SUPPLEMENTARY INFORMATION

					(Audited)
		Six months		Six months	Year
		ended 31 December	%	ended 31 December	ended 30 June
R000	Note	2015	change	2014	2015
1. Headline earnings reconciliation					
Profit for the period		164 773		134 337	318 262
Fair value gain on remeasurement					(50.077)
of investment in joint venture Write-off of net investment in		-		-	(59 977)
joint venture		-		4 111	4 111
Profit on sale of equipment		-		-	(762)
Taxation effect		-		-	213
Headline earnings		164 773	19	138 448	261 847
Number of shares in issue (000's)		43 373		43 248	43 347
Weighted average number of shares in issue for EPS calculation (000's)	3	36 284		36 203	36 229
Weighted average number of shares	5	50 204		30 203	50 225
in issue for diluted EPS calculation					
(000's)	3	36 500		36 509	36 755
Basic earnings per share (cents)					
– undiluted		454,1	22	371,1	878,5
– fully diluted	4	451,4	23	368,0	865,9
Headline earnings per share (cents) – undiluted	4	454,1	19	382,4	722,8
– fully diluted		451,4	19	379,2	712,4
2. Normalised headline earnings		431,4		575,2	/12,4
reconciliation					
Headline earnings		164 773		138 448	261 847
BEE transaction charges		521		159	301
 Loss on fair value of interest 					
rate swap		-		51 108	67
– Sundry expenses		521	J	108	234
Notional interest charge on BEE shareholder loan		2 368		2 061	4 270
BEE interest on interest-bearing					
borrowings		2 087		2 019	4 041
Preference dividends paid/payable					
by the BEE entities		21 280		19 477	39 542
Deferred tax on BEE transactions Notional interest income on tenth		(663)		(577)	(1 196)
anniversary employee share trust loan		2 330		2 154	4 478
Tenth anniversary employee share		2 330		2 134	44/0
trust transaction charges and DWT		(152)		(111)	69
IFRS 2 share-based payment charge					
for the tenth anniversary employee share trust		4 500		1 5 0 1	2 1 2 7
Once-off deferred tax raised due		1 588		1 581	3 137
to introduction of capital gains tax					
in Kenya		-		-	15 562
Normalised headline earnings		194 132	18	165 211	332 051
3. Number of shares (000's)					
Weighted average number of shares in issue for EPS calculation		36 284		36 203	36 229
BEE shares treated as treasury shares		56 284 6 390		6 390	6 390
Tenth anniversary employees share		0 350		0 3 5 0	0 3 50
trust treated as treasury shares		538		549	549
Weighted average number of shares in					
issue for normalised EPS calculation		43 212		43 142	43 168
Weighted average number of shares		20 500		36 500	26 765
in issue for diluted EPS calculation		36 500		36 509	36 755
BEE shares treated as treasury shares Tenth anniversary employees share		6 390		6 390	6 390
trust treated as treasury shares		538		549	549
Weighted average number of shares					
in issue for diluted normalised EPS					
calculation		43 428		43 448	43 694
4. Normalised headline earnings					
per share (cents) – undiluted		449,3	17	382,9	760 3
— fully diluted		449,3 447,0	17	382,9 380,2	769,2 759,9
5. Dividend declared per share (cents)		269,0	18	230,0	460.0
6. Dividend cover (times)		200,0	1/	230,0	400,0
- calculated on normalised headline					
earnings		1,7		1,7	1,7
7. Interest-bearing debt to total capital					
and reserves (%)					
- calculated on a normalised basis		16,3		14,1	17,4
8. Return on equity (%)					
- calculated on a normalised basis		25,4		24,8	24,8
9. Net asset value per share (cents) – calculated on a normalised basis		3 529		3 039	2 2 2 2
calculated on a normalised basis		3 329		3 039	3 322

