

UNAUDITED INTERIM RESULTS ANNOUNCEMENT for the six month period ended 30 June 2018

ACCOUNTING POLICY

The condensed consolidated financial information for the six months interim period ended 30 June 2018 has been prepared in accordance with the requirements of the JSE Limited Listings Requirements and the South African Companies Act No 71 of 2008. The Listings Requirements require provisional reports to be prepared in accordance with the framework concepts, the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and must also, as a minimum, contain the information required by IAS 34 "Interim Financial Reporting". The accounting policies applied are consistent with those adopted in the financial statements for the year ended 31 December 2017, unless mentioned otherwise.





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UNAUDITED INTERIM RESULTS ANNOUNCEMENT

for the six month period ended 30 June 2018

CONDENSED GROUP STATEMENTS OF COMPREHENSIVE INCOME

	Unaud six month	
R million	30 June 2018	30 June 2017
Continuing operations Income	7 851	7 560
Consumables and services Depreciation and amortisation Employee costs Impairment of assets Levies and VAT on casino income LPM site owners commission Promotional and marketing costs Property and equipment rentals Property costs Other operational costs	(996) (878) (1 562) - (1 625) (159) (482) (94) (378) (585)	(798) (822) (1 501) (1 548) (141) (494) (101) (358) (782)
Operating profit Foreign exchange profit/(losses) Interest income Fair value adjustment to put option liability Interest expense Share of equity accounted profits	1 092 49 10 54 (610) 3	1 007 (12) 10 (162) (515) 1
Profit before tax Tax	598 (254)	329 (198)
Profit for the period from continuing operations (Loss)/profit for the period from discontinued operations	344 (9)	131 1
Profit for the period	335	132

CONDENSED GROUP STATEMENTS OF COMPREHENSIVE INCOME continued

	Unauc six month	
R million	30 June 2018	30 June 2017
Other comprehensive income:		
Items that may be reclassified to profit or loss Gross profit/(loss) on cash flow hedges Currency translation reserve	19 267	(19) (170)
Total comprehensive profit/(loss) for the period	621	(57)
Profit for the period attributable to:	335	132
Minorities Ordinary shareholders	198 137	190 (58)
Total comprehensive profit/(loss) for the period attributable to:	621	(57)
Minorities Ordinary shareholders	337 284	91 (148)
Total comprehensive profit/(loss) attributable to ordinary shareholders arises from:	284	(148)
Discontinued operations Continuing operations	(5) 289	1 (149)

HEADLINE EARNINGS AND ADJUSTED HEADLINE EARNINGS RECONCILIATION

	Unau six montl	
R million	30 June 2018	30 June 2017
Profit/(loss) attributable to ordinary shareholders Net profit on disposal of property, plant and equipment Profit on disposal of shares in associates Impairment of assets Tax on the above items Minorities' interests on the above items	137 (15) - 2 2	(58) - (27) 8 2 (2)
Headline earnings/(loss) Straight-line adjustment for rentals Pre-opening expenses Latam acquisition costs Restructure and related costs Fair value adjustment on put options Amortisation of Dreams intangible assets raised as part of the PPA Share-based payments expense Reversal of Employee Share Trust consolidation ⁽ⁱ⁾	126 6 3 10 8 (54) 63 - 7	(77) 9 40 - 15 162 73 8 2
Foreign exchange (profits)/losses on intercompany and minority loans Interest on Time Square Note Other Tax on the above items Minorities' interests on the above items	(30) - 15 (7) (32)	12 22 12 (36) (36)
Adjusted headline earnings	115	206

(i) The consolidation of the Employee Share Trust is reversed in the calculation of adjusted headline earnings as the group does not receive the economic benefits of the trust.

		Unaudited six months ended		
R million	Cents per share	Cents per share		
Earnings/(loss) per share basic diluted Diluted adjusted headline earnings per share	109 133 105	(59) (59) 198		

CONDENSED GROUP STATEMENTS OF FINANCIAL POSITION

		Unaudited six months ended		
R million	30 June 2018	30 June 2017		
ASSETS				
Non-current assets				
Property, plant and equipment	18 588	17 978		
Intangible assets	2 824	2 669		
Equity accounted investments Available-for-sale investment	21	17 48		
Loans and receivables	55	83		
Pension fund asset	33	33		
Deferred tax	814	402		
	22 335	21 230		
Current assets				
Accounts receivable and other	1 555	1 498		
Shareholder loans Cash and cash equivalents	943 862	1 060		
	3 360	2 558		
Non-current assets held for sale	108	76		
Total assets	25 803	23 864		
EQUITY AND LIABILITIES	25 805	23 804		
Capital and reserves				
Ordinary shareholders' equity before put option reserve	3 907	2 340		
Put option reserve	(1 286)	(4 799)		
Ordinary shareholders' equity	2 621	(2 459)		
Minorities' interests	2 486	2 907		
	5 107	448		
Non-current liabilities				
Deferred tax	878	251		
Borrowings Other non-current liabilities	10 814 1 054	11 292 966		
Put option liability	1 251	4 799		
	13 997	17 308		
Current liabilities				
Accounts payable and other	2 314	2 299		
Borrowings	4 249	3 763		
	6 563	6 062		
Non-current liabilities held for sale	136	46		
Total liabilities	20 696	23 416		
Total equity and liabilities	25 803	23 864		



