CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

6 months ended 31/08/2018 6 months ended 31/08/2017 Year ended 28/02/2018 6 months ended 31/08/2018 6 months ended 31/08/2017 Year ended 28/02/2018

Revenue 200 048 176 398 301 145
Other operating income 16 945 4 391 9 892
Amortisation of intangible assets (2 524) (1 921) (4 462)
Depreciation (13 100) (10 570) (21 227)
Other operating expenses (106 672) (91 546) (184 652)

Operating profit 94 887 76 633 97 294
Finance income 8 24 93
Finance cost (2) (6) (121)

Net income before share of results of associate 94 893 76 651 97 185
Share of net loss of associates accounted for using equity method (495) (295) (1 477)
Interest received 8 24 93

Profit before income tax 94 197 75 756 95 867
Income tax expense (24 272) (20 643) (24 924)

Profit for the period 69 925 55 113 70 943

Other comprehensive income
Exchange difference on translation of foreign operations (929) (217) 146

Total comprehensive income for the period 68 996 54 896 71 297

Attributable to:

Owners of the parent 68 983 54 841 71 050
Non-controlling interest 13 55 114

As at 31/08/2018 P'000's As at 31/08/2017 P'000's As at 28/02/2018 P'000's

Cash and cash equivalents 329 535 241 333 330 432

ASSETS
Non-current assets
Property, plant and equipment 189 919 148 177 168 145
Goodwill 61 646 35 085 61 646
Land lease rights 66 991 46 051 66 991
Other intangible assets 2 467 2 632 2 696
Investment in associate 4 225 5 105 4 721
Deferred income tax assets 4 881 3 679 4 528

Total assets 461 511 389 725 401 936

EQUITY AND LIABILITIES
Equity
Stated capital 102 899 102 899 102 899
Foreign currency translation reserve (1 513) (947) (584)
Retained earnings 316 655 276 575 295 862

Total equity 461 511 389 725 401 936

Liabilities
Current liabilities
Borrowings 11 606
Deferred income tax liabilities 24 738 22 699 25 394
Deferred lease obligations 11 633 9 748 10 762

Total liabilities 41 977 32 441 36 128

Consolidated Statement of Financial Position

CONSOLIDATED STATEMENT OF CASH FLOWS

6 months ended 31/08/2018 6 months ended 31/08/2017 Year ended 28/02/2018 6 months ended 31/08/2018 6 months ended 31/08/2017 Year ended 28/02/2018

Operating activities
Cash generated from operations 106 464 96 918 131 466
Interest paid (2) (6) (121)
Income tax paid (22 992) (18 811) (24 841)

Cash generated from operating activities 84 065 78 101 106 604

Investing activities
Purchase of property, plant and equipment (38 417) (10 342) (33 340)
Proceeds on sale of property, plant and equipment 177 177
Payment for acquisition of associate - (6 000) (7 773)
Payment for acquisition of subsidiary - (56 000) -
Interest received 8 24 93

Net cash used in investing activities (38 066) (16 142) (92 021)

Financing activities
Proceeds from borrowings 15 000 - -
Dividends paid (44 720) (44 720) (44 720)

Net cash used in financing activities (29 720) (44 720) (44 720)

Net increase/(decrease) in cash and cash equivalents 16 283 17 240 (30 057)

Movement in cash and cash equivalents 61 226 91 283 91 283
Increase/(decrease) in the period 16 283 17 240 (30 057)
At beginning of period 77 509 108 523 61 226
At end of period 93 792 125 763 91 283

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

As at 31/08/2018 P'000's As at 31/08/2017 P'000's As at 28/02/2018 P'000's

Stated capital 102 899 102 899 102 899
Retained earnings 189 463 191 463 (584)
Foreign currency translation reserve - 69 912 -
Non-controlling interest 14 898 14 898 (929)
Dividend paid (final year) (44 720) - -

Total P'000's Balance at 31 August 2018 102 899 216 655 (1 813) 804 318 845

COMMENTARY

Highlights

• Profit after tax increases by 27% to P12 929 million
• An increase in number of bed nights sold
• A 10% increase in revenue
• Costs contained at inflationary levels
• Capital expenditure of P16 4 million
• Cash and cash equivalents of P77 5 million

Basis of Preparation

The unaudited dividend financial statements for the half year ended 31st August 2018 have been prepared based on accounting policies which comply with International Financial Reporting Standards. The accounting policies are consistent with those of the annual financial statements for the year ended 28th February 2018, as described in those annual financial statements.

Financial Results

During the period under review the number of bed nights sold increased by 13% when compared to the same period in the prior year. This is considered satisfactory in light of increased capacity occasions by completion of improvements at Chobe Game Lodge.

An 13% increase in revenue was recorded as a result of the aforementioned increase in bed nights sold, an increase in achieved bed rates in US dollar terms and favourable exchange rates.

All operating cost (increase) of 16% is considered supplementary in light of both balance and current inflation levels.

The Group spent P234.3 million, financed from internally generated cashflows, on improving existing equipment and facilities, as well as the purchase of additional equipment. A further P15.0 million, financed through a World Bank loan, was used to purchase an aircraft.

Future Outlook

The Southern African tourism industry remains bullish, this trend is anticipated to continue in the medium-term. The Group's strong cash position provides us with the opportunity to take advantage of any expansion opportunities that may arise.

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

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 who have not received their dividends are requested to claim their outstanding dividends.

By order of the Board of Directors

J.M. Gibson

CEO & Deputy Chairman

15th November 2018

CHOBE HOLDINGS LIMITED
("the Group" or "the Company")
Incorporated in the Republic of Botswana (Registration Number Co. 4543)

Registered Office
P.O Box 52, Gaborone
Postal Address
P.O Box 32, Gaborone

Advisory Secretary
DPS Consulting Services (Pty) Ltd
P.O Box 294, Gaborone
Website: www.chobeholdings.co.bw

Directors
J.M. Nganunu-Macharia (Chairperson), J. M. Gibson (Deputy Chairman & CEO), J. A. Bescoby (British)

Sponsoring Broker