SUMMARISED STATEMENTS OF CASH FLOWS

ROOO	Six months ended 31 December 2015	Six months ended 31 December 2014	Year ended 30 June 2015
Operating profit before working capital changes	327 033	285 451	564 297
Increase in working capital	(22 077)	(35 532)	(34 523)
Cash generated by operations	304 956	249 919	529 774
Interest received	624	1 475	4 751
Interest paid	(18 061)	(16 499)	(33 119)
Taxation paid	(68 486)	(55 622)	(115 520)
Dividends paid	(86 241)	(70 662)	(154 196)
Cash inflow from operating activities	132 792	108 611	231 690
Cash utilised in investing activities	(95 372)	(67 643)	(267 047)
- investment to maintain operations	(43 429)	(51 405)	(119 430)
 investment to expand operations 	(51 943)	(18 405)	(90 008)
- investments and loans	-	2 167	(58 527)
- proceeds on disposal of property, plant and equipment	-	-	918
Cash (outflow)/inflow from financing activities	(43 468)	(19 423)	40 145
- proceeds from issue of ordinary shares	1 757	1 458	5 747
- purchase of incentive scheme shares	(39 225)	(18 081)	(21 657)
 increase in interest-bearing borrowings 	-	-	65 000
 redemption of BEE preference shares 	(6 000)	(2 800)	(8 800)
 distribution by BEE structured entity 	-	_	(145)
Net (decrease)/increase in cash and cash equivalents	(6 048)	21 545	4 788
Cash and cash equivalents at beginning of the period	73 346	67 916	67 916
Effect of movements in exchange rates on cash held	18 884	3 062	642
Cash and cash equivalents at end of the period	86 182	92 523	73 346

(Audited)

STATEMENTS OF CHANGES IN EQUITY

	Share capital	T	Other	Detained	
ROOO	and premium	Treasury shares	Other reserves	Retained earnings	Total
Balance at 30 June 2014	158 255	(526 822)	113 939	820 543	565 915
Total comprehensive income					
for the period			6 212	134 337	140 549
Profit for the period				134 337	134 337
Other comprehensive income					
Foreign currency translation differences			6 212		6 212
Transactions with owners, recorded					
directly in equity	1 458	11 094	(12 223)	(78 789)	(78 460)
Issue of new ordinary shares	1 458				1 458
Incentive scheme shares		11 094	(21 048)	(8 127)	(18 081)
Share compensation reserve			8 825		8 825
Dividends paid				(70 662)	(70 662)
Balance at 31 December 2014	159 713	(515 728)	107 928	876 091	628 004
Total comprehensive income for the period			(5 999)	181 515	175 516
Profit for the period				183 925	183 925
Other comprehensive income					
Defined benefit plan remeasurements,					
net of tax				(2 410)	(2 410)
Foreign currency translation differences			(5 999)		(5 999)
Transactions with owners, recorded					
directly in equity	4 289		6 122	(86 489)	(76 078)
Issue of new ordinary shares	4 289				4 289
Incentive scheme shares			(766)	(2 810)	(3 576)
Share compensation reserve			6 888		6 888
Dividends paid				(83 534)	(83 534)
Distribution by BEE structured entity				(145)	(145)
Balance at 30 June 2015	164 002	(515 728)	108 051	971 117	727 442
Total comprehensive income for the period			44 004	164 773	208 777
Profit for the period				164 773	164 773
Other comprehensive income					
Foreign currency translation differences			44 004		44 004
Transactions with owners, recorded	1 757	(8 500)	(2 554)	(106 553)	(110.950)
directly in equity Issue of new ordinary shares	1 757 1 757	(8 500)	(3 554)	(100 555)	(116 850) 1 757
Incentive scheme shares	1/5/	(9 500)	(10 412)	(20.212)	
		(8 500)	(10 413) 6 859	(20 312)	(39 225) 6 859
Share compensation reserve			0 009	(00 244)	
Dividends paid				(86 241)	(86 241)
Balance at 31 December 2015	165 759	(524 228)	148 501	1 029 337	819 369



CITY LODGE HOTEL GROUP City Lodge Hotels Limited Registration number: 1986/002864/06 Share code: CLH ISIN: ZAE 000117792

UNAUDITED INTERIM REPORT FOR THE SIX MONTHS ENDED 31 DECEMBER 2015

•	Average occupancies – SA operations	69%
•	Normalised diluted headline EPS	+18%
•	Return on equity	25%



