

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 4 of this Circular apply throughout this Circular, including this front cover.

Sun International does not accept responsibility, and will not be held liable, for any action of, or omission by, any CSDP or Broker including, without limitation, any failure on the part of the CSDP or Broker of any beneficial owner of Sun International to notify such beneficial owner of the details set out in this Circular.



Sun International Limited

(Incorporated in the Republic of South Africa)

Registration number 1967/007528/06

Share code: SUI

ISIN: ZAE000097580

CIRCULAR TO SHAREHOLDERS

relating to:

the proposed merger of the Latin American assets of Sun International Limited with Dream S.A.

and including:

- **Notice of the General Meeting;**
- **Form of Proxy (*blue*) in respect of the General Meeting (for use by certificated and "own name" Dematerialised Shareholders only).**

Date of issue Wednesday, 30 September 2015

**Joint financial advisor and
sponsor to Sun International**



**Joint financial advisor to
Sun International**

LarrainVial

**Independent reporting
accountants and auditors
for Sun International**

**Legal advisor to Sun
International**

**Independent reporting
accountants and auditors
for Dreams**



CorreaGubbins.



CORPORATE INFORMATION

Company secretary and registered office

Sun International Limited
(Registration number 1967/007528/06)
Company secretary CA Reddiar
6 Sandown Valley Crescent
Sandown
Sandton, 2196
(PO Box 782121, Sandton, 2146)

Date of incorporation

11 July 1967

Place of incorporation

South Africa

Legal advisor to Sun International

CorreaGubbins
Apoquindo 3500, 11th Floor
Las Condes Santiago, Chile
7550105

Transfer secretaries

Computershare Investor Services Proprietary Limited
(Registration number 2004/003647/07)
70 Marshall Street
Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)

Independent reporting accountants and auditors for Sun International

PricewaterhouseCoopers Inc.
(Registration number 1998/012055/21)
2 Eglin Road
Sunninghill, 2157
(Private Bag X36, Sunninghill, 2157)

Independent reporting accountants and auditors for Dreams

KPMG Services Proprietary Limited
(Registration number 1999/012876/07)
KPMG Crescent
85 Empire Road
Parktown, 2193
(Private Bag 9, Parkview, 2122)

Joint financial advisor and Sponsor to Sun International

Rand Merchant Bank
(a division of FirstRand Bank Limited)
(Registration number 1929/001225/06)
1 Merchant Place,
Corner Fredman Drive and Rivonia Road
Sandton, 2196
(PO Box 786273, Sandton, 2146)

Joint financial advisor to Sun International

Larrainvial Servicios Profesionales Ltda.
(Registration number 77.622.740-4)
Av. El Bosque Norte 0177, 15th floor
Las Condes
Santiago, Chile
7550100

Copies of this Circular, in English only, may be obtained from the Company's website, <http://www.suninternational.com> or at the Company's registered office or during normal business hours on Business Days from Wednesday, 30 September 2015 until Monday, 2 November 2015. The address of Sun International is set out in the "Corporate Information" section of this circular.

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ACTION REQUIRED BY SHAREHOLDERS

Please take careful note of the following provisions regarding the action to be taken by Shareholders:

- If you are in any doubt as to what action you should take arising from this Circular, please consult your CSDP, Broker, banker, attorney, accountant or other professional adviser immediately.
- If you have disposed of all of your Sun International Shares, please forward this Circular to the purchaser of such shares or the CSDP, Broker, banker, attorney or other agent through whom the disposal was effected.
- The General Meeting convened in terms of the notice to Shareholders incorporated in this Circular will be held at Sun International Limited Head Office, 6 Sandown Valley Crescent, Sandown, Sandton, 2146 on Monday, 2 November 2015 at 11:00. A notice convening the General Meeting is attached to and forms part of this Circular.

Sun International does not accept responsibility, and will not be held liable, for any action of, or omission by, any CSDP or Broker including, without limitation, any failure on the part of the CSDP or Broker of any beneficial owner of Sun International to notify such beneficial owner of the details set out in this Circular.

1. IF YOU HAVE DEMATERIALIZED YOUR SUN INTERNATIONAL SHARES AND HAVE ELECTED OWN-NAME REGISTRATION OR IF YOU HOLD CERTIFICATED SUN INTERNATIONAL SHARES:

- 1.1 You are entitled to attend in person, or be represented by proxy, at the General Meeting.
- 1.2 If you are unable to attend the General Meeting but wish to be represented thereat, you must complete and return the attached form of proxy (*blue*) in accordance with the instructions contained therein, to be received by the Transfer Secretaries, Computershare Investor Services Proprietary Limited, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) by no later than 11:00 on Thursday, 29 October 2015.

2. IF YOU HAVE DEMATERIALIZED YOUR SUN INTERNATIONAL SHARES AND HAVE ELECTED REGISTRATION OTHER THAN OWN-NAME REGISTRATION:

- 2.1 If you wish to attend or be represented at the General Meeting, you must advise your CSDP or Broker timeously that you wish to attend or be represented at the General Meeting, in the manner stipulated in the custody agreement governing the relationship between you and your CSDP or Broker. These instructions must be provided to your CSDP or Broker by the cut-off date and time advised by your CSDP or Broker for instructions of this nature. Your CSDP or Broker will be required to issue the necessary letter of representation to you to enable you to attend or to be represented at the General Meeting.
- 2.2 If you do not wish to attend or be represented at the General Meeting but wish to vote, and your CSDP or Broker has not contacted you, you are advised to contact your CSDP or Broker and provide them with your voting instructions, in the manner stipulated in the custody agreement governing the relationship between you and your CSDP or Broker. These instructions must be provided to your CSDP or Broker by the cut-off date and time advised by your CSDP or Broker for instructions of this nature. If your CSDP or Broker does not obtain instructions from you, they will be obliged to act in terms of your mandate furnished to them.
- 2.3 You must not complete the attached form of proxy (*blue*).

General:

Dematerialisation

If you wish to dematerialise your Sun International Shares, please contact a Broker or CSDP.

Electronic participation

Shareholders or their proxies may participate in (but not vote at) the General Meeting by way of a teleconference call. If you wish to do so, you must contact Sun International's company secretary, Chantel Reddiar, on +27 11 780 7762 or email chantel.reddiar@suninternational.com by no later than Thursday, 29 October 2015 and identify yourself to the satisfaction of the company secretary to obtain the dialing code and pin number. Shareholders participating in this manner will still have to appoint a proxy to vote on their behalf at the General Meeting.

SALIENT DATES AND TIMES

Record date to determine which shareholders are entitled to receive the Circular	Friday, 25 September 2015
Circular and notice of General Meeting posted to Shareholders	Wednesday, 30 September 2015
Last day to trade in order to be eligible to vote at the General Meeting	Friday, 16 October 2015
Record date to participate in and vote at the General Meeting on	Friday, 23 October 2015
Forms of Proxy for the General Meeting to be lodged with Sun International or the Transfer Secretaries by no later than 11:00 on	Thursday, 29 October 2015
General Meeting held at 11:00	Monday, 2 November 2015
Results of the General Meeting to be released on SENS	Monday, 2 November 2015
Results of the General Meeting published in the press	Tuesday, 3 November 2015

Notes:

- (a) All dates and times may be changed by Sun International and/or may be subject to the obtaining of certain regulatory approvals. Any change will be released on SENS.
- (b) Shareholders should note that as transactions in Sun International Shares are settled in the electronic settlement system used by Strate, settlement of trades takes place five Business Days after such trade.
- (c) All times given in this Circular are local times in South Africa.
- (d) If the General Meeting is adjourned or postponed, Forms of Proxy submitted for the initial General Meeting will remain valid in respect of any adjournment or postponement of the General Meeting.

DEFINITIONS AND INTERPRETATIONS

“Adjusted HEPS”	adjusted headline earnings per share include adjustments made for certain items of income or expense. These adjustments include pre-opening expenses, earnings and results from discontinuing operations and material items considered to be outside of the normal operating activities of the Sun International Group and/or of a nonrecurring nature;
“Board” or “Directors”	the board of directors of Sun International, as set out on page 8 of this Circular;
“Broker”	any person registered as a broking member (equities) in terms of the rules of the JSE made in accordance with the provisions of the Financial Markets Act;
“Business Day” or “Business Days”	any day or days other than a Saturday, Sunday or official public holiday in South Africa;
“Certificated Shareholders”	all registered holders of Certificated Shares;
“Certificated Shares”	Sun International Shares, which have not been surrendered for dematerialisation in terms of the requirements of Strate, and title to which is evidenced by a Document of Title;
“Circular”	this bound document, dated 30 September 2015, including the annexures hereto, the notice of General Meeting and the Form of Proxy (<i>blue</i>) in respect of the General Meeting;
“Companies Act”	the South African Companies Act, No. 71 of 2008, as amended or varied from time to time;
“Conditions Precedent”	the conditions precedent to the Transaction contemplated in paragraph 5.3 of this Circular;
“CorreaGubbins”	CorreaGubbins (registration number 76.281.570-2), legal advisor to Sun International;
“CSDP”	a Central Securities Depository Participant, being a “participant” as defined in section 1 of the Financial Markets Act;
“Dematerialised Shareholders”	all registered holders of Dematerialised Shares;
“Dematerialised Shares”	Sun International Shares that have been dematerialised through a CSDP or Broker and are recorded in an uncertificated securities register forming part of Sun International’s securities register;
“Dinokana Investments”	Dinokana Investments Propriety Limited (registration number 2005/030003/07), a private company duly registered and incorporated in South Africa;
“Documents of Title”	securities certificates, certified transfer deeds, balance receipts or other documents of title to Sun International Shares, acceptable to Sun International;
“Dollar” or “US\$” or “US Dollar” “USD”	the official currency of the United States of America and used as the currency of translation for Panama;
“Dreams” or “Dream S.A.”	Dream Sociedad Anónima organised under the laws of the Republic of Chile;
“Dreams properties”	the properties owned and managed by Dream S.A.;
“Dreams Shares”	issued ordinary shares in Dreams;
“Dreams shareholders”	all Certificated Shareholders of Dreams;
“EBITDA”	earnings before interest, tax, depreciation and amortisation;
“Effective Time”	the fifth day following the completion of the Merger Steps and subject to the conditions precedents (paragraph 5.3) being met;
“EPS”	earnings per share;

