

		CASINO PROFITABILITY MODEL				
INCOME STATEMENT						
				Western Cape (Annual Rates)		
				Levy Table for Casino Operator		
	Slots	Tables		Total	Revenue	Levy Calc
Gross Revenue (GGR)	R 400.00 m	R 100.00 m		R 500.00 m	<R120m	
	80%	20%			>=R120m & <R240m	
Levy (Province)				R 49.20 m	>=R240m & <R360m	
GGR net of Levy				R 450.80 m	>=R360m & <R480m	
VAT	R 44.29 m	R 11.07 m		R 55.36 m	>=R480m & <R600m	R 49.20 m
14%					>=R600m	
GGR net Levy & VAT	R 355.71 m	R 88.93 m		R 395.44 m		
Direct Costs (Wages)	R 48.00 m	R 40.00 m		R 88.00 m	Total	R 49.20 m
%GGR	12%	40%				
Indirect Costs						
Admin, Marketing, Security, Elec) %GGR		7%	R 35.00 m			
Management Fee %GGR		3%	R 15.00 m			
Total Indirect Costs				R 50.00 m		
Gross Operating Profit (EBITDA)				R 218.64 m		
Gross Trading Margin	EBITDA/GGR	43.7%				
Capital Cost						
Building		R 400.00 m			Project Financing	
F&F		R 25.00 m				
Gambling Equipment		R 200.00 m		Total Capital Invested	R 675.00 m	
Land		R 50.00 m				
	Total	R 675.00 m		Comprising	Debt	Equity (Licencee)
				Gearing	66.7%	33.3%
Depreciation					R 450.00 m	R 225.00 m
Item	Rates					
Building	2%	R 8.00 m		Interest % on Debt	12.0%	
Fixtures&Fittings	20%	R 5.00 m		Interest Charge	R 54.00 m	
Gambling Equipment	20%	R 40.00 m				
Total		R 53.00 m		Deductible Capital Charge	R 54.00 m	
				(interest)		
Gross Operating Profit (EBITDA)		R 218.64 m				
Capital Charges						
Depreciation		R 53.00 m				
Interest (for infrastructure)		R 54.00 m				
Net Operating Profit before tax		R 111.64 m				
Corporate Tax @	28%	R 31.26 m				
Net Operating Profit (after Tax)		R 80.38 m				
Net Trading Margin (after Tax)		16.1%				
Return on equity (year 1)		35.7%				