STATEMENTS OF COMPREHENSIVE INCOME

					(Audited)
		Six months		Six months	Year
		ended		ended	ended
		31 December	%	31 December	30 June
R000	Note	2015	change	2014	2015
Revenue		753 442	17	642 394	1 303 112
Administration and marketing costs		(54 893)		(48 025)	(99 191)
BEE transaction charges	2	(521)		(159)	(301)
Operating costs excluding					
depreciation		(381 248)		(328 721)	(664 075)
		316 780	19	265 489	539 545
Depreciation and amortisation		(46 748)		(42 386)	(86 380)
Results from operating activities		270 032	21	223 103	453 165
Interest income		624		1 475	4 751
Total interest expense		(35 560)	1	(30 891)	(63 251)
Interest expense Notional interest on BEE shareholder		(9 825)		(7 334)	(15 398)
loan	2	(2 368)		(2 061)	(4 270)
BEE interest expense	2	(2 087)		(2 001)	(4 041)
BEE preference dividend	2	(21 280)		(19 477)	(39 542)
Fair value gain on remeasurement of	2	(21 200)		(1)4///	(55 542)
investment in joint venture		_		-	59 977
Share of profit from joint venture					
– Courtyard Hotels		-		1 029	1 618
Profit before taxation		235 096	21	194 716	456 260
Taxation		(70 323)		(60 379)	(137 998)
Profit for the period		164 773	23	134 337	318 262
Other comprehensive income					
Items that will never be reclassified to					
profit and loss					
Defined benefit plan					
remeasurements		-		-	(3 347)
Income tax on other comprehensive					
income		-		-	937
Items that are or may be reclassified to profit and loss					
Foreign currency translation					
differences		44 004		6 212	213
Total comprehensive income for		74 004		0212	215
the period		208 777	49	140 549	316 065

STATEMENTS OF FINANCIAL POSITION

Total equity and liabilities

	31 December	31 December	(Audited) 30 June
R000	2015	2014	2015
ASSETS			
Non-current assets	1 851 573	1 533 778	1 777 574
Property, plant and equipment	1 808 435	1 478 566	1 740 251
Intangible assets	38 077	21 581	32 578
Investments in joint ventures Deferred taxation	5 061	29 484 4 147	4 745
Current assets	302 753	223 611	221 119
Inventories	8 719	6 828	7 122
Trade receivables	114 295	74 504	95 934
Other receivables	45 050	42 939	32 701
Taxation	5 847	1 869	-
Cash and cash equivalents	128 842	97 471	85 362
Total assets	2 154 326	1 757 389	1 998 693
EQUITY		620.004	707.440
Capital and reserves	819 369	628 004	727 442
Share capital and premium	165 759	159 713	164 002
BEE investment and incentive scheme shares	(524 228) 1 029 337	(515 728) 876 091	(515 728) 971 117
Retained earnings Other reserves	148 501	107 928	108 051
LIABILITIES	146 501	107 928	108 031
Non-current liabilities	1 172 621	1 035 212	1 148 410
Interest-bearing borrowings	250 000	185 000	250 000
BEE interest-bearing borrowings	44 120	44 120	44 120
BEE preference shares	406 100	418 100	412 100
BEE shareholder's loan	35 356	30 779	32 988
BEE preference share dividend accrual	183 350	154 179	168 191
Other non-current liabilities	115 694	108 509	113 376
Deferred taxation	138 001	94 525	127 635
Current liabilities	162 336	94 173	122 841
BEE preference share dividend accrual	3 074	3 146	3 102
Fair value of BEE interest rate swap	-	365	-
Trade and other payables	116 602	85 714	106 372
Taxation payable	-	-	1 351
Bank overdraft	42 660	4 948	12 016
Total liabilities	1 334 957	1 129 385	1 271 251

Note: The company has authorised capital commitments of R1 040 million, of which approximately R297 million has been contracted. It is anticipated that approximately R293 million of the authorised commitments will be spent by 30 June 2016. These capital commitments will be funded out of operating cash flows and by utilising committed banking facilities.