“Enterprise Value”	the valuation of Sun International and Dreams, performed by the Parties in terms of the Transaction Agreements;
“EdS”	Entretencimientos del Sur, a private equity investment vehicle, organised under the laws of the Republic of Chile, controlled by Citigroup and currently advised by the Rohatyn Group and Dreams’ shareholder;
“Exchange Control Regulations”	the Exchange Control Regulations, 1961, as amended, issued under section 9 of the Currency and Exchanges Act 9 of 1933, as amended;
“Exchange Rate”	an exchange rate, wherever applicable, of US\$:ZAR =13.44, US\$:CLP=689.70 and ZAR:CLP=50.85, as at the date of the Transaction Agreements;
“Financial Markets Act”	the Financial Markets Act, No. 19 of 2012, as amended, which has replaced the Securities Services Act, 2004 (Act 36 of 2004);
“Form of Proxy”	the form of proxy (<i>blue</i>) for use by Certificated Shareholders and “own-name” Dematerialised Shareholders, as attached to and forming part of this Circular;
“General Meeting”	the meeting of Shareholders to be held at the Sun International Limited Head Office, 6 Sandown Valley Crescent, Sandown, Sandton, 2146 at 11:00 on Monday, 2 November 2015;
“Group”	Sun International and its Subsidiaries as at the Last Practicable Date;
“HEPS”	headline earnings per share;
“Hotels”	four hotels that operate at the Temuco, Valdivia, Coyhaique and Punta Arenas properties of the SCJ Casinos and at the Puerto Varas property of the Municipal Casinos;
“IPO”	Initial Public Offering;
“IFRS”	International Financial Reporting Standards;
“Issued Shares”	the total number of Sun International ordinary shares in issue (being 109,086,988) as at the Last Practicable Date, excluding treasury shares (being 4,905,424 treasury shares held through Dinokana Investments);
“JSE”	the JSE Limited (registration number 2005/022939/06), a public company duly registered and incorporated in South Africa and Licenced as an exchange under the Financial Markets Act;
“Kersaf”	Kersaf Investments Limited, an investment holding company duly incorporated in accordance with the laws of South Africa. The entity changes its name to Sun International Limited on 6 August 2004;
“KPMG”	KPMG Services Proprietary Limited (registration number 1999/012876/07), reporting accountants for Dreams;
“LarrainVial”	Larrain Vial Servicios Profesionales Ltda. (registration number 77.622.740-4), joint financial advisor to Sun International;
“Last Practicable Date”	21 September 2015 being the last practicable date prior to the finalisation of this Circular;
“Lasud”	Lasud Chile S.A., Sociedad Anónima organised under the laws of the Republic of Chile; and, SFIR’s minority shareholder;
“Latam Casinos”	the Peruvian casinos together with Ocean Sun Casino and Sun Nao Casino;
“Latam portfolio”	the Latin American portfolio of casino and hotel assets owned by Sun International that includes Monticello in Chile, the Ocean Sun Casino in Panama, and Sun Nao Casino in Colombia;
“Listings Requirements”	the Listings Requirements of the JSE, as amended from time to time;
“Merged Entities” or “Merged Entity”	the resultant entity post the merger of Sun International’s Latam portfolio and Dreams;
“Merger Steps”	the actions taken by the parties to effect the Proposed Merger;
“MOI”	the Memorandum of Incorporation;

“Monticello”	the casino situated in San Francisco de Mostazal, near Santiago in Chile and majority owned by Sun International;
“MOU”	the Memorandum of Understanding concluded on 13 February 2015 between the shareholders of Sun International and Dreams and as amended on 4 June 2015;
“Municipal Casinos”	the two Chilean casino Licences and associated assets in Puerto Varas and Iquique;
“Nueve Inversiones Pacifico Sur Limitada” or “Pacifico”	a private investment company, organised under the laws of the Republic of Chile, 100% owned by the Fischer family that owns approximately 51% of the issued share capital of Dreams;
Novosun S.A.	a Sociedad Anónima established under the laws of Chile with tax identification number 76.862.640-5, of which 99.9989% is held by Sun International Chile Limitada and 0.0011% is held by Sun International Limited;
“Ocean Sun Casino”	a casino under the ownership and management of Sun International based in Panama and held through Sun International Co. Inc. (registration number 2006/030222/10);
“Own-name Registration”	Dematerialised Shareholders who have instructed their CSDP to hold their Sun International Shares in their own name on the uncertificated securities registers of Sun International;
“Parties”	Sun International and Dreams;
“Peruvian Casinos”	the casino Licences and associated assets situated in Lima, Peru and majority owned by Dreams and which operate under the names of New York, Eden, Kingdom and Pachanga;
“Pesos or “CLP” or “ThCh\$”	Chilean pesos, the official currency of Chile;
“PricewaterhouseCoopers” or “PwC”	PricewaterhouseCoopers Inc. (registration number 1998/012055/21), reporting accountants to Sun International;
“Put and Call Options”	a series of rights agreed between EdS, Pacifico and Sun International, granting EdS and Pacifico certain put options in relation to their interest in the Merged Entity and Sun International certain call options in relation to EdS and Pacifico’s interest in the Merged Entity;
“R” or “ZAR”	South African Rand, the official currency of South Africa. US\$ amounts have been translated into ZAR at the Exchange Rate, unless otherwise stated;
“Rand Merchant Bank” or “RMB”	Rand Merchant Bank, a division of FirstRand Bank Limited (registration number 1929/001225/06), joint financial advisor and sponsor to Sun International;
“Rohatyn Group”	TRG Management (The Rohatyn Group) a leading, specialised asset management firm focused exclusively on investing in emerging markets is an advisor to EdS;
“Santiago Stock Exchange” or “Bolsa de Comercio de Santiago”	the Santiago Stock Exchange or Bolsa de Comercio de Santiago, a public company duly registered and incorporated in Chile and Licenced as an exchange under the Public Registry of the SVS;
“SCJ Casinos”	the resultant portfolio of the Merged Entity consisting of five Chilean casino Licences and associated assets in San Francisco de Mostazal (including its hotel), Temuco, Valdivia, Coyhaique and Punta Arenas;
“SENS”	the Stock Exchange News Service operated by the JSE;
“SFI”	San Francisco Investment S.A (registration number 76.229.170-5), sociedad anónima duly incorporated in accordance with the laws of Chile and, developer of Monticello casino;
“SFIR”	SFI Resorts S.A. (registration number 76.929.340-K), sociedad anónima duly incorporated in accordance with the laws of Chile and parent company of SFI;
“Shareholders” or “Sun International Shareholders”	all Certificated Shareholders and Dematerialised Shareholders of Sun International;

“Signature Date”	the date of last signature of the Transaction Agreements;
“Strate”	Strate Proprietary Limited (registration number 1998/022242/07), a private company incorporated in South Africa, which is a registered central securities depository and which is responsible for the electronic settlement system used by the JSE;
“Subsidiaries”	has the meaning determined in accordance with the Companies Act;
“Sun International” or “the Company” or “Sun”	Sun International Limited (registration number 1967/007528/06), a public company incorporated in South Africa and listed on the JSE;
“Sun International Chile Limitada”	a corporation established under the laws of Chile with tax identification number 76.815.350-7, of which 99,99999983% is held by Sun International Limited and 0.00000017% is held by Marcos Rios Larrain;
“Sun International Shares”	the issued ordinary shares in Sun International;
“Sun Nao Casino”	a casino, based in Colombia, under the ownership and management of Sun International Investment Inc. (registration number 2462122);
“Transfer Secretaries”	Computershare Investor Services Proprietary Limited (registration number 2004/003647/07), a private company incorporated according to the company laws of South Africa;
“The Proposed Merger” or “Transaction”	the proposed merger of Sun International’s Latam portfolio and Dreams; and
“Transaction Agreements”	the agreements entered into on 31 August 2015 by the parties pertaining to the Proposed Merger.



Sun International Limited

(Incorporated in the Republic of South Africa)

Registration number 1967/007528/06

Share code: SUI

ISIN: ZAE000097580

CIRCULAR TO SHAREHOLDERS

Directors of Sun International

Executive Directors

G E Stephens (*CEO*)

A M Leeming (*CFO*)

K H Mazwai (resigned on 31 January 2015)

Non-executive Directors

M V Moosa

I N Matthews*

P D S Bacon*

Z B M Bassa*

P L Campher*

E A M M G Cibie*

Dr N N Gwagwa

B L M Makgabo-Fiskerstrand*

B Modise*

L M Mojela*

G R Rosenthal*

*Independent

SECTION A: THE PROPOSED MERGER

1. INTRODUCTION AND PURPOSE OF THIS CIRCULAR

Shareholders are referred to the SENS announcement released on the JSE on 13 February 2015 in which shareholders were notified that Sun International had reached agreement and concluded a MOU on 13 February 2015 with the Dreams Shareholders to merge its casino and hotel portfolio of assets with Sun International's Latam portfolio, which consists of Monticello, the Ocean Sun Casino and the Sun Nao Casino. Further reference is made to the subsequent SENS announcements of 13 April 2015 and 20 May 2015 informing Shareholders of the extension of the period for the negotiation and execution of the definitive legal documentation and finalisation of the reciprocal due diligence reviews.