GROUP STATEMENT OF CHANGES IN EQUITY

Unaudited FOR THE SIX MONTHS ENDED 30 JUNE 2018 Balance at 31 December 2017 295 424 126 89 - Total comprehensive income for the period Realisation of Sun Dreams option - - 1088 - <th>R million</th> <th>Share capital and premium</th> <th>Treasury shares and share options</th> <th>Foreign currency translation reserve</th> <th>Share- based payment reserve</th> <th>Available- for-sale reserve</th> <th></th>	R million	Share capital and premium	Treasury shares and share options	Foreign currency translation reserve	Share- based payment reserve	Available- for-sale reserve	
Balance at 31 December 2017 295 424 126 89 - Total comprehensive income for the period Rights issue 1 599 -							
Total comprehensive income for the period Rights issue 1 - - 128 - - Rights issue 1 599 - <t< td=""><td></td><td>205</td><td>404</td><td>126</td><td>00</td><td></td><td></td></t<>		205	404	126	00		
Rights issue 1 599 -		295	424		89	_	
Acquisition of minorities' interest in Slaya -		1 599	-	-	_	-	
Acquisition of minorities' interest in Sun Dreams Increase in investment in Sun Dreams Dividends paid to minorities -		-	-	(108)	-	-	
Increase in investment in Sun Dreams Dividends paid to minorities –<		-	-	-	-	-	
Dividends paid to minorities -		-	-	-	-	-	
Audited 295 (604) 165 116 4 Correction of PPA misallocation -		-	_	-	_	_	
FOR THE YEAR ENDED 31 DECEMBER 2017 Balance at 31 December 2016 295 (604) 165 116 4 Correction of PPA finalisation adjustment - - - - Total comprehensive income for the period - - - - Treasury share options purchased - (11) - - Employee share schemes - 27 - (27) - Fair value adjustment on investment held for sale - - - - - Disposal of interest in Botswana, Namibia - - - - - - Release of share options - 164 - - - - - Dividends paid to minorities - - - - - - - Balance at 31 December 2017 295 (424) 126 89 - - Dividends paid to minorities - - - - - - - Balance at 31 December 2016 295 (604) 165 116 4 - <td>Balance at 30 June 2018</td> <td>1 894</td> <td>(424)</td> <td>146</td> <td>89</td> <td>-</td> <td></td>	Balance at 30 June 2018	1 894	(424)	146	89	-	
Balance at 31 December 2016 295 (604) 165 116 4 Correction of PPA misallocation -							
Correction of PPA misallocationDreams S.A. merger PPA finalisation adjustment295(604)1651164Total comprehensive income for the period(39)Treasury share options purchased-(11)Employee share schemes-27-(27)-Time Square SPVFair value adjustment on investment held for saleDisposal of interest in Botswana, Namibiaand LesothoRelease of share options-164Dividends paid to minoritiesBalance at 31 December 2017295(604)1651164Correction of PPA misallocationDreams S.A. merger PPA finalisation adjustment295(604)1651164Decrease in Sun West option10Dicated bridge share option10 </td <td></td> <td>205</td> <td>(604)</td> <td>165</td> <td>116</td> <td>4</td> <td></td>		205	(604)	165	116	4	
Dreams S.A. merger PPA finalisation adjustment -<		295	(604)	105		-	
Total comprehensive income for the period(39)Treasury share options purchased-(11)Employee share schemes-27-(27)-Time Square SPVFair value adjustment on investment held for saleThree Square SPVFair value adjustment on investment held for saleRelease of share options-164Dividends paid to minoritiesBalance at 31 December 2017295(424)12689Unaudited FOR THE SIX MONTHS ENDED 30 JUNE 2017295(604)1651164Correction of PPA misallocation295(604)1651164Total comprehensive income for the period295(604)1651164Decrease in Sun Dreams optionIncrease in Sun Dreams optionIncrease in Sun Dreams optionTotal comprehensive optionIncrease in Sun Dreams option <t< td=""><td></td><td>-</td><td>-</td><td>_</td><td>-</td><td></td><td></td></t<>		-	-	_	-		
Treasury share options purchased-(11)Employee share schemes-27-(27)-Time Square SPVFair value adjustment on investment held for saleDisposal of interest in Botswana, Namibiaand LesothoRelease of share options-164Dividends paid to minoritiesBalance at 31 December 2017295(424)12689-UnauditedFOR THE SIX MONTHS ENDED 30 JUNE 2017Balance at 31 December 2016295(604)1651164Correction of PPA misallocation295(604)1651164Total comprehensive income for the periodDecrease in Sun Dreams optionIncrease in Sun Dreams option <td></td> <td>295</td> <td>(604)</td> <td>165</td> <td>116</td> <td>4</td> <td></td>		295	(604)	165	116	4	
Employee share schemes-27-(27)-Time Square SPVFair value adjustment on investment held for saleTair value adjustment on investment held for saleTair value adjustment on investment held for sale		-	-	(39)			
Time Square SPVFair value adjustment on investment held for saleDisposal of interest in Botswana, Namibiaand LesothoRelease of share options-164Dividends paid to minoritiesBalance at 31 December 2017295(424)12689Unaudited FOR THE SIX MONTHS ENDED 30 JUNE 2017295(604)1651164Correction of PPA misallocationDreams S.A. merger PPA finalisation adjustment295(604)1651164Dreams S.A. merger PPA finalisation adjustment295(604)1651164Decrease in Sun West optionIncrease in Sun Dreams optionIncrease in Sun Dreams optionIncrease in Sun Dreams option <t< td=""><td></td><td></td><td>. ,</td><td>-</td><td></td><td>-</td><td></td></t<>			. ,	-		-	
Fair value adjustment on investment held for sale(4)Disposal of interest in Botswana, NamibiaRelease of share options-164Dividends paid to minoritiesBalance at 31 December 2017295(424)12689Unaudited FOR THE SIX MONTHS ENDED 30 JUNE 2017 <t< td=""><td></td><td>_</td><td>27</td><td>_</td><td>(27)</td><td>_</td><td></td></t<>		_	27	_	(27)	_	
and LesothoRelease of share options-164Dividends paid to minoritiesBalance at 31 December 2017295(424)12689-Unaudited FOR THE SIX MONTHS ENDED 30 JUNE 2017Balance at 31 December 2016295(604)1651164Correction of PPA misallocationDreams S.A. merger PPA finalisation adjustment295(604)1651164Decrease in Sun West optionImage optionTime Square optionRealised hedgeDividends paid to minorities		-	-	_	-	(4)	
Release of share options-164Dividends paid to minoritiesBalance at 31 December 2017295(424)12689-Unaudited FOR THE SIX MONTHS ENDED 30 JUNE 2017295(604)1651164Balance at 31 December 2016295(604)1651164Correction of PPA misallocationDreams S.A. merger PPA finalisation adjustment295(604)1651164Total comprehensive income for the period295(604)1651164Total comprehensive income for the periodImployee share schemesDecrease in Sun Dreams optionImployee share optionImployee share optionDecrease in Sun Dreams optionImployee optionImployee share optionDecrease in Sun Dreams optionImployee share optionImployee share optionImployee share option <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>							
Dividends paid to minorities -		-	164	-	-	-	
Balance at 31 December 2017 295 (424) 126 89 - Unaudited FOR THE SIX MONTHS ENDED 30 JUNE 2017 Balance at 31 December 2016 295 (604) 165 116 4 Correction of PPA misallocation - - - - - - Dreams S.A. merger PPA finalisation adjustment - - - - - Total comprehensive income for the period - - - - - Decrease in SunWest option - - - - - - Increase in Sun Dreams option - - - - - - Increase in Sun Dreams option - - - - - - Increase in Sun Dreams option - - - - - - Increase in Sun Dreams option - - - - - - Increase option - - - - - - - Realised hedge		_	104	_	_	_	
Unaudited FOR THE SIX MONTHS ENDED 30 JUNE 2017 Balance at 31 December 2016 295 (604) 165 116 4 Correction of PPA misallocation – – – – – Dreams S.A. merger PPA finalisation adjustment – – – – – 295 (604) 165 116 4 Total comprehensive income for the period – – – – Employee share schemes – – – – – Decrease in Sun West option – – – – – Increase in Sun Dreams option – – – – – Increase in Sun Dreams option – – – – – Increase in Sun Dreams option – – – – – – Increase in Sun Dreams option – – – – – – – Increase in Sun Dreams option – – – – – – – Realised hedge – – – </td <td></td> <td>295</td> <td>(424)</td> <td>126</td> <td>89</td> <td>_</td> <td></td>		295	(424)	126	89	_	
Balance at 31 December 2016 295 (604) 165 116 4 Correction of PPA misallocation -			(/				
Correction of PPA misallocationDreams S.A. merger PPA finalisation adjustment295(604)1651164Total comprehensive income for the periodEmployee share schemes(1)-Decrease in SunWest optionIncrease in Sun Dreams optionTime Square optionForeign exchange on put optionRealised hedgeDividends paid to minorities	FOR THE SIX MONTHS ENDED 30 JUNE 2017						
Dreams S.A. merger PPA finalisation adjustment295(604)1651164Total comprehensive income for the period(71)Employee share schemes(1)-Decrease in SunWest optionIncrease in Sun Dreams optionTime Square optionForeign exchange on put optionRealised hedgeDividends paid to minorities		295	(604)	165	116	-	
295 (604) 165 116 4Total comprehensive income for the periodEmployee share schemesDecrease in SunWest optionIncrease in Sun Dreams optionTime Square optionForeign exchange on put optionRealised hedgeDividends paid to minorities		_	_	_	_		
Total comprehensive income for the period(71)Employee share schemes(1)-Decrease in SunWest optionIncrease in Sun Dreams optionTime Square optionForeign exchange on put optionRealised hedgeDividends paid to minorities							
Employee share schemes(1)-Decrease in SunWest optionIncrease in Sun Dreams optionTime Square optionForeign exchange on put optionRealised hedgeDividends paid to minorities	Total comprehensive income for the period	295	(604)			-	
Increase in Sun Dreams optionTime Square optionForeign exchange on put option(103)Realised hedgeDividends paid to minorities	Employee share schemes	_	-	. ,	(1)	_	
Time Square optionForeign exchange on put option(103)Realised hedgeDividends paid to minorities	Decrease in SunWest option	-	-	-	-	-	
Foreign exchange on put option(103)Realised hedgeDividends paid to minorities		-	-	-	-	-	
Realised hedge - - - - Dividends paid to minorities - - - -		_	-	(103)	_		
Dividends paid to minorities		_	_	(103)	_	_	
Balance at 30 June 2017 295 (604) (9) 115 4		-	-	-	-	-	
	Balance at 30 June 2017	295	(604)	(9)	115	4	