2 154 326

1 757 389

1 998 693

COMMENTARY

(Audited)

Average occupancies at the group's South African hotels rose to 69% in the six months to 31 December 2015, up from 68% in the previous interim reporting period. All brands within the group increased their average occupancies during the period, with the Courtvard Hotel and Road Lodge brands showing the highest relative increases.

Total revenue rose by 17,3% to R753,4 million. Revenue at the South African operations also increased by 17,3% to R684,3 million, supported by a full period contribution from City Lodge Hotel Waterfall City, the first time inclusion of four Courtyard Hotels in the revenue line, and an inflationary increase in the achieved room rate. Botswana occupancies were marginally higher, while the Kenyan occupancies showed an increase after approximately two years of declining occupancies.

South African operating costs, on a normalised basis, were again well contained, increasing by only 4,5% on a room sold basis and by only 3,7% if the four Courtyards, which were not in the prior period, are excluded. The normalised EBITDA margin for South African operations was 42,1% compared to 42,0% in the previous corresponding period. Total normalised EBITDA for the group increased by 17,5% to R318,9 million. Depreciation rose by 10,3%, interest income was slightly lower and interest expense was 34,0% (R2,5 million) higher due to increased average borrowings.

Normalised profit before tax for the group rose by 17,2% to R265,3 million, while normalised headline earnings increased by 17,5% to R194,1 million. Fully diluted normalised headline earnings per share increased by 17,6% to 447,0 cents.

In line with the group's policy of paying out 60% of normalised earnings, a gross interim dividend of 269,0 cents per share has been declared, 17,0% higher than the previous year's interim dividend.

DEVELOPMENT ACTIVITY

South Africa

The 90-room Road Lodge Pietermaritzburg opened its first phase of rooms in late November and the hotel was fully opened by mid-December. The 148-room City Lodge Hotel Newtown opened its first 25 rooms in late December and the hotel will be fully opened by the end of the month.

East Africa

The site for the 169-room City Lodge Hotel Two Rivers in Nairobi was handed over to the contractor towards the end of November and earthworks and work on the foundations have commenced. It is expected that the hotel will be opened in the second guarter of 2017.

Construction of the 147-room City Lodge Hotel Dar es Salaam has been delayed due to outstanding regulatory approvals impacted by Tanzania's general election and the appointment of a new cabinet. It is nevertheless expected that construction will commence within the next couple of months for completion towards the end of the second guarter/beginning of the third guarter 2017.

In Kampala, liaison is ongoing with the prospective landlord to reach a feasible outcome for the development of a 150-room City Lodge Hotel.

Southern Africa

Final approvals are still being sought in Maputo towards the development of a 148-room City Lodge Hotel. It is anticipated that construction will begin in the second guarter of 2016 and that the hotel will open during the third quarter of 2017.

In Namibia, handover of the basement by the landlord, on top of which the 151-room Town Lodge Windhoek will be built, is on schedule for the end of April, with construction of the hotel commencing shortly thereafter. The hotel is expected to open during the second quarter of 2017.

It is pleasing to report that the roll-out of the group's bespoke property management system, Lodgix, has been completed across all hotels. This state-of-the-art system will improve management efficiencies at all of our hotels and further enhance the guest experience.

DIRECTORATE

It was a great pleasure to welcome Nairobi-based Vincent Rague to the board as an independent non-executive director with effect 1 January 2016. His considerable advisory, banking, investment and corporate finance experience will be of benefit to the group's ongoing expansion into selected parts of east and southern Africa

SEGMENT REPORT

	Courtyard	City L	odge	Town	odge	Road I	Lodge	Central offic	e and other	T	otal
R000	2015*	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Revenue	39 908	379 582	334 186	119 572	108 444	145 187	129 839	69 193	69 925	753 442	642 394
EBITDAR	18 152	227 208	201 849	59 785	52 427	83 733	71 705	(31 092)	(25 312)	357 786	300 669
Land and hotel building rental								(41 006)	(35 180)	(41 006)	(35 180)
EDITDA										316 780	265 489
Depreciation and amortisation	(2 168)	(9 811)	(11 330)	(3 438)	(3 744)	(5 805)	(6 460)	(25 526)	(20 852)	(46 748)	(42 386)
Results from operating activities										270 032	223 103
Share of profit from joint venture								-	1 029	-	1 029