As communicated on SENS on 13 February 2015, Sun International's strategic intention is to grow its Latam portfolio of assets. Sun International owns 100% of the businesses in Panama and Colombia and has recently increased its interest in Monticello to 99% in order to have control over the strategic direction of these assets, including the possibility of merging them with others in order to create a more diverse and meaningful portfolio.

Dreams is a Chilean based company with a leading market position in the gaming and entertainment industry with operations in Chile and Peru.

Shareholders were advised on 1 September 2015 that the Parties had completed the reciprocal due diligence reviews, negotiated adjustments where necessary and had entered into binding transaction agreements on 31 August 2015, the terms of which are outlined below. Shareholders should note that whilst certain information provided in this Circular has been previously disclosed, it has been repeated where appropriate in the interest of providing all the salient terms of the Proposed Merger.

The purpose of this Circular is to provide information to Shareholders regarding the Transaction in order to enable them to make an informed decision as to whether or not they should vote in favour of the ordinary resolutions to be proposed at the General Meeting.

2. BACKGROUND TO DREAMS

Dreams is a Chilean-based company and is a leader in the gaming and entertainment industry with operations in Chile and Peru. Dreams' properties have components that are similar to those of Sun International, including casinos, hotels, entertainment and food and beverage facilities. Dreams has built a strong base in Chile where it now operates six casinos and it has more recently expanded into Peru, where it operates four smaller gaming establishments focused primarily on the capital, Lima, with plans to expand across the region.

Dreams' portfolio of properties comprises:

Property	Casino		Hotel		Food and beverage		
	Slot machines	Table games	Rooms	Convention centre (Delegates)	SPA (sqm)	Restaurant	Clubs/Bar
CHILE	2,884	147	378	5,000	6,950	11	9
Iquique	724	22	–	–	–	–	1
Temuco	659	36	96	1,500	1,700	5	2
Valdivia	386	22	104	1,000	1,800	2	2
Puerto Varas	505	36	50	1,000	1,500	1	2
Coyhaique	160	11	40	500	350	1	1
Punta Arenas	450	20	88	1,000	1,600	2	1
PERU	1,081	23				2	2
Lima (New York)	460	17	–	–	–	1	1
Lima (Eden)	206	–	–	–	–	–	–
Lima (Kingdom)	161	6	–	–	–	–	–
Lima (Pachanga)	254	–	–	–	–	1	1
Total	3,965	170	378	5,000	6,950	13	11

Dreams has a strong, locally-based executive management team in Chile that has been involved in building the business from inception and has extensive knowledge of the wider Latin America region. It is anticipated that this executive team will lead the Merged Entity, as describe in section 3 below.

The Dreams shareholders comprise Pacifico, which holds a 51% interest with the remaining 49% owned by EdS, a private equity investment vehicle, controlled by Citigroup and currently advised by the Rohatyn Group. Pacifico is 100% owned by the Fischer family, a well-established Chilean family with various business interests including the development of the Dreams portfolio over a period of more than 15 years. The Fischer family wishes to remain shareholders within the Merged Entity and as an anchor partner for the region. EdS, and the Rohatyn Group have in-depth knowledge of the region and are seeking to grow the business and increase its value as part of EdS's ultimate exit strategy.

3. PROFILE OF THE MERGED ENTITY

The Merged Entity will comprise a sizeable portfolio of assets, making it the premier gaming group in Latin America, and initially consisting of:

Property	Casino		Hotel		Food and Beverage		
	Slot machines	Table games	Rooms	Convention centre (Delegates)	SPA (sqm)	Restaurant	Clubs/Bar
CHILE	4,747	228	533	6,800	7,437	22	19
Monticello (Sun)	1,863	81	155	1,800	487	11	10
Dreams operations	2,884	147	378	5,000	6,950	11	9
Peru (Dreams)	1,081	23				2	2
Panama (Sun)	600	34				3	3
Colombia (Sun)	220	16				1	1
Total	6,648	301	533	6,800	7,437	28	25

'Sun' refers to properties owned by Sun International and 'Dream' refers to properties owned by Dreams.

Given the expertise of the local executive management team there is no requirement for significant day-to-day support from Sun International and, accordingly, there is no need for the Merged Entity to enter into a separate management agreement.

The management team of the Merged Entity shall be one of consensus between Sun and Dreams' shareholders, and the initial senior management team shall be the current management team of Dreams. Mr Claudio Fischer will be appointed as the inaugural non-executive Chairman of the Merged Entity. The Merged Entity shall be the sole vehicle through which Dreams and Sun International develop their casino and hotel business in Latin America.

4. **RATIONALE FOR THE TRANSACTION**

In recent years, Sun International has made a substantial balance sheet commitment to Latin America and assembled an attractive portfolio of assets which forms the platform to leverage its growth strategy in the region and to establish a business of scale. Sun International believes that in order to achieve critical mass in Latin America, the Company should pursue a merger of its assets with another meaningful player in the region. In addition to expediting its growth strategy, a merger also diversifies Sun International's concentration risk. Sun International has been looking for a suitable partner in Latin America for some years and believes that Dreams provides:

- a strong presence in Chile, which is a country that Sun International understands well and in which it desires further exposure;
- an expansion strategy that has seen Dreams grow a presence in Peru, which is complementary to Sun International's expansion into Panama and Colombia;
- an executive management team that comes from Latin America and has significant operational experience in the region; and
- strong local shareholders, in the form of both the Fischer family who have been in the industry for more than a decade and EdS, which has an in-depth knowledge of the region and is seeking to grow the business and increase its value as part of its ultimate exit strategy. These partners are experienced investors in casino assets in Latin America and will make a significant contribution in adding value to the Merged Entity.

From a Dreams perspective, its strategic objective is to be a regional leader in the casino and entertainment industry and the combination of Dreams and Sun International's Latam portfolio immediately achieves this goal. The introduction of Sun International as a long term strategic shareholder with an aligned business vision provides significant momentum to Dreams' growth aspirations.

The Proposed Merger results in the creation of Latin America's largest gaming group which will have the profile, critical mass and balance sheet to expand into the rest of the continent, make meaningful acquisitions, and take on larger projects. The Proposed Merger should also unlock synergies between the Chilean properties as a result of its enhanced scale. Furthermore, Sun International will hold a controlling interest of 55% in the Merged Entity.

The Merged Entity will be structured with a relatively low level of gearing (below 2x EBITDA) which will ensure that it is self-sustaining in the near term and will operate without having to leverage off Sun International's South African balance sheet.

5. **SALIENT TERMS OF THE TRANSACTION**

5.1 **Mechanics of the Proposed Merger**

The Sun International and Dreams portfolios were valued as a merger of equals utilising a relative EBITDA multiple basis. The valuation benchmark employed was the recent acquisition by Sun International of a significant additional shareholding in Monticello. The valuation factored in specific risks, such as the remaining term of the Dreams municipal casino licences in Chile. Given that Sun International's Ocean Sun Casino only opened at the end of 2014 and the time it is taking to ramp up, it was included with a price adjustment (up or down) that will be made if the 2016 audited EBITDA of the property varies from US\$8 million (the downward adjustment is capped at an amount of US\$16 million). Similarly if the Dreams' Peruvian casinos' audited 2016 EBITDA exceeds the EBITDA on which the Proposed Merger was based, then there will be an upward adjustment to its valuation.

The Sun Nao Casino in Colombia, which has been completed at an estimated cost of US\$25 million (R336 million), will be fully funded from the cash resources of the Merged Entity. Post this acquisition the Merged Entity will still have gearing capacity, enabling it to take advantage of other near term growth opportunities.

The relative valuations are based on the audited financial statements of Sun International and Dreams for the 12-months ended 31 December 2014, as converted into US\$ using the applicable exchange rate as of such date.

The current holding company Dreams, which holds all the Dreams assets in Chile and Peru, will be the vehicle for the Proposed Merger. The mechanics of the Proposed Merger will comprise of a number of steps which will ultimately result in Sun International selling its interests in Ocean Sun

Casino and Monticello to the Merged Entity in exchange for shares. Sun Latam will as a result hold a 50% interest in the Merged Entity.

Immediately after the Proposed Merger is completed Sun International will acquire the Additional Shares that will increase its shareholding to 55%. The equity top-up will be acquired from EdS for approximately US\$51.3 million (R690 million).

Sun International will subsequently sell its interest in Sun Nao Casino to the Merged Entity for a cash consideration of US\$25 million.

It is the intention of the parties, provided that market conditions are appropriate, to list the Merged Entity in terms of an IPO on the Santiago Stock Exchange or another appropriate public market, within 2 years from the date of the Merger Agreement. This would create liquidity in the shares of the Merged Entity and would enable EdS to exit its shareholding if it desires to do so. Sun International intends to maintain its shareholding above 50% in the event of a listing. Any such IPO will be subject to and will comply with the JSE Listings Requirements at that time.