Reserve for non- controlling interests	Hedging and other reserve	Retained earnings	Ordinary share- holders' equity before put option reserve	Put option reserve	Ordinary share- holders' equity	Minorities' interests	Total equity
(2 386) (16) 618 (805) 	5 19 - - - - -	4 353 137 - 277 - - -	2 058 284 1 599 (16) 618 (805) -	(4 651) 3 365 	(2 593) 284 1 599 3 534 (16) 618 (805) -	2 899 337 - (2) (618) (130)	306 621 1 599 3 534 (18) - (805) (130)
(2 589)	24	4 767	3 907	(1 286)	2 621	2 486	5 107
(2 411) 235 131	(54) 	4 502 _ _	2 013 235 131	(4 651) _ _	(2 638) 235 131	3 171 (235) _	533 _ 131
(2 045) _ _ _	(54) 59 –	4 502 (243) - 1	2 379 (223) (11) 1	(4 651) _ _ _	(2 272) (223) (11) 1	2 936 209 - -	664 (14) (11) 1
(84)			(84) (4)	-	(84) (4)	84 _	(4)
(257) _ _	- - -	257 (164) –		- -	- - -	(330)	(330)
(2 386)	5	4 353	2 058	(4 651)	(2 593)	2 899	306
(2 411) 235 131	(54) 	4 502 _ _	2 013 235 131	(4 651) _ _	(2 638) 235 131	3 171 (235) _	533 _ 131
(2 045) 	(54) (19) —	4 502 (58) 1	2 379 (148)	(4 651)	(2 272) (148) –	2 936 91 -	664 (57) –
		(55) 217 –	(55) 217 (103)	55 (217) (89) 103	(89)		(89)
-	_ 50 _	-	(103) 50	103	_ 50 _		66 (136)
(2 045)	(23)	4 607	2 340	(4 799)	(2 459)	2 907	448

SUPPLEMENTARY INFORMATION

	Unau six month	
R million	30 June 2018	30 June 2017
EBITDA RECONCILIATION Operating profit Depreciation and amortisation Net profit on disposal of property, plant and equipment* Straight-line adjustment for rentals* Impairment of assets* Pre-opening expenses* Latam acquisition costs* Profit on disposal of shares in associates* Restructure and related costs* Share-based payments expense*	1 092 878 (15) 6 - 3 10 - 12 -	1 007 822 - 9 8 40 - (27) 15 8
Other* Reversal of Employee Share Trust consolidation*	17 7	10 2
EBITDA	2 010	1 894
EBITDA margin (%)	26	25
Number of shares ('000) – in issue after excluding deemed treasury shares – for HEPS calculation – for diluted EPS calculation – for adjusted headline EPS calculation ⁽ⁱ⁾ – for diluted adjusted headline EPS calculation ⁽ⁱ⁾	125 516 102 410 102 410 108 561 108 561	97 856 97 933 97 933 104 132 104 132
Earnings/(loss) per share (cents) – basic earnings/(loss) per share – headline earnings/(loss) per share – adjusted headline earnings per share – diluted basic earnings/(loss) per share – diluted headline earnings/(loss) per share – diluted adjusted headline earnings per share	109 123 105 133 123 105	(59) (78) 198 (59) (78) 198
Continuing – earnings/(loss) per share (cents) – basic earnings/(loss) per share – headline earnings/(loss) per share – adjusted headline earnings per share – diluted basic earnings/(loss) per share – diluted headline earnings/(loss) per share – diluted adjusted headline earnings per share	113 128 110 138 128 110	(60) (79) 197 (60) (79) 197

	Unauc six month	
R million	30 June 2018	30 June 2017
Discontinuing – (loss)/earnings per share (cents) – basic (loss)/earnings per share – headline (loss)/earnings per share – adjusted (loss)/headline earnings per share – diluted basic (loss)/earnings per share – diluted headline (loss)/earnings per share – diluted adjusted headline (loss)/earnings per share	(4) (5) (5) (5) (5) (5)	1 1 1 1 1 1
TAX RATE RECONCILIATION Profit before tax Share of associates' losses Adjusted profit before tax	598 (3) 595	329 (1) 328
	%	%
Effective tax rate (excluding Time Square settlements) Preference share dividends Withholding taxes Foreign tax rate variation Exempt income Exempt income – capital gains Foreign monetary adjustments and government incentives Capital allowances and disallowed expenditure	43 (2) (1) 2 1 1 5 (21)	60 (5) (1) 2 2 1 9 (40)
South African corporate tax rate	28	28
EBITDA to interest (times) Borrowings to EBITDA (times) Net asset value per share (Rand) Capital expenditure (R million) Capital commitments (R million)	3.1 3.2 28.57 519 164	3.4 3.9 21.15 1 517 871

* Items identified above are included as headline and adjusted headline adjustments impacting operating profit in the segmental analysis.