South Africa		Rest of Africa		Total	
2015	2014	2015	2014	2015	2014
684 249	583 155	69 193	59 239	753 442	642 394
-	1 029	-	_	-	1 029
1 345 994	1 074 520	462 441	404 046	1 808 435	1 478 566
	2015 684 249 -	2015 2014 684 249 583 155 - 1 029	2015 2014 2015 684 249 583 155 69 193 - 1 029 -	2015 2014 2015 2014 684 249 583 155 69 193 59 239 - 1 029 - -	2015 2014 2015 2014 2015 664 249 583 155 69 193 59 239 753 442 - 1 029 - - -

EBITDAR represents earnings after BEE transaction charges but before interest, taxation, depreciation and rental EBITDA represents earnings after BEE transaction charges but before interest, taxation and depreciation

* Now disclosed separately following the acquisition of the remaining share of the Courtvard joint venture

OUTLOOK

The trend of higher occupancies has continued in the second half of the financial year, albeit at a slower pace. While a positive momentum is expected to be maintained in the medium term, it is likely that business and government travel will be negatively affected in the lead-up to and holding of local government elections which are required to take place between 18 May and 16 August 2016.

BASIS OF PREPARATION

These condensed consolidated interim financial statements are prepared in accordance with International Financial Reporting Standard, IAS 34 Interim Financial Reporting, the SAICA Financial Reporting Guides issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act of South Africa.

The accounting policies applied in the preparation of these interim financial statements are in terms of International Financial Reporting Standards and are consistent with those applied in the previous annual financial statements

The condensed group financial information has been presented on the historical cost basis, except for derivative financial instruments carried at fair value and the defined benefit plan measured at the fair value of plan assets, less the present value of the defined benefit obligation, and are presented in Rand thousands which is City Lodge's functional and presentation currency.

These condensed interim financial statements were prepared under the supervision of Mr AC Widegger CA(SA), in his capacity as group financial director.

DECLARATION OF DIVIDEND

The board has approved and declared interim dividend number 54 of 269 cents per ordinary share (gross) in respect of the six months ended 31 December 2015.

The dividend will be subject to Dividends Withholding Tax (DWT). In accordance with paragraphs 11.17 (a) (i) to (x) and 11.17(c) of the JSE Listings Requirements the following additional information is disclosed:

- The dividend has been declared out of income reserves;
- The local Dividends Tax rate is 15% (fifteen per centum);
- The gross local dividend amount is 269 cents per ordinary share for shareholders exempt from the Dividends Tax:
- The net local dividend amount is 228,65 cents per ordinary share for shareholders liable to pay the Dividends Tax:
- The company currently has 43 372 593 ordinary shares in issue; and - The company's income tax reference number is 9041001711.
- Shareholders are advised of the following dates

na	renoi	aers	are	advised	or the	tollowing	dates:
		A - A	a statistica	and the second s	المتعدية المكرر		

Last date to trade cum dividend	Friday, 4 March 2016
Shares commence trading ex dividend	Monday, 7 March 2016
Record date	Friday, 11 March 2016
Payment of dividend	Monday, 14 March 2016

Share certificates may not be dematerialised or rematerialised between Monday, 7 March 2016 and Friday, 11 March 2016, both days inclusive.

For and on behalf of the board

Bulelani Ngcuka	Clifford Ross
Chairman	Chief executive
18 February 2016	

www.clhg.com

Registered office: The Lodge, Bryanston Gate Office Park, Corner Homestead Avenue and Main Road, Bryanston, 2191

Transfer secretaries: Computershare Investor Services Proprietary Limited, 70 Marshall Street, Johannesburg, 2001

Directors: BT Ngcuka (chairman), C Ross (chief executive)*, GG Huysamer, FWJ Kilbourn, N Medupe, SG Morris, VM Rague⁺, Dr KIM Shongwe, W Tlou, AC Widegger^{*} *Executive +Kenyan