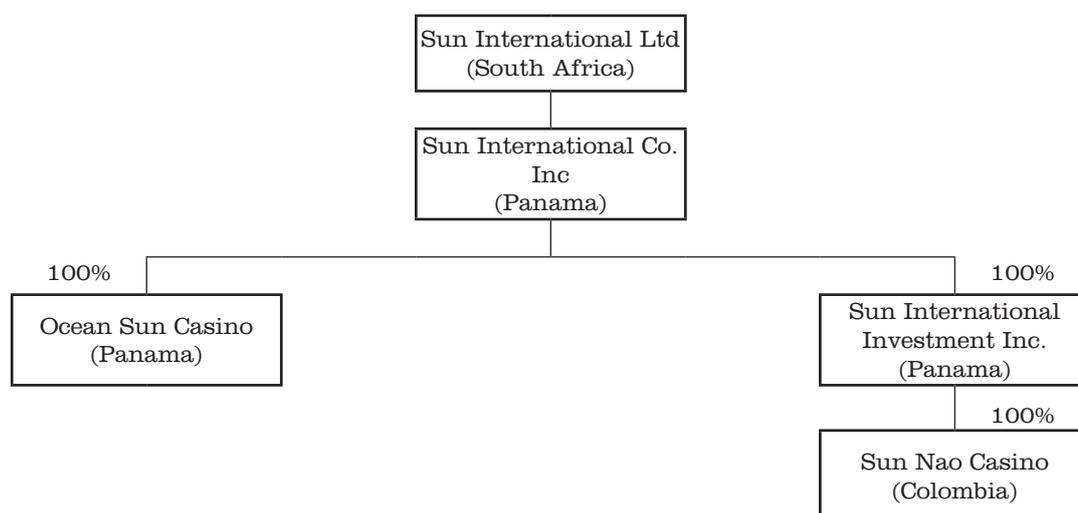
The Parties have agreed a series of put option arrangements which regulate the potential disposal of shares by Pacifico and/EdS either pursuant to an IPO or otherwise. The Put Options have been agreed as follows:

- If at any time after 18 months from the Merger Agreement the market conditions are appropriate and Sun International decides, for its own strategic reasons, not to proceed with an IPO within 24 months from the Proposed Merger, then both EdS and Pacifico will have a put option of their interest in the Merged Entity to Sun International subject to certain criteria as set out in the Merger Agreement (as detailed in exhibit B to the Merger Agreement, being the form of the shareholder agreement Article VI, section 6.01 to 6.06) being met. The Transaction Agreements are available for inspection during normal business hours at the registered office of Sun International at 6 Sandown Valley Crescent, Sandown, Sandton 2196, from 30 September 2015 up to and including the date of the General Meeting.
- If the Merged Entity is not listed within two years from the date of the Merger Agreement, then EdS may trigger a valuation process within 12 months of such second anniversary in order to determine the value of the Merged Entity. Based on this valuation EdS will have a put option of its interest in the Merged Entity to Sun International and Sun International shall have a call option in relation to EdS's interest in the Merged Entity.
- If the Merged Entity is not listed within four years from the date of the Merger Agreement, then Pacifico may trigger a valuation process within 12 months of such fourth anniversary in order to determine the value of the Merged Entity. Based on this valuation, Pacifico will have a put option of its interest in the Merged Entity to Sun International and Sun International will have a call option in relation to Pacifico's interest in the Merged Entity.

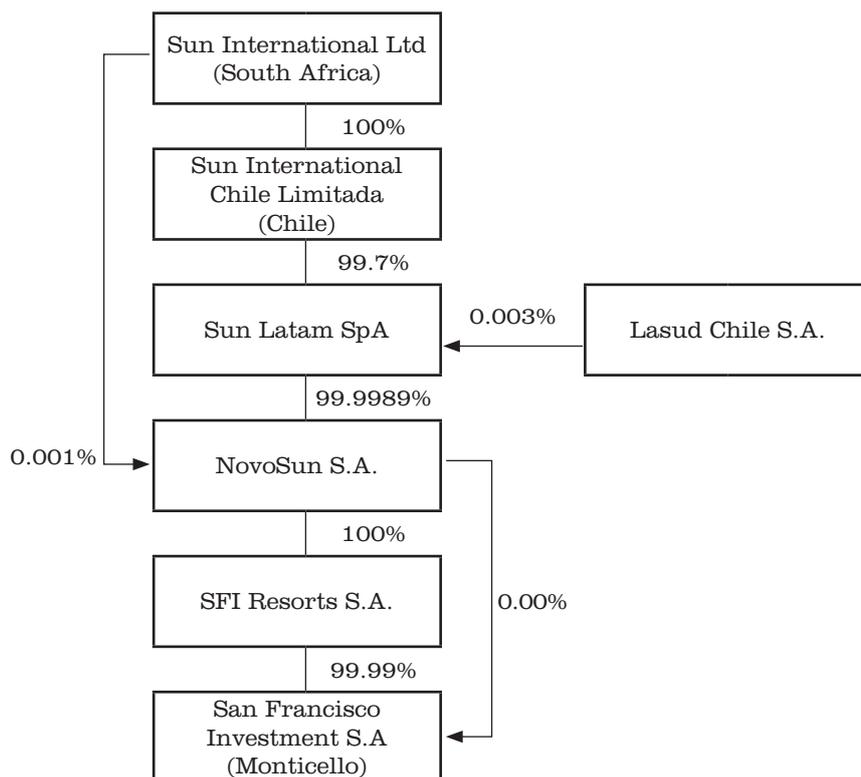
It is anticipated, based on the metrics implied by the Proposed Merger's relative valuation that the Put and Call Options to be exercised at a future date over the entire interest of Pacifico and EdS in the Merged Entity, is likely to be classified as a category 1 transaction in terms of the JSE Listings Requirements; and the shares of EdS and Pacifico if sold separately may also be similarly categorised. Accordingly, Sun International shareholders are provided with a resolution to enable them to acquire the relevant interests in the Merged Entity should the Put or Call Options be exercised in the future.

The following diagrams illustrate the initial structure of the Latam portfolio:

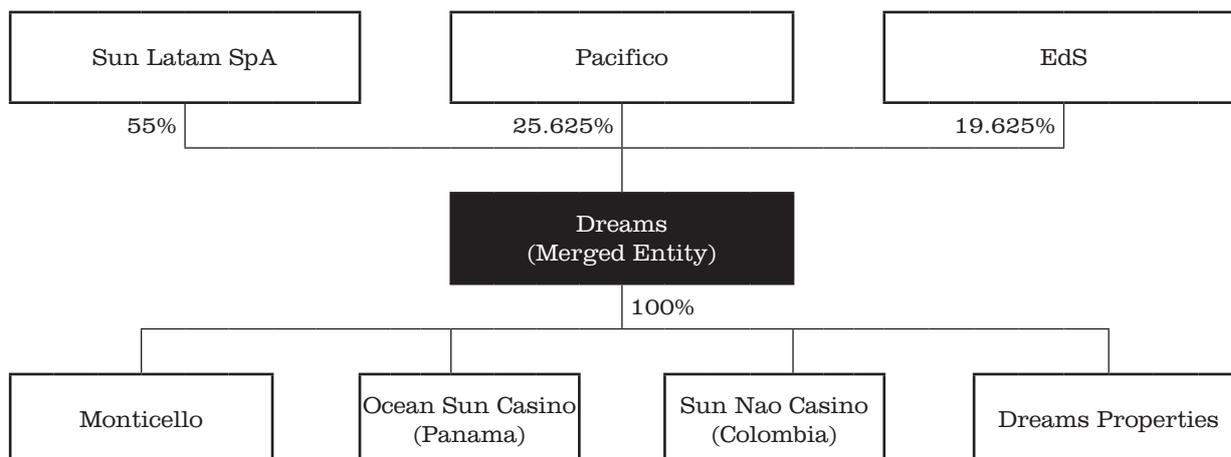
Ocean Sun Casino (Panama) and Nao Sun Casino (Colombia):



Monticello (Chile):



The following diagram illustrates the resultant structure of the Merged Entity:



Certain executives of Dreams will be beneficial owners of approximately 0.75% of the shares in the merged Entity.

5.2 Effective date

The Proposed Merger will be effective on the Effective Time. Pursuant to the merger, the Merged Entity will become a subsidiary of Sun International.

At the Effective Time, Sun International, through its subsidiary, will be the beneficial owner of approximately 55% of Dreams shares, Pacifico will be the beneficial owner of approximately 25.625% of Dreams shares, EdS will be the beneficial owner of approximately 19.625% of Dreams shares, and certain executives of Dreams will be, or have options to be, the beneficial owners of approximately 0.75% of Dreams shares, pursuant to the applicable share option plan.

5.3 Conditions precedent

The Proposed Merger is conditional upon the fulfilment or waiver of the conditions precedent normal for a transaction of this nature namely:

- shareholder approval by Sun International shareholders in accordance with the JSE Limited Listing Requirements;
- the approval of the applicable regulatory bodies including gaming boards in Latin America, South African Reserve Bank, which approval, if conditional, is to the satisfaction of the Parties; and
- waiver of the rights from existing lenders, who have the right to accelerate repayment of loans as a result of the Proposed Merger or the Parties securing replacement financing for these loans.

6. THE PRO FORMA FINANCIAL EFFECTS OF THE TRANSACTION

The *pro forma* financial effects of the Transaction have been prepared for illustrative purposes only and due to the nature therefore, may not fairly present Sun International's financial position, changes in equity, results of operations or cash flows after completion of the Transaction. The *pro forma* financial effects are the responsibility of the Directors and are based on the reviewed profit and cash dividend year-end results of Sun International for the 12 months ended 30 June 2015.

The purpose of the *pro forma* financial effects is to illustrate the impact of the Transaction had it been implemented on the dates and on the assumptions set out below.

Pro forma financial effects on the reviewed results of Sun International for the year ended 30 June 2015

Pro forma financial effects (Cents)	Before the Transaction¹	Pro forma after the Transaction (before Put option)	% change	Pro forma after the Transaction (after Put option)	% change
EPS ²	950	567	(40.3)	678	(28.6)
Diluted EPS	946	565	(40.3)	675	(28.6)
Headline EPS	629	247	(60.7)	358	(43.2)
Adjusted headline EPS	725	732	1.0	645	(11.1)
Diluted adjusted headline EPS	723	730	1.0	643	(11.1)
Net asset value per share ³	2,360	(441)	nm	2,075	(12.1)
Net tangible asset value per share ³	1,611	(3,112)	nm	(595)	nm
Weighted average number of shares ('000)					
for EPS calculation	93,729	93,729		93,729	
for diluted EPS calculation	94,040	94,040		94,040	
for adjusted headline EPS calculation	104,000	104,000		104,000	
for diluted adjusted headline EPS calculation	104,311	104,311		104,311	
Number of shares in issue ('000)	98,519	98,519		98,519	

Notes:

1. The financial information in the "Before" column is based on the reviewed profit and cash dividend announcement of Sun International Limited for the year ended 30 June 2015.
2. Earnings effects are based on the following assumptions:
 - (a) the Transaction was effective 1 July 2014.
3. Net asset effects are based on the following assumptions:
 - (b) the Transaction was effective 30 June 2015.
4. All effects are of a recurring nature except where otherwise stated.
5. *Pro forma* after the Put option assumes the Put option is exercised on 1 July 2014 for earnings effects and 30 June 2015 for net asset effects.