 The consolidation of the Employee Share Trust is reversed in the calculation of adjusted headline earnings as the group does not receive the economic benefits of the trust.

CONDENSED GROUP STATEMENTS OF CASH FLOW

	Unauc six month	
R million	30 June 2018	30 June 2017
Cash generated by operations before: Vacation Club timeshare sales Working capital changes	1 966 74 (13)	1 898 78 (135)
Cash generated by operations Tax paid	2 027 (407)	1 841 (411)
Cash generated by operating activities	1 620	1 430
Purchase of property, plant and equipment Purchase of intangible assets Acquisition of Thunderbird Resorts Acquisition of minorities' interest in Sibaya Acquisition of minorities' interest in Sun Dreams Advance payment of Mendoza Proceeds on disposal of PPE and intangibles Proceeds on disposal of investment in joint venture Loan and investment income Cash flows from investing activities Purchase of treasury shares Dividends paid to minorities Interest paid Sun Dreams shareholder Ioan	(485) (34) (321) (17) (662) (27) 83 - 22 (1 441) (130) (626) (713)	(1 485) (32) - - - 4 121 9 (1 383) (11) (136) (592)
Rights issue Movement in borrowings	1 599 (277)	_ 685
Net cash flows from financing activities	(154)	(54)
Effect of exchange rates upon cash and cash equivalents	139	(58)
Increase/(decrease) in cash and cash equivalents Cash and cash equivalents at beginning of the period	164 709	(65) 1 134
Cash and cash equivalents at end of the period Assets held for sale	873 (11)	1 069 (9)
Cash and cash equivalents at end of the period excluding non-current assets held for sale	862	1 060

COMMENTARY

INTRODUCTION

Trading in South Africa during the first half of the year remained challenging with continued pressure on disposable income, a VAT increase and a deteriorating economic climate. Trading in Chile remained subdued while Peru experienced good growth.

As indicated, we have shifted our focus, realigned our strategy and are committed to getting the basics right and operating as efficiently and optimally as possible. The benefits of this strategy are clearly demonstrated in the results from the South African operations where we have managed to hold comparable EBITDA in line with the prior corresponding period. This was despite comparable income only being up by 1%, significant cost pressures and a 1% increase in the South African VAT rate.

In June 2018, we concluded the R1.6 billion equity raise and used the proceeds to reduce South African debt. While the equity raise has improved our debt covenants, the group remains highly geared. As a result of the group's strong cash generation, we are confident debt will continue to reduce and we will revert to satisfactory debt levels over the next few years.

In Latam, we concluded the acquisition of an additional 10% interest in Sun Dreams during May 2018, increasing our interest to approximately 65%. We further concluded the acquisitions of Thunderbird Resorts in Peru for US\$26 million in April 2018 and the Park Hvatt Hotel and Casino in Mendoza. Argentina for US\$25.5 million in July 2018. Both these acquisitions were concluded at attractive valuations and will contribute positively to the group's performance. Disappointingly, we only secured one of the five municipal licences, which we bid for in Chile. While our bids all met the minimum criteria, we lost out to a competitor whose economic offer (additional tax) was

substantially above ours and at levels which would not generate satisfactory returns.

We continue to deal with loss making entities and in this regard plan to restructure the Boardwalk and Carousel operations. Applications for the required approvals have been submitted to the respective gaming boards. Time Square has experienced a significant increase in activity although income for the comparable period (March – June) is only marginally up on the prior corresponding period. Recent trading has however been encouraging with July and August 2018 gaming income up by 32% and approximately 27% respectively.

BASIS FOR ACCOUNTING AND DISCLOSURE

The condensed consolidated financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements for summary financial statements and the requirements of the Companies Act applicable to summary financial statements. The summary financial statements were prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Pronouncements as issued by the Financial Reporting Standards Council (FRSC), and to also, as a minimum, contain the information required by IAS 34 "Interim Financial Reporting". The accounting policies applied in the preparation of the consolidated financial statements from which the summary consolidated financial statements were derived are in terms of IFRS and are consistent with those accounting policies applied in the preparation of the previous consolidated financial statements, unless otherwise stated

The group has, however, adopted IFRS 9 "Financial Instruments" and IFRS 15 "Revenue from Contracts with Customers" which are both effective for financial periods commencing on or after 1 January 2018.

The impact of these statements on the group is set out below:

- IFRS 9: The measurement of provisions against trade receivables were revised to comply with the expected credit loss method. The change had no material impact on operating profit.
- IFRS 15: It was assessed that, other than certain disclosures, the basis of the group's

revenue recognition is in line with IFRS 15, and there was therefore no impact on the financial results. There is, however, a change in the statement of comprehensive income disclosure as net gaming revenue is classified as a derivative in terms of IAS 32 and IAS 39, and as a result is being disclosed as 'Income' whereas in prior periods it was disclosed as 'Revenue'. The reclassification had no impact on operating profit.

The presentation and functional currency is the South African rand, rounded to the nearest million, except where otherwise indicated.

FINANCIAL OVERVIEW

The income statement below includes Adjusted Headline Earnings adjustments.

	Unaudited six months ended			
R million	30 June	%	30 June	
	2018	movement	2017	
Income	7 851	4	7 560	
EBITDA	2 010	6	1 894	
Depreciation and amortisation	(815)	(9)	(747)	
Adjusted operating profit Foreign exchange profit Net interest	1 195 19 (600)	4 100 (24)	1 147 (483)	
Profit before tax	614	(8)	664	
Tax	(259)	(12)	(232)	
Profit after tax	355	(18)	432	
Minorities	(238)	(4)	(228)	
Attributable profit	117	(43)	204	
Share of associates	3	>100	1	
Continued adjusted headline earnings	120	(41)	205	
Discontinued operations	(5)	<(100)	1	
Adjusted headline earnings	115	(44)	206	

For the six months under review, group income increased by 4% to R7.9 billion. South African comparable income (excluding Time Square, Fish River and Morula) increased by 1%. In Chile, income increased by 2% with Monticello income up by 6%. Due to the closure of Sun Nao casino in December 2017 and the downscaling of the Ocean Sun casino operation, income from Colombia and Panama respectively was well down on the prior corresponding period.

Group EBITDA increased by 6% to R2.0 billion and on a comparable basis by 2% to R1.8 billion. The increase in the VAT rate from 14% to 15% negatively impacted EBITDA by approximately R21 million. With the full six months trading of Time Square and the opening of the arena and hotel, depreciation was up by 8% resulting in adjusted operating profit increasing by only 4%.

