S. Ter Haar, A. M. Whitehouse (Australian)