The *pro forma* income statement and the *pro forma* statement of financial position showing the effects of the Transaction on Sun International's published results for the year ended 30 June 2015 are set out in Annexure III to this Circular.

The reporting accountants' report on the *pro forma* financial information is set out in Annexure IV to this Circular.

7. MAJOR SHAREHOLDERS

As at the Last Practicable Date, insofar as is known to Sun International, the following Shareholders had greater than a 5% indirect and/or direct beneficial shareholding in Sun International:

Shareholder	Direct interest beneficially held	Indirect interest beneficially held	Total number of shares	% of total shareholding
MMI Holdings Limited	7,280,855	451,724	7,732,579	7.09
Sanlam	5,858,177	883,147	6,741,324	6.18
Dinokana Investments (Pty) Ltd	6,719,759	–	6,719,759	6.16
Old Mutual Plc	5,223,474	811,020	6,034,494	5.53
Investment Solution (Pty) Ltd	5,775,294	–	5,775,294	5.29
Total	30,857,559	2,145,891	33,003,450	30.25

Sun International has no controlling shareholders and no change in trading objects of the Company during the previous five years.

7. COSTS OF THE TRANSACTION

The following expenses and provisions are expected, or have been provided for, by Sun International in connection with the Transaction. All the fees payable to the parties below are exclusive of value-added tax and, where applicable, have been converted into ZAR at the exchange rate. These expenses are once off in nature.

Service	Service provider	R'000
Joint Financial Advisors and Sponsor	RMB and LarrainVial	2,000
Reporting accountant	PricewaterhouseCoopers	668
Legal advisor	CorreaGubbins, Philippi Prietocarrizosa & Uria, and Patton, Moreno & Asvat	2,200
Due diligence investigation	Ansarada	200
Printing and publication costs	Ince	54
JSE documentation fees	JSE	24
Estimated total expenses and fees		5,146

8. WORKING CAPITAL STATEMENT AND SOLVENCY AND LIQUIDITY TEST

The Board is of the opinion that pursuant to the implementation of the Proposed Merger the working capital available to Sun International and its subsidiaries (including Dreams) is sufficient for the Group's present requirements, that is for the next 12 months from the date of this Circular. In addition, the Directors have considered the solvency and liquidity assessment, as set in section 4 read with section 45 of the Companies Act and are satisfied that the Company satisfies the solvency and liquidity assessment as follows: (a) the Company is, and will immediately after the provision of the financial assistance, be able to pay its debts as and when they become due for payment in the ordinary course of business for a period of 12 months; and (b) the assets of the Company fairly valued are, and will immediately after the provision of the financial assistance or any required Distribution, be equal to or more than the liabilities of the Company, fairly valued.

9. LITIGATION

There are currently no legal or arbitration proceedings, including any such proceedings that are pending or threatened, which the Company is aware, that may have, or have had in the recent past, being at least the previous 12 months, a material effect on the Group's financial position.

10. MATERIAL CHANGES

There are no material changes in the financial and trading position of the Group and its subsidiaries that has occurred since the end of the last financial period for which either audited annual financial statements or unaudited interim reports have been published (being the reviewed profit and cash dividend announcement for the year ended 30 June 2015 released on SENS on Monday, 24 August 2015).

11. MATERIAL CONTRACTS, VENDORS AND LOANS

Save for the Transaction Agreements relating to the Transaction as described in this Circular, and as set out below, neither Sun International nor any of its Subsidiaries have entered into, either verbally or

in writing any restrictive funding arrangements and/or material contract or agreements with vendors of material assets to Sun International or any of its Subsidiaries, other than in the ordinary course of business, within the three years prior preceding the date of this Circular, or at any time, and containing an obligation or settlement that is material to the Group at the date of this Circular.

Vendor's name	Description	Date of agreement	Consideration
Sun International acting through its wholly-owned subsidiary Sun International (South Africa) Limited and the Peermont Group	On 20 March 2015, Sun International announced on SENS that the Sale Agreement had been concluded in terms of which Sun International, through its wholly-owned subsidiary Sun International (South Africa) Limited, would acquire 100% of the Peermont Group	20 March 2015	The Purchase Consideration was determined with reference to an enterprise value of the Peermont Group of R9,425 million, less net debt and subject to certain capital expenditure and working capital benchmark adjustments, if applicable, calculated at the effective date as set out in the Circular to shareholders dated 12 May 2015
Sun International acting through its wholly-owned subsidiary Sun International (South Africa) Limited and Grand Parade Investments Limited acting through its wholly-owned subsidiary, GPI Slots Proprietary Limited	On 13 May 2014, Sun International announced on SENS that an agreement had been reached whereby Sun International, through its wholly-owned subsidiary Sun International (South Africa) Limited, would acquire up to a 70% interest in GPI Slots Proprietary Limited, a wholly-owned subsidiary of Grand Parade Investments Limited	13 May 2014	Initial 25,1% interest in GPI Slots Proprietary Limited for a cash consideration of R225 million plus 25.1% of the face value of shareholder loans (estimated at R38 million)
Sun International acting through various subsidiaries and Minor International Public Company	On 18 August 2014, Sun International announced on SENS that an agreement had been reached whereby Sun International would dispose of a significant portion of its interests in its African Assets to a foreign subsidiary of Minor International Public Company	18 August 2014	The collective net purchase consideration amounts to R664 million plus the face value of any shareholder loans (valued at R12 million)

There were no material loans that were made to Sun International by third parties directly as a result of the Proposed Merger, as at the Last Practicable Date.

The vendors above have not guaranteed the book debts or other assets of Sun International and standard warranties have been given. No restraints of trade payment was made. No provisions for the settlement of any liability for accrued taxation have been included in the agreements entered into. No promoter or Director had any beneficial interest in the transaction. No amount in cash or securities has been transferred to any promoter in the above transactions and no Sun International Shares have neither been pledged nor ceded by Sun International.

12. EXCHANGE CONTROL REGULATION

In terms of section G.(B)(viii) of the Exchange Control Rulings the prior approval of the Financial Surveillance Department of the South African Reserve Bank is required before the JSE gives their approval in respect of transactions relating to restructures, mergers and changes in control where non-residents are involved. As this transaction does not result in change in control of Sun International Limited listed on the JSE, no approval is accordingly required.

Notwithstanding the above, this transaction that is the subject of the Circular will be placed on record with the Financial Surveillance Department of the Reserve Bank by Sun International Limited's Authorised Dealer.

13. **CONSENTS**

All parties as detailed on the cover of this Circular have consented in writing to the inclusion of their names and reports, where applicable, in this Circular in the form and context in which they appear and have not withdrawn their consents prior to the publication of this Circular.

14. **DIRECTORS' RESPONSIBILITY STATEMENT AND RECOMMENDATION**

The Directors, accept full responsibility for the accuracy of the information given and certify that, to the best of their knowledge and belief, there are no other facts that have been omitted which would make the contents of this Circular false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this Circular contains all information required by the Listings Requirements.

Having regard to the background information and the due diligence conducted on Dreams' assets, the Board is of the opinion that the Proposed Merger would be of future benefit to Sun International Shareholders. Accordingly, the Board recommends that Shareholders vote in favour of the resolutions necessary to implement the Transaction.

The Directors who hold Sun International Shares are permitted to vote and intend to vote in favour of all the resolutions, as set out in the notice of General Meeting.

15. **VOTING RIGHTS**

All the issued Sun International Shares rank *pari passu* with each other.

At the General Meeting, every Shareholder present or represented by proxy at the General Meeting shall have one vote on a show of hands, and on a poll shall have that number of votes determined in accordance with the voting rights associated with the Sun International Shares held by that Shareholder.

16. **GENERAL MEETING**

A General Meeting of Shareholders will be held at Sun International Limited Head Office, 6 Sandown Valley Crescent, Sandown, Sandton, South Africa at 11:00 on Monday, 2 November 2015 in order to consider, and, if deemed fit, pass, with or without modification, the resolutions as set out in the notice of General Meeting attached and forming part of this Circular.

Shareholders are referred to the notice of General Meeting attached to this Circular for detail on the resolutions to be proposed at the General Meeting and to the "Action required by Shareholders" section of this Circular for information on the procedure to be followed by Shareholders in order to exercise their votes at the General Meeting.

17. **ELECTRONIC PARTICIPATION IN THE GENERAL MEETING**

Sun International intends to make provision for Shareholders, or their proxies, to participate in the General Meeting by way of electronic communication. In this regard, Sun International intends making a dial-in facility available that will be linked to the venue at which the General Meeting will take place, on the date of, and from the time of commencement of, the General Meeting. The dial-in facility will enable all persons to participate electronically in the General Meeting in this manner and to communicate concurrently with each other without an intermediary, and to participate reasonably effectively in the General Meeting.

Shareholders wishing to participate electronically in the General Meeting are required to deliver written notice as outlined in the notice to General Meeting attached to this Circular. Please note that the cost of the dial in facilities described above will be for the account of Sun International.