Interest charges were 24% higher due to the debt funding of Time Square. Minorities' share of earnings has decreased with the acquisition of the approximately 10% interest in Sun Dreams.

Due primarily to the group's attributable share of the losses from Time Square increasing from R63 million in the prior corresponding period to R182 million, adjusted headline earnings decreased from R206 million to R115 million, 44% below the prior corresponding period. Adjusted headline earnings per share were down by 47% at 105 cents per share.

HEADLINE AND ADJUSTED HEADLINE EARNINGS ADJUSTMENTS

The group has incurred a number of once-off or unusual items that have been adjusted for in headline and adjusted headline earnings, the most significant of which are described below.

Headline earnings adjustments include the following:

• profit on disposal of Fish River land of R15 million.

Adjusted headline earnings adjustments include the following:

- restructuring costs relating to the closing of Sun Nao in Colombia of R12 million;
- R10 million acquisition costs relating to Thunderbird Resorts and acquisition of the minorities' interest in Sun Dreams;
- foreign exchange profit on shareholder loans of R30 million;
- amortisation of R63 million of the Sun Dreams intangible assets raised as part of a purchase price adjustment; and
- an increase in the value of the Tsogo Sun put options of R54 million.

INTERIM DIVIDEND

The board has decided not to declare an interim dividend for the six months ended 30 June 2018.

INCOME BY NATURE AND GEOGRAPHICAL SEGMENT

	South Africa			
R million	2018	%	2017	
Casinos	3 713	6	3 489	
International VIP Business	-	(100)	9	
Sun Slots	562	12	504	
SunBet	25	-	25	
Rooms	473	(1)	480	
Food and Beverage	426	-	424	
Other	206	(7)	221	
	5 405	5	5 152	

South Africa continues to contribute the majority of the group's income at 69%, with Latam contributing 30% and Nigeria 1%. Gaming is the primary contributor to group income at 73%, alternate gaming contributes 7%, Food and Beverage 9%, rooms 8% and other income 3%.

The table below sets out the consolidated income, EBITDA and operating profit by geographical region as reflected in the income statement above, which includes headline and adjusted headline earnings adjustments and the reconciliation to depreciation and amortisation and operating profit in the statement of comprehensive income.

		Income		
R million	2018	%	2017	
South African operations*	4 236	(1)	4 288	
Time Square	582	>100	276	
Morula	-	(100)	38	
Fish River	_	(100)	12	
International VIP Business	-	(100)	9	
Alternate Gaming				
Sunbet	25	-	25	
Sun Slots	562	12	504	
South Africa	5 405	5	5 152	
Latam	2 382	2	2 339	
Nigeria	64	(7)	69	
Total continued operations	7 851	4	7 560	
Headline and adjusted headline adjustments to impact operating profit				
Unadjusted group operating profit	7 851	4	7 560	

* South African operations exluding new and discontinued operations.

Latam			Nigeria			Group			
	2018	%	2017	2018	%	2017	2018	%	2017
	2 022	2	1 976	27	(13)	31	5 762	5	5 496
	-	-	-	-	-	-	-	(100)	9
	-	-	-	-	-	-	562	12	504
	_	-	-	-	-	-	25	-	25
	115	2	113	21	11	19	609	-	612
	245	2	241	16	(11)	18	687	1	683
	-	(100)	9	-	(100)	1	206	(11)	231
	2 382	2	2 339	64	(7)	69	7 851	4	7 560

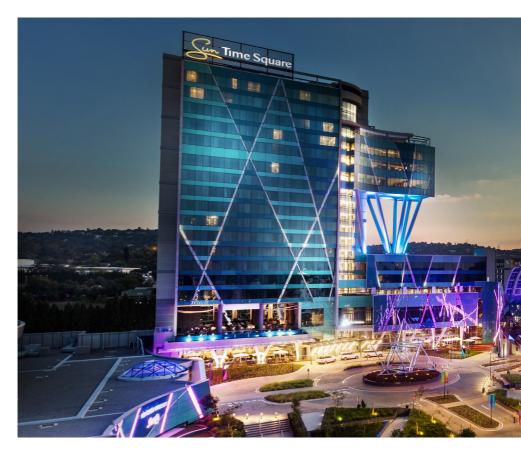
EBITDA			Depreciation and amortisation			Operating profit		
2018	%	2017	2018	%	2017	2018	%	2017
1 124 130 (1) (1) -	(2) 81 75 92 100	1 149 72 (4) (13) (15)	(397) (121) – – –	3 <(100) 100 - -	(409) (45) (1) –	727 9 (1) (1) -	(2) (67) 80 92 100	740 27 (5) (13) (15)
_ 127	(100) 12	1 114	_ (47)	100 (7)	(1) (44)	_ 80	_ 14	70
1 379 631 -	6 7 100	1 304 591 (1)	(565) (238) (12)	(13) (2) 14	(500) (233) (14)	814 393 (12)	1 10 20	804 358 (15)
2 010	6	1 894	(815)	(9)	(747)	1 195	4	1 147
			(63)		(75)	(103)		(140)
2 010	6	1 894	(878)	(7)	(822)	1 092	8	1 007

SEGMENTAL REVIEW

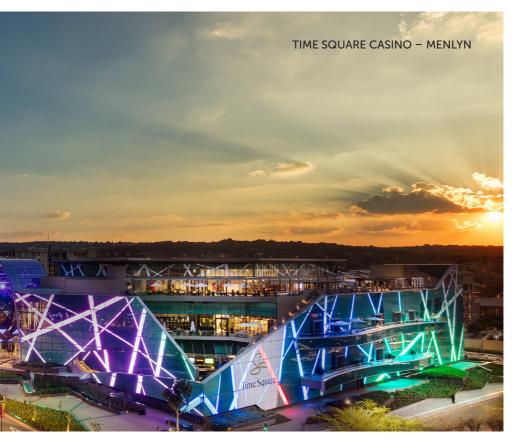
The segmental review throughout includes all headline and adjusted headline earnings adjustments.

The table below sets out the operating performance of the group's geographic segments.

	South Africa		
R million	2018	2017	
Income EBITDA Adjusted operating profit PPA adjustment	5 405 1 379 814 –	5 152 1 304 804 –	
Operating profit/(losses) after PPA	814	804	



Latam		Nig	eria	Group		
2018	2017	2018	2017	2018	2017	
2 382 631	2 339 591	64	69 (1)	7 851 2 010	7 560 1 894	
403	368	(11)	(1)	1 206	1 159	
(10)	(10)	(1)	(2)	(11)	(12)	
393	358	(12)	(15)	1 195	1 147	



South Africa

Income increased by 5% with EBITDA up by 6%. The growth in income and EBITDA was primarily driven by Time Square while EBITDA was positively impacted by no longer incurring the Fish River and International VIP Business losses. On a comparable basis, income for the first half of 2018 increased by 1% while EBITDA was in line with the prior corresponding period reflecting the benefits of the various efficiency and cost cutting measures implemented over the past year. The increase in VAT impacted EBITDA by approximately R21 million.

Casino operations continue to be impacted by the current economic climate in South Africa, with comparable casino income increasing by 2%. Sun Slots continued its strong performance with income and EBITDA up by 12% and 11% respectively. Rooms revenue, which was down by 3%, came under pressure due to the water crisis in Cape Town and the pressure on disposable income.

South African segment review set out below

		Income		
R million	2018	%	2017	
GrandWest	1 075	4	1 031	
Sun City	784	(3)	808	
Sibaya	632	3	612	
Carnival City	469	-	471	
Boardwalk	252	(9)	276	
Wild Coast Sun	247	7	231	
Meropa	146	(1)	147	
Windmill	138	12	123	
Flamingo	80	(5)	84	
Golden Valley	84	-	84	
Carousel	82	(37)	130	
Table Bay	162	(7)	175	
The Maslow	68	(4)	71	
Naledi	10	-	10	
South African operations	4 229	(1)	4 253	
Sun Slots	562	12	504	
SunBet	25	-	25	
South African operations including alternative gaming	4 816	1	4 782	
Time Square	582	>100	276	
South African operations including Time Square	5 398	7	5 058	
Fish River	-	(100)	12	
Morula	-	(100)	38	
International VIP Business	-	(100)	9	
Management companies	276	(6)	293	
Intercompany management fees	(269)	(4)	(258)	
	5 405	5	5 152	

	EBITDA		Operating profit			
2018	%	2017	2018	%	2017	
407 81	4 (15)	391 95	337 (30)	7 (67)	316 (18)	
213 118 43	3 1 20	207 117	178 71 8	2 (4)	175 74	
43 44 42	26 16 (14)	34 38 49	20 31	>100 54 (18)	(6) 13 38	
47	(14) 31 (18)	36 22	31 37 11	(10) 48 (27)	25 15	
16 (8)	7 <(100)	15 19	8 (17)	14 <(100)	7 5	
36 (18) (2)	(20) (29) 50	45 (14) (4)	26 (25) (3)	(30) (9) 40	37 (23) (5)	
1 037 127 -	(1) 11 (100)	1 050 114 1	652 80 -	_ 14 _	653 70 –	
1 164 130	81	1 165 72	732 9	1 (67)	723 27	
1 294 (1) (1) - 87 -	5 92 75 100 (11) -	1 237 (12) (4) (15) 98 -	741 (1) - 75 -	(1) 92 80 100 (14) -	750 (13) (5) (15) 87 –	
1 379	6	1 304	814	1	804	

GrandWest's income and EBITDA both increased by 4% to R1.1 billion and R407 million respectively. Footfall to the complex is still maintaining an upward trend with strong play from the local Chinese market.

Sun City experienced difficult trading conditions, with income down by 3%. Tables was impacted by a low hold percentage while slots came under pressure in the local market following the opening of a third EBT outlet in Rustenburg in October 2017 and a weak local economy. Rooms revenue was in line with the prior corresponding period with occupancy down by 3% at 68% and the average room rate up by 4% at R1 835. As a result of the lower income and the high fixed cost base, EBITDA was down by 15% compared to the prior corresponding period.

Sibaya income and EBITDA both increased by 3%. Of concern is the recent opening of two EBT outlets within Sibaya's catchment area. We continue to challenge the award of these licences on the basis that the correct process has not been followed. The Sibaya Privé and food and beverage offering is currently undergoing a refurbishment that will be completed during September 2018.

Time Square achieved income of R582 million and EBITDA of R130 million respectively. Although we have seen a significant increase in activity, casino income for April 2018 to June 2018 was only in line with the prior corresponding period. This was partly due to low win percentages and high income experienced in April 2017, due to the opening. Despite the low win, casino income in July 2018 and August 2018 was up 32% and approximately 27% respectively, compared to the prior corresponding period. The hotel that opened at the end of March 2018 achieved occupancy of 40% at a room rate of R1 112, which is in line with expectations, while July 2018 showed encouraging growth with occupancy increasing to 46%. Casino market share for the period has remained at 13% although in recent months it has picked up. We are encouraged by the positive feedback we have received on the hotel and Time Square in general and are confident that it will continue to gain market share and grow income and EBITDA.

Carnival City casino income increased by 1% with EBITDA up by 1%. We continue to experience increased footfall to Carnival City. However, average spend continues to drop, reflecting the weak economic conditions.

Boardwalk's overall income decreased by 9% with casino income down by 3%, while EBITDA increased by 26% following certain restructures and cost-cutting initiatives. Further reductions in costs is possible; however, our LA10 application was recently only partly approved, which will limit our ability to implement a full restructure. We are in discussions with the gambling board in this regard. The shopping mall development is progressing. To date, we have received gaming board approval and are in the process of signing up the anchor tenants for the premises. The Boardwalk's sole contribution to the development will be the inclusion of the existing retail and land in return for a 50% equity interest in a joint venture with the developer of the mall.

Wild Coast Sun income and EBITDA increased by 7% and 16% respectively, with the EBITDA margin increasing by 2% to 17%. The casino licence expires in 2019 and the Eastern Cape Gambling and Betting Board has issued a request for proposal.

We are in the process of preparing our submission, which is due by 28 October 2018.

The Table Bay was impacted by the water crisis in Cape Town, which resulted in a number of cancellations and a slowdown in bookings. We are, however, seeing an improvement in forward bookings given the indefinite move out of day zero. Room occupancy decreased by 11% to 68% while the average room rate improved by 6% to R3 070.

The small urban casinos, which include Meropa (Limpopo), Windmill (Free State), Flamingo (Northern Cape) and Golden Valley (Western Cape) collectively grew their income and EBITDA by 2% and 1% respectively.

The Carousel has been severely impacted by Time Square, resulting in income declining by 37%. We have applied to the North West Gaming Board to restructure the Carousel operations, which we expect will return it to profitability.

Sun Slots income and EBITDA increased by 12% and 11% respectively, with EBITDA impacted by the increase in the VAT rate.

Management fees and related income of R276 million was 6% lower than the prior corresponding period due to lower project fees received of R11 million compared to the prior comparable period of R36 million. Management company costs of R189 million were R7 million lower than the prior corresponding period.

Latam

The table below includes the historic trading of Sun Dreams for the six months ended 30 June 2017, with the conversion at the average exchange rate for the six-month period ended 30 June 2018, to enable comparison in Rands.

The table is inclusive of the presentation of constant currency information.

	Income				
R million	2018	2017			
Monticello	913	863			
Sun Dreams SCJ licences	801 406	782 416			
Sun Dreams municipal licences Sun Chile office	400	416			
Central office	-	-			
Chile operations	2 120	2 070			
Ocean Sun	57	120			
Sun Nao Colombia	9	14			
Peru excluding Thunderbird Resorts	142	126			
Thunderbird Resorts	54	-			
Latam total	2 382	2 330			
Constant currency adjustment	-	9			
	2 382	2 339			
Average ZAR: CLP exchange rate	49.81	49.65			

EBI	ГDA	Depreciation ar	nd amortisation	Operating profit	
2018	2017	2018	2017	2018	2017
270	246	(76)	(67)	194	179
297	302	(18)	(19)	279	283
145	157	(18)	(23)	127	135
-	8	-	-	-	8
(105)	(83)	(56)	(55)	(161)	(138)
607	630	(168)	(164)	439	467
(11)	(37)	(38)	(42)	(49)	(79)
(3)	(21)	(12)	(13)	(15)	(35)
30	18	(17)	(14)	13	4
8	-	(3)	-	5	-
631	590	(238)	(233)	393	357
-	1	-	(1)	-	1
631	591	(238)	(234)	393	358

The presentation of financial information on a constant currency basis falls into the category of non-application of a specific IFRS requirement and is therefore regarded as pro forma information, per the JSE Listings Requirements. The pro forma information has been prepared for illustrative purposes only and because of its nature, it may not fairly present the group's financial position, changes in equity, results of operations or cash flow. The pro forma information has been extracted from management accounts. Shareholders are further advised that the above information has not been reviewed or reported on by our auditors.

Overall, income from Chile increased by 2% to CLP106 billion (R2.1 billion) while EBITDA decreased by 3% to CLP30.2 billion (R607 million). Monticello benefitted from its new arena and a refresh of its restaurant offering. This helped drive footfall and income, which was up 6%, with EBITDA up by 10%. In addition, certain costs were moved from Monticello to the central office.

The closure of the International VIP Business and the 66th floor of the Ocean Sun Casino led to a decrease in income and a significant reduction in costs. While the property has continued to incur a loss, we are moving closer to a breakeven situation. We continue pursuing opportunities to sell the 65th and 66th floors of the Towers where the Ocean Sun Casino is situated.

Following the closure of the Sun Nao Casino in Colombia, we opened a few small low-cost slot halls utilising the machines and tables from the Sun Nao casino. This model is more appropriate for the Colombian market and although we continue to incur a small loss, we believe there is further potential to expand in Colombia and turn the business into a profitable venture. We have settled the outstanding rental for the Sun Nao casino at US\$1.5 million, \$US2.3 million below what we have provided for. The Peruvian operations (excluding Thunderbird Resorts) increased income by 13% and EBITDA by 67% to R30 million. Thunderbird Resorts, which was consolidated from April 2018, contributed R54 million in income and R8 million in EBITDA. The performance was below expectation in the first few months due to low win percentages; however, in the last few months, the property has met expectations.

GROUP BORROWINGS

In June 2018, Sun International concluded an equity capital raise through a renounceable rights offer ("Rights Offer") when it successfully raised an amount of R1.6 billion. The Rights Offer was significantly oversubscribed. The funds from the Rights Offer were utilised against the settlement of debt, and a saving in interest of approximately R75 million is expected in the second half of 2018.

Sun International's borrowings as at 30 June 2018 were R15.1 billion, in line with December 2017. Following the R1.6 billion Rights Offer, South African debt reduced from R11.4 billion at 31 December 2017 to R9.7 billion. Latam debt, however, increased following the raising of a 10-year bond by Sun Dreams for the acquisition of the minority's approximate 20% interest in Sun Dreams, which was funded by Sun Dreams.

The group's balance sheet remains resilient and the operations continue to generate strong cash flows. Debt covenant levels were adjusted and the group continues to trade within these levels.

The group has unutilised borrowing facilities of R1.4 billion and available cash balances of R862 million.

5	-	Minorities	Sun
R million	Total debt	share	International
South Africa	9 723	1 377	8 346
SunWest	571	200	371
SunWest – V&A loan	246	86	160
Afrisun Gauteng	627	34	593
Afrisun KZN	293	97	196
Emfuleni	533	80	453
Wild Coast	266	80	186
Meropa	115	33	82
Teemane	76	19	57
Windmill	93	25	68
Golden Valley	(8)	(3)	(5)
Sun Slots	15	4	11
Time Square	4 874	695	4 179
Menlyn Maine	186	27	159
Management and corporate	1 836	-	1 836
Nigeria	560	284	276
Shareholder loans	862	437	425
Sun International intercompany debt	(302)	(153)	(149)
Latam	4 779	1 421	3 358
Sun Dreams	3 986	1 421	2 565
Sun Chile	793	_	793
30 June 2018	15 062	3 082	11 980
31 December 2017	14 995	2 654	12 341

Debt covenants

	South	Africa	Sun Dreams		
	Covenant	Actual	Covenant	Actual	
Debt to EBITDA	3.5x	3.2x	4.75x	3.5x	
Interest cover	2.5x	3.1x			

CAPITAL EXPENDITURE

Set out below is a breakdown of the capital expenditure for the six months ended 30 June 2018 and forecast spend up to 31 December 2018.

H1 six months	H2 six months	December 12 months
Actuals	Forecast	Forecast
166		166
100	_	100
166	-	166
	_	
52	146	198
43	106	149
26	64	90
50	57	107
7	2	9
83	145	228
427	520	947
86	207	293
86	207	293
6	7	13
6	7	13
519	734	1 253
	six months Actuals 166 166 52 43 26 50 7 83 26 50 7 83 427 86 86 86 86 6 6	six months Actuals six months Forecast 166 - 166 - 52 146 43 106 26 64 50 57 7 2 83 145 427 520 86 207 86 207 6 7 6 7

UPDATE ON STRATEGIC INITIATIVES

Time Square

With the commencement of operations of the 238-key hotel on 1 April 2018, Time Square is now fully operational with all components complete. The total cost of the development equalled R4.3 billion.

Tourist Company of Nigeria (TCN)

The board of the TCN – Federal Palace – has been reconstituted with the Securities Exchange Commission appointing two directors thereto. Deloitte is expected to complete its investigation of the shareholder dispute shortly. Once the Deloitte investigation has been completed, it will pave the way for Sun International to exit its investment in Nigeria.

Acquisition by Sun International of 50% of Entretenimientos Del Sur Limitada's (EDS) equity interest in Sun Dreams and put options

On 30 May 2017, Sun International advised shareholders that it had acquired 50% of EDS's approximately 20% shareholding in Sun Dreams, thereby increasing its interest in Sun Dreams to approximately 65%. Nueva Inversiones Pacifico Sur Limitada ("Pacifico"). the other minority in Sun Dreams, acquired the balance, thereby increasing its interest to approximately 35%. The acquisition of EDS's interest was funded through Sun Dreams' available cash resources and through the issue of a 10-year bullet bond of R1.5 billion (CLP65 billion) at a rate of Chile inflation in the range of (2.5% to 3.0%) + 3.97%. This resulted in both Sun International (R810 million) and Pacifico (R810 million) receiving shareholder loans (in Chilean Pesos) from Sun Dreams to fund the acquisition of EDS shareholding. As part of the transaction, the put options previously exercisable by Pacifico and EDS against Sun International fell away with the put option liability and reserve derecognised from the balance sheet.

Chile municipal licence bidding process

Shareholders are referred to the announcement released on SENS on 12 June 2018, regarding the outcome of the Chilean Municipal Licence Bidding process. As previously reported, Sun Dreams submitted bids for the two municipal licences that it currently holds, namely Iquique and Puerto Varas and for an additional three licences. On Friday, 8 June 2018, the SCJ adjudicated the bidding process in respect of the five Chilean municipal licences. The bid for the Iquique municipal licence was awarded to Sun Dreams for a further period of 15 years. Although Sun Dreams' bids met the minimum bid requirements, the remaining four licences were not awarded to Sun Dreams. The economic offers submitted would not have delivered acceptable rates of return as required by the boards of Sun Dreams and Sun International for similar projects of this nature.

Peru acquisition

Sun Dreams finalised the acquisition in Peru of Thunderbird Resorts on 11 April 2018. Thunderbird includes four gambling operations generating EBITDA of US\$4.2 million. The purchase consideration of US\$27 million includes premises valued at US\$12.5 million. The acquisition presents an opportunity for Sun Dreams to strengthen its position in Peru and diversify its asset base in Latam.

Argentina acquisition

On 29 June 2018, Sun Dreams entered into an agreement to acquire 100% of the issued share capital of the Park Hyatt Hotel and Casino in Mendoza, Argentina, for a purchase price of US\$22.5 million and a potential earn out payment of \$3 million. The acquisition consideration is at an approximate 5.4x historic EBITDA. The Park Hyatt Hotel and Casino comprises of 186 rooms, 647 slot machines and 19 tables and the transaction became unconditional on 11 July 2018.

The acquisition of this hotel and casino is aligned with the board's strategy of diversifying the group's assets across Latam and extending the average length of the licences of the group. The casino license is for a 20 year period.

SUNWEST EXCLUSIVITY

The Western Cape Government gazetted draft legislation on 28 February 2018 to establish three zones for casinos in the Cape Metropole and to allow for the relocation of casino licences. The legislation includes changes to the gaming tax tables and conditions for relocation, which will entail additional taxes and fees, obligations to mitigate any negative impacts that relocating a casino may have on the area from where the casino relocates, and provides for economic opportunities for designated groups that reside in the area to which the casino will relocate.

We have submitted comments on the draft legislation and simultaneously engaged with a number of stakeholders, which included the media, local municipalities in Worcester, Caledon and Mykonos and other interested stakeholder groupings.

SMOKING LEGISLATION

The Department of Health published the Draft Control of Tobacco Products and Electronic Delivery Systems Bill 2018 ("the Draft Bill") for public comment. The Draft Bill, inter alia, proposes prohibiting any person from smoking in an enclosed public place or an enclosed workplace. The operation of casinos falls within the scope of this provision. The effect is that casinos will no longer be permitted to designate separate, indoor smoking areas/rooms. We have engaged with the gaming regulators on the matter and the Casino Association of South Africa and have made submissions on the Draft Bill.

CHANGES TO THE BOARD OF DIRECTORS AND COMMITTEES

Mr GR Rosenthal, who held the position of chairman of the company's audit committee, retired as a non-executive director of Sun International on 15 May 2018 and was succeeded by Ms CM Henry as the new chairman of the audit committee.

On 1 June 2018, Ms CM Henry was appointed as an additional member of the Sun International Social and Ethics Committee, while Dr NN Gwagwa and Mr GW Dempster were appointed as members of Sun International's Remuneration and Risk Committees respectively.

Shareholders are further advised that with effect from 20 June 2018, Mr S Sithole was appointed as a non-executive director of Sun International. Mr S Sithole, who is a Chartered Accountant by profession, is the Chief Executive Officer and Founder of Value Capital Partners, an activist investment company, and also serves on the boards of a number of public listed companies in South Africa. Effective 31 August 2018, Mr S Sithole was appointed as a member of Sun International's Remuneration and Investment committees.

OUTLOOK

As a result of the subdued local economy and low economic growth experienced in Chile, we expect trading to remain under pressure. We are however encouraged by the trading at Time Square, Monticello, Sun Slots and our Peru operations. Forward bookings on the hospitality front have also improved which will assist both Sun City and Table Bay.

The continued focus on maximizing efficiencies and reducing costs will help us

protect our margins in this difficult trading environment. We will, however, need to deal with the full impact of the increase in VAT in the second half as well as the requirement to permanently employ temporary contract labour workers at our properties in terms of the recent Constitutional Court ruling.

While we expect our new operations in Peru and Argentina to contribute positively in the second half, interest costs in Latam will increase following these acquisitions and the acquisition of the minority interest in Sun Dreams. Earnings attributable to Latam minorities will, as a consequence of the acquisition, reduce.

The proceeds from the rights offer will help reduce interest costs in South Africa although the number of shares in issue has increased.

We will continue focusing on reducing our debt levels and improving our debt covenants.

AUDIT OPINION

The interim group financial results have not been reviewed or audited.

DIRECTORS' RESPONSIBILITY STATEMENT

The financial information for the six months ended 30 June 2018 and the constant currency adjustments is the responsibility of the directors and has been prepared for illustrative purposes only to show what the results may have looked like had the currency been the same in both periods. Accordingly, the information contained in this announcement may not fairly present Sun International's financial position, changes in equity, results of operations or cash flows.

APPROVAL OF INTERIM GROUP FINANCIAL RESULTS

The interim group financial results were prepared under the supervision of the Chief Financial Officer, N Basthdaw; B Compt (Hons), CTA, CA(SA), M Com, HDip Company Law and approved by the board of directors on 31 August 2018.

For and on behalf of the board

MV Moosa	AM Leeming	N Basthdaw
Chairman	Chief	Chief Financial
	Executive	Officer

Registered office:

6 Sandown Valley Crescent, Sandown, Sandton 2196

Sponsor: Investec Bank Limited

Transfer secretaries:

Computershare Investor Services (Pty) Ltd, 1st Floor, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196

Directors:

MV Moosa (Chairman), PL Campher (Lead Independent Director), AM Leeming (Chief Executive)*, PD Bacon (British), N Basthdaw (Chief Financial Officer)*, EAMMG Cibie (Chilean), GW Dempster, CM Henry, Dr NN Gwagwa, BLM Makgabo-Fiskerstrand, DR Mokhobo*, S Sithole (Zimbabwean) * Executive

Group Company Secretary

AG Johnston



SUN INTERNATIONAL LIMITED

(Incorporated in the Republic of South Africa) Registration Number: 1967/007528/06 Share Code: SUI | ISIN: ZAE 000097580 ("Sun International" or "the company")



suninternational.com