18. **DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection during normal business hours at the registered office of Sun International at 6 Sandown Valley Crescent, Sandown, Sandton 2196, from 30 September 2015 up to and including the date of the General Meeting:

- the MOI of Sun International, its Subsidiaries and Dreams;
- the Transaction Agreements;
- the annual reports of Sun International for the three years ended 30 June 2012, 30 June 2013 and 30 June 2014;
- the reviewed profit and cash dividend announcement of Sun International for the twelve months' ended 30 June 2015;
- the written consent of each of the advisers set out in the Corporate Information section of this Circular;

- the historical financial information, including translations, of Dreams for the three years ended 31 December 2012, 31 December 2013 and 31 December 2014 as disclosed in Annexure I of this Circular;
- a reporting accountants' report on the historical financial information of Dreams as set out in Annexure II of this Circular;
- the reviewed historical financial information of Dreams for the six months ended 31 December 2014;
- a reporting accountants' review report on the historical financial information of Dreams for the six months ended 31 December 2014;
- the reporting accountant's report on the *pro forma* financial information on Sun International, as set out in Annexure IV of this Circular;
- copies of service agreements with directors, managers, underwriters, vendors and promoters entered into during the last three years; and
- a signed copy of this Circular.

By order of the Board

CA Reddiar
Company secretary

30 September 2015

SECTION B: INFORMATION REGARDING DREAMS

1. NAME, ADDRESS AND INCORPORATION

Dream S.A.

Registration address: Avenida Presidente Riesco 5561, Office NO 204, Las Condes, Santiago, Chile

Tax ID number: 76.033.514-2

SVS listing number: 1099

A limited liability private company duly incorporated in accordance with the company laws of Chile on 24 September 2008, in Puerto Montt, Chile.

2. NATURE OF BUSINESS

The nature of business of Dreams is described in paragraph 2 of Section A of this Circular.

3. DETAILS OF HISTORICAL FINANCIAL INFORMATION AND MATERIAL LOANS

Details of material loans to or by Dreams and any of its subsidiaries are as detailed in the Report of Historical Financial Information on Dreams contained in Annexure I of this Circular. There were no material loans that were made to Dreams by third parties directly as a result of the Proposed Merger, as at the Last Practicable Date.

4. PROSPECTS

As demonstrated in the December 2014 financial results, annual revenue grew 11% relative to the 2013 financial year, reaching the same level obtained during the 2012 financial year, before the implementation of the smoking ban.

Dreams has established new smoking areas in each of its six casinos in Chile and implemented an aggressive marketing strategy to recover the level of lost visitors following the smoking ban. Parallel cost cutting initiatives were further implemented, thereby reducing, *inter alia*, the Chilean overhead expenditure by 9% (US\$2.6 million). For the 2015 calendar year, Dreams is confident that the underlying business will continue to grow based on its attractive customer offering and market leading infrastructure and services.

Other business units which include Hotels continued to perform steadily in spite of the relatively high baseline occupancy and revenue per available room achieved in 2014, thereby contributing to the consolidated group EBITDA.

In September 2014 Dreams acquired its fourth Peruvian operation consolidating its position in this country. Two other operations were also refurbished, incorporating table games in one of them and enhancing the value proposition to their guests.

On balance, Dreams is confident that it will achieve growth in both consolidated income and EBITDA for the 2015 calendar year.

The forward looking information above has not been reviewed or reported on by the external/independent auditors of Dreams.

5. LITIGATION

There are currently no legal or arbitration proceedings, including any such proceedings that are pending or threatened, which may have, or have had, a material effect on the Dreams financial position during the 12 months preceding the date of this Circular, of which the company is aware.

6. MATERIAL CHANGES

Save for the Proposed Merger there have been no material changes in the financial position of Dreams and its subsidiaries between the date of the last published results of Dreams for the year ended 31 December 2014 and the Last Practicable Date.

7. MATERIAL CONTRACTS AND DISCLOSURE OF VENDORS

Save for the Transaction Agreements relating to the Transaction as described in this Circular and as set out below, neither Dreams nor any of its Subsidiaries have entered into, either verbally or in writing any restrictive funding arrangements and/or material contract, other than in the ordinary course of business, within the two years prior to the Last Practicable Date, or at any time, and containing an obligation or settlement that is material to the company at the Last Practicable Date.

Vendor's name	Description	Address	Date of Agreement	Consideration
MAX Entertainment SAC	The acquisition of a Peruvian casino Licences named "New York Casino", from MAX Entertainment SAC, including 491 slot machines, 20 gaming tables and other related assets.	Avenida Las Artes Norte 390, departamento 401, San Borja Lima, Perú	December 2012	US\$23,974,234.00
Inversiones Traviata	The acquisition of a Peruvian casino Licences named "Sala de Juegos Mirasol", now "Kingdom", from Inversiones Traviata, controlled by Mr. Paul Den, including 67 slot machines and other related assets.	Av. Arenales 1798, Distrito de Lince Lima Perú	September 2013	US\$700,000.00
Mr Paul Den	The acquisition of 100% of the shares of the Peruvian entity named "Recreativos El Galeón SAC", from Mr. Paul Den, including a casino Licence, slot machines, gaming tables and other related assets.	Av República de Panamá 4545 Surquillo Lima Perú	September 2013	US\$3,150,000.00

There were no material loans that were made to Dreams by third parties directly as a result of the Proposed Merger, as at the Last Practicable Date.

The vendors above have not guaranteed the book debts or other assets of Dreams and standard warranties have been given. No restraints of trade payment was made. No provisions for the settlement of any liability for accrued taxation have been included in the agreements entered into. No promoter or Director had any beneficial interest in the transaction. No amount in cash or securities has been transferred to any promoter in the above transactions and no Dreams Shares have neither been pledged nor ceded by Dreams.

8. MEMORANDUM OF INCORPORATION

The MOI of Dreams will not frustrate Sun International in any way from compliance with its obligations in terms of the Listings Requirements.

SECTION C: INFORMATION REGARDING SUN INTERNATIONAL

1. INCORPORATION OF SUN INTERNATIONAL

Sun International was incorporated in South Africa in 1967 as a limited liability public company. The Company was listed on the JSE in 1984.

2. HISTORY AND NATURE OF BUSINESS

Following a scheme of arrangement Kersaf came into being in June 1984. This enabled Kersaf to acquire an interest in the Sun International Group, which had been established in October 1983.

Sun International invests in and manages businesses in the hotel, resort and casino industry in South Africa, Africa and Latin America. Sun International is Africa's largest tourism, leisure and gaming group and operates or has interest in a total of 27 resorts, luxury hotels and casinos across eight countries. This includes 15 operations in South Africa, two in Zambia, two in Lesotho, one in Botswana, Nigeria, Swaziland, and one near Santiago in Chile. Sun International also opened a casino in Panama in October 2014 and recently opened a casino in Colombia.

3. PROSPECTS

The South African economy is showing no signs of any meaningful improvement in the short-term. In Chile, the short-term outlook is for lower growth than in recent years – and this is reflected in the recent currency depreciation. Against this background the group expects the subdued casino trading experienced in the second half of the 2015 year to continue for the year ahead. The acquisition of the second tranche of 25% in GPI Slots will result in GPI Slots being consolidated and consequently revenue and EBITDA will increase. Monticello is expected to continue to perform well, despite the weak economic conditions and we anticipate that the Ocean Sun Casino and Sun Nao Casino will contribute positively to EBITDA in the year ahead as they continue to establish themselves.

Through the new properties, new lines of business, insourcing of food and beverage and a continued focus on cost savings and efficiencies we anticipate growth in both revenue and EBITDA. Although we expect a difficult operating environment, the group is confident that it can achieve growth in adjusted headline earnings in the 2016 financial year. As outlined in this Circular the group has recently concluded a number of significant strategic transactions and has a number of others that are still to be concluded which will have an impact on the group's 2016 results and financial position. We anticipate that these transactions position the group for growth in the medium to long term.

The forward looking information above has not been reviewed or reported on by the Company's external/independent auditors.

4. INFORMATION ON THE DIRECTORS

4.1 Directors' interests in shares

The direct and indirect beneficial interests in shares held by all the directors of Sun International (including directors who have resigned in the last 18 months), before the Transaction, as at the Last Practicable Date are shown below:

Name of director	Direct beneficial	Indirect beneficial	Held by associates	Total	% of issued shares
Executive					
GE Stephens	242,194	–	–	242,194	0.2
AM Leeming	115,393	–	–	115,393	0.1
KH Mazwai*	73,981	–	–	73,981	0.1
Sub-total	431,568	–	–	431,568	0.4
Non-executive					
NN Gwagwa**	70,224	–	–	70,224	0.1
IN Matthews	2,723	–	–	2,723	0.0
MV Moosa**	143,345	–	–	143,345	0.1
B Modise	5,000	–	1,000	6,000	0.0
Total	652,860	–	–	653,860	0.6

* Resigned on 31 January 2015

** As part of Dinokana Investments restructure, the directors elected to receive shares in the Company based on their effective interest of the net asset value of Dinokana Investments, prior to the restructure. These shares are now held directly by the directors of the Company.

4.2 **Directors' interests in transactions**

No directors of the Group had any interest, direct or indirect, in this or any transaction which was effected by the Company during the current or immediately preceding financial year or in an earlier year and which remains in any respect outstanding or unperformed.

4.3 **Directors' service contracts**

There are no service contracts between Sun International and any of its Directors longer than three years in duration. Such contracts are terminable on six months' notice. Executive Directors do not receive fees for their services as Directors.

The remuneration receivable by the Directors will not be varied as a result of the Proposed Merger.

5. **LATAM PORTFOLIO**

Further details on the Latam portfolio can be found in the "Group Overview" section of the Sun International Integrated Annual Report 2014 (http://ir.suninternational.com/downloads/Sun_International_IAR_2014.pdf) and in the "Operational Review" section of the Reviewed Profit and Cash Dividend Announcement 2015 (<http://www.suninternational.com/content/dam/suninternational/corporate/investors/documents/profit-and-dividend-announcement-year-ended-30-june-2015.pdf>), the details of which have accordingly been incorporated by reference and are available for inspection at the Company's registered office during business hours.

HISTORICAL FINANCIAL INFORMATION OF DREAM S.A. AND ITS SUBSIDIARIES

The definitions commencing on page 4 of the Circular have been used throughout this Annexure.

BASIS OF PREPARATION

The statements of financial position, profit or loss and other comprehensive income, changes in equity and cash flows and the accounting policies and notes for the three years ended 31 December 2012, 31 December 2013 and 31 December 2014 (“Historical Financial Information”) have been extracted, from the audited financial statements of Dream S.A. and its subsidiaries (“the Dreams Group”) for the three years ended 31 December 2012, 31 December 2013 and 31 December 2014, are prepared in accordance with International Financial Reporting Standards, and amended as follows:

- the tax charge relating to a change in tax rates was adjusted to reflect in the statement of profit or loss and other comprehensive income rather than directly in equity in the 2014 Financial Statements;
- the revaluation of land was reversed in order to comply with accounting policies of Sun International Limited;
- the disclosure was improved in order to achieve compliance with International Financial Reporting Standards (“IFRS”); and
- the historical financial statements were translated from Spanish to English.

The adjusted financial information of the Dreams Group for the three years ended 31 December 2014, 31 December 2013 and 31 December 2012, presented in this Annexure I, is referred to as the Report of Historical Financial Information.

The Financial Statements for the two years ended 31 December 2013 and 31 December 2014 were reported on, without qualification, by KPMG Chile. The Financial Statements for the year ended 31 December 2012 were reported on, without qualification, by PWC Chile.

The Report of Historical Financial Information has been prepared in accordance with IFRS, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, the JSE Listings Requirements and the accounting policies of Sun International.

The directors of Sun International Limited are responsible for the preparation of the Report of Historical Financial Information.

COMMENTARY

Dream S.A. is a Chilean based company and is a leader in the gaming and entertainment industry with operations in Chile and Peru. The Dreams Group properties include hotels, casinos, entertainment and food and beverage facilities. The company has built a strong base in Chile where it operates six casinos and it has more recently expanded into Peru where it operates four smaller gaming establishments focused primarily on Lima, with well advanced plans to expand across the region.

Dreams Group has a strong locally based executive management team that has been involved in building the business from inception and has extensive knowledge of the wider Latin America region.

The shareholders of Dream S.A. comprise the Fischer Family which holds a 51% interest with the remaining 49% owned by Entretenimientos del Sur or the EDS Fund. The Fischer Family is a well-established Chilean family with many business interests including the development of the Dreams portfolio over a period of more than 15 years.

Current Chilean legislation establishes that the municipal licences for the casinos in Iquique and Puerto Varas expire on 31 December, 2015, which could reduce the Dreams’ gross revenue to a third compared with current gross revenue. Notwithstanding this, an amendment to this piece of legislation has been recently approved by the Chilean Congress, according to which such municipal licences will be extended for a period of two additional years, thus expiring for any reason and, in any event, on 31 December 2017. This amendment was made official on 11 August, 2015, through the promulgation of Law No 19.995. The Dream Group continues to invest into the business, while looking for viable options to maintain revenues. The entity plans to merge its operation into Sun International Limited’s operations in Latin America, which includes the Monticello Casino in Chile, Casino Ocean Sun in Panama and a project at a development stage in Colombia.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in thousands of Chilean pesos)

Assets	Notes	12-31-2014 ThCh\$	12-31-2013 ThCh\$	12-31-2012 ThCh\$
Current assets				
Cash and cash equivalents	7	21,735,063	10,993,273	13,897,677
Other financial assets – term deposits		–	–	8,640,212
Other non-financial assets	8	2,054,874	655,878	809,197
Trade and other receivables	9	6,791,353	9,400,267	5,980,428
Inventories	11	653,502	656,398	712,956
Taxation receivable	12	2,243,043	2,543,146	7,431,648
Total current assets other than assets or asset groups Classified as held-for-sale		33,477,835	24,248,962	37,472,118
Non-current assets or asset groups for disposal classified as held-for sale		–	–	120,622
Total non-current assets or asset groups classified as held for sale		–	–	120,622
Total current assets		33,477,835	24,248,962	37,592,740
Non-current assets				
Trade and other receivables	9	49,254	46,619	–
Intangible assets other than goodwill	13	13,552,701	18,204,076	20,469,049
Goodwill	13	5,788,744	5,795,678	–
Property, plant and equipment	14	134,705,265	135,892,201	137,955,807
Taxation receivable	12	11,391,931	11,319,995	10,363,151
Deferred taxation	15	12,604,042	7,586,314	5,997,285
Total non-current assets		178,091,937	178,844,883	174,785,292
Total assets		211,569,772	203,093,845	212,378,032
Equity and liabilities				
Liabilities				
Current liabilities				
Other financial liabilities	16	9,635,688	24,128,295	22,343,392
Trade and other payables	16	8,057,268	9,098,267	8,305,589
Accrual for employee benefits	17	1,787,452	1,696,378	1,535,872
Other non-financial liabilities	8	1,899,243	1,678,826	2,543,584
Total current liabilities		21,379,651	36,601,766	34,728,437
Non-current liabilities				
Other financial liabilities	16	69,443,808	50,589,210	58,985,556
Trade payables	16	49,254	1,516,100	3,890,916
Trade payables due to related parties	10	286,111	286,111	216,448
Deferred taxation	15	2,803,154	2,331,178	3,901,821
Accrual for employee benefits	17	99,123	99,123	99,123
Total non-current liabilities		72,681,450	54,821,722	67,093,864
Total liabilities		94,061,101	91,423,488	101,822,301
Equity				
Share capital	18	83,098,986	83,098,986	83,098,986
Retained earnings		34,088,599	28,394,763	27,187,229
Translation reserves (FCTR)		281,276	136,613	228,428
Equity attributable to owners of the Company		117,468,861	111,630,262	110,514,643
Non-controlling interests	18	39,810	39,995	41,088
Total equity		117,508,671	111,670,357	110,555,731
Total equity and liabilities		211,569,772	203,093,845	212,378,032
Actual number of shares in issue		6,574,232	6,574,232	6,574,232
Net asset value per share		1,787,413	1,698,607	1,681,652
Net tangible asset per share		1,493,212	1,333,549	1,370,300

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(Expressed in thousands of Chilean pesos)

	Notes	12-31-2014 ThCh\$	12-31-2013 ThCh\$	12-31-2012 ThCh\$
Revenue	20	96,564,064	86,894,985	93,235,337
Cost of sales		(55,917,508)	(53,073,221)	(56,033,593)
Gross profit		40,646,556	33,821,764	37,201,744
Other income		1,288,491	65,538	6,120,073
Administrative expenses		(23,611,222)	(18,799,003)	(14,763,761)
Other expenses		(2,661,583)	(2,524,914)	(3,801,739)
Finance income		310,527	289,680	397,290
Finance costs		(3,399,797)	(4,517,661)	(4,717,258)
Foreign exchange rate differences	21	(31,695)	(708,276)	19,319
(Loss)/profit from inflation-adjusted units	22	(2,039,803)	55,636	(1,200,223)
Profit before taxes		10,501,474	7,682,764	19,255,445
Income tax	15	192,177	(1,475,208)	(4,334,384)
Profit from continuing operations		10,693,651	6,207,556	14,921,061
Profit for the year		10,693,651	6,207,556	14,921,061
Profit attributable to:				
Owners of the Company		10,693,836	6,207,533	14,921,057
Non-controlling interests		(185)	23	4
Profit for the year		10,693,651	6,207,556	14,921,061

(Expressed in thousands of Chilean pesos)

	Notes	12-31-2014 ThCh\$	12-31-2013 ThCh\$	12-31-2012 ThCh\$
Profit for the year		10,693,651	6,207,556	14,921,061
Items of other comprehensive income, net of tax				
<i>Items that may be reclassified to profit or loss</i>				
Foreign currency translation gain (loss) from the translation of subsidiaries' balances		144,663	(91,815)	202,628
Total comprehensive income		10,838,314	6,115,741	15,123,689
Total comprehensive income attributable to				
Owners of the Company		10,838,499	6,115,718	15,123,685
Non-controlling interests		(185)	23	4
Total comprehensive income		10,838,314	6,115,741	15,123,689
Actual number of shares in issue		6,574,232	6,574,232	6,574,232
Weighted average number of shares in issue		6,574,232	6,574,232	6,003,084
Earnings				
Basic earnings per share	19.1	162,660	94,423	248,557
Diluted earnings per share	19.1	162,660	94,423	226,963
Headline earnings				
Headline earnings per share	19.2	162,660	94,423	248,557
Diluted headline earnings per share	19.2	162,660	94,423	226,963
Dividends per share		76,055	76,055	38,027

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in thousands of Chilean pesos)

	12-31-2014	12-31-2013	12-31-2012
	ThCh\$	ThCh\$	ThCh\$
Cash flows from operating activities			
Cash receipts from sale of goods and rendering of services	95,948,707	87,276,104	102,405,203
Cash receipts from premiums and other insurance policy benefits	433,500	356,555	5,445,885
Other cash receipts	375,740	3,804,604	36,830
Classes of payments			
Cash payments to suppliers for the supply of goods and services	(45,752,305)	(41,618,762)	(48,805,021)
Payments to and on behalf of employees	(18,217,050)	(16,201,469)	(16,033,510)
Other cash payments	(65,830)	(468,370)	(1,999,370)
Interest received	287,268	132,618	692,152
Income taxes paid	(3,472,794)	(4,603,888)	(3,788,893)
Net cash from operating activities	29,537,236	28,677,392	37,953,276
Cash flows used in investing activities			
Acquisition of property, plant and equipment	(10,267,085)	(7,010,971)	(12,595,846)
Acquisition of intangible assets	(1,263,605)	(283,243)	(12,077,435)
Acquisition of subsidiaries, net of cash	-	(12,319,792)	(2,373,183)
Net cash used in investing activities	(11,530,690)	(19,614,006)	(27,046,464)
Cash flows used in financing activities			
Proceeds from bank borrowings	37,142,998	-	16,683,943
Payment of bank borrowings	(37,593,239)	(12,071,654)	(16,297,812)
Interest paid	(3,064,309)	(4,126,936)	(4,430,096)
Dividends paid	(5,000,000)	(5,000,000)	(2,500,000)
Other cash receipts	-	8,787,359	-
Net cash used in financing activities	(8,514,550)	(12,411,231)	(6,543,965)
Net increase (decrease) in cash and cash equivalents before the effect of movements in exchange rates on cash held	9,491,996	(3,347,845)	4,362,847
Effects of movements in exchange rate on cash held	1,249,794	443,442	19,319
Net increase (decrease) in cash and cash equivalents	10,741,790	(2,904,403)	4,382,166
Cash and cash equivalents at 1 January	10,993,273	13,897,676	9,515,510
Cash and cash equivalents at 31 December	21,735,063	10,993,273	13,897,676

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Expressed in thousands of Chilean pesos)

	Share capital	Translation reserve (FCTR)	Retained earnings	Equity attributable to owners of the Company	Non- controlling interests	Total equity
31 December 2014						
Opening balance at 1 January 2014	83,098,986	136,613	28,394,763	111,630,362	39,995	111,670,357
Changes in equity (transactions with owners)						
Comprehensive income:						
Profit (loss) for the year			10,693,836	10,693,836	(185)	10,693,651
Other comprehensive income: gain on translation of foreign subsidiary		144,663		144,663		144,663
Dividend paid			(5,000,000)	(5,000,000)		(5,000,000)
Total changes in equity		144,663	5,693,836	5,838,499	(185)	5,838,314
Closing balance at 31 December 2014	83,098,986	281,276	34,088,599	117,468,861	39,810	117,508,671
31 December 2013						
Opening balance at 1 January 2013	83,098,986	228,428	27,187,229	110,514,643	41,088	110,555,731
Changes in equity (transactions with owners)						
Comprehensive income:						
Profit for the year			6,207,533	6,207,533	23	6,207,556
Other comprehensive loss on translation of foreign subsidiary		(91,815)		(91,815)		(91,815)
Increase (decrease) for transfers and other changes			1		(1,116)	(1,115)
Dividend paid			(5,000,000)	(5,000,000)		(5,000,000)
Total changes in equity		(91,815)	1,207,534	1,115,719	(1,093)	1,114,626
Closing balance at 31 December 2013	83,098,986	136,613	28,394,763	111,630,362	39,995	111,670,357
31 December 2012						
Opening balance at 1 January 2012	73,282,104	25,800	14,766,172	88,074,076	39,043	88,113,119
Changes in equity (transactions with owners)						
Comprehensive income:						
Profit for the year			14,921,057	14,921,057	4	14,921,061
Other comprehensive income for foreign currency translation loss for translation of foreign subsidiary		202,628		202,628		202,628
Issue of shares	9,816,882			9,816,882		9,816,882
Increase (decrease) for transfers and other changes					2,041	2,041
Dividend paid			(2,500,000)	(2,500,000)		(2,500,000)
Total changes in equity	9,816,882	202,628	12,421,057	22,440,567	2,045	22,442,612,
Closing balance at 31 December 2012	83,098,986	228,428	27,187,229	110,514,643	41,088	110,555,731

NOTES TO THE REPORT OF HISTORICAL FINANCIAL INFORMATION

1. GENERAL INFORMATION

Dream S.A., (hereinafter the “Company” or the “Parent or the Dreams Group”) (Taxpayer ID No.76.033.514-2), is a shareholders’ corporation registered with the Securities Register of the Chilean Superintendency of Securities and Insurance (SVS) under No.1099. The Company’s registered office is at Avenida Presidente Riesco 5561, oficina 204, Las Condes, Santiago.

The Company was incorporated under public deed number 6208-08, registered at the notary office of Puerto Montt of Hernán Tike Carrasco, on 24 December, 2008, under the name of Dream S.A.

The Dreams Group is engaged in the provision of gaming casino activities and ancillary activities in hospitality, restaurants, discotheques and any other similar activities.

The Dreams Group is the owner of the licences and concessions for the Casinos in Iquique, Temuco, Valdivia, Puerto Varas, Coyhaique and Punta Arenas, plus four operations in Lima, Peru, generating a significant contribution to the world of tourism and entertainment, with a broad comprehensive supply of 5-star hotels, casinos, restaurants, spa and event centres, all of which fall under the concept of entertainment.

1.1 Share capital ownership

The shares of the company are held by:

Taxpayer ID No.	Shareholder	Share capital	Ownership percentage on share capital
78.871.700-8	Inversiones Pacífico Sur Ltda.	3,352,858	50.999995
76.030.743-2	Entretenimientos del Sur Ltda.	3,221,374	49.000005
Total		6,574,232	100.00000

1.2 Companies included in the Report of Historical Financial Information

The detail of the companies included in this Report of Historical Financial Information is as follows:

Taxpayer ID No.	Company	12-31-2014			12-31-2013	12-31-2012
		Direct ownership %	Indirect ownership %	Total ownership %	Total ownership %	Total ownership %
96.838.520-8	Inversiones y Turismo S.A.	99.996047	0.003953	100.000000	100.000000	100.000000
76.129.438-5	Holding Coyhaique S.A.	99.996047	0.003953	100.000000	100.000000	100.000000
76.669.250-8	Juegos Electrónicos S.A.	99.990602	0.009398	100.000000	100.000000	100.000000
76.028.331-2	Holding Casino S.A.	99.999910	0.000090	100.000000	100.000000	100.000000
76.039.388-6	Casinos del Sur SPA	100.000000	-	100.000000	100.000000	100.000000
76.120.306-1	Marketing y Negocios S.A.	99.000000	1.000000	100.000000	100.000000	100.000000
76.015.682-5	Inmobiliaria de Casinos S.A.	-	100.000000	100.000000	100.000000	100.000000
76.014.175-5	Inmobiliaria Hotelería y Turismo S.A.	-	100.000000	100.000000	100.000000	100.000000
76.008.643-6	Inmobiliaria Eventos y Convenciones Turísticas S.A.	-	100.000000	100.000000	100.000000	100.000000
76.015.689-2	Inmobiliaria Gastronómica y Spa Turística S.A.	-	100.000000	100.000000	100.000000	100.000000
76.708.680-6	Inmobiliaria y Constructora Turística y Recreacional S.A.	-	100.000000	100.000000	100.000000	100.000000
99.597.880-6	Casino de Juegos Temuco S.A.	-	100.000000	100.000000	100.000000	100.000000
99.597.790-7	Casino de Juegos Valdivia S.A.	-	100.000000	100.000000	100.000000	100.000000
99.599.450-K	Casino de Juegos Punta Arenas S.A.	-	100.000000	100.000000	100.000000	100.000000
76.008.627-4	Servicios Gastronómicos y Spa Turístico S.A.	-	100.000000	100.000000	100.000000	100.000000
96.841.280-9	Servicios Hoteleros y Turísticos S.A.	-	100.000000	100.000000	100.000000	100.000000
76.008.643-6	Eventos y Convenciones Turísticas S.A.	-	100.000000	100.000000	100.000000	100.000000
76.129.853-4	Arrendamiento Turísticos Coyhaique S.A.	-	100.000000	100.000000	100.000000	100.000000
99.599.010-5	Casino de Juegos Coyhaique S.A.	-	100.000000	100.000000	100.000000	100.000000
76.129.865-8	Hotelería y Turismo Coyhaique S.A.	-	100.000000	100.000000	100.000000	100.000000
76.129.862-3	Gastronómica y Spa Turístico Coyhaique S.A.	-	100.000000	100.000000	100.000000	100.000000
76.131.772-5	Eventos y Convenciones Turísticas Coyhaique S.A.	-	100.000000	100.000000	100.000000	100.000000
Foreign	Advanced Gaming Corporation S.A.C.	-	100.000000	100.000000	100.000000	100.000000

Taxpayer ID No.	Company	12-31-2014		12-31-2013	12-31-2012
		Direct ownership %	Indirect ownership %	Total ownership %	Total ownership %
76.231.852-0	Dreams Peru S.A.	99.000000	1.000000	100.000000	100.000000
Foreign	Dreams Corporation S.A.C		99.999993	99.999993	99.999992
96.689.710-4	Casino de Juegos de Iquique S.A.	-	100.000000	100.000000	100.000000
78.514.980-7	Gastronomía y Bares Ltda.	-	100.000000	100.000000	100.000000
96.904.770-5	Plaza Casino S.A.	-	100.000000	100.000000	100.000000
99.598.810-0	Casino de Juegos Calama S.A.	-	65.666667	65.666667	65.666667
76.266.889-0	Inversiones Regionales S.A.	99.999900	0.000100	100.000000	100.000000
76.270.321-1	Inversiones América Latina S.A.	-	100.000000	100.000000	100.000000
Foreign	Dreams Gaming S.A.C.	-	100.000000	100.000000	100.000000
Foreign	Recreativos El Galeón S.A.C.	-	100.000000	100.000000	100.000000
Foreign	Inmobiliaria Disandina S.A.	-	99.900000	99.900000	99.900000
76.265.437-7	Casino de Juegos Chillán S.A.	99.999980	0.000020	100.000000	
76.265.439-3	Casino de Juegos Ñuble S.A.		100.000000	100.000000	

1.3 Board of Directors and Management

Dream S.A. is managed by a Board of Directors comprising five directors, who are elected for a term of three years. The current Board members are as follows:

Director	ID No.	Position
Claudio Félix Fischer Llop – appointed 30 April 2013	7.378.806-4	Chairman
Humberto José Fischer Llop – appointed 30 April 2013	6.687.633-0	Director
Ricardo Zabala Hevia – appointed 30 April 2013	6.675.489-8	Director
Miguel Gutierrez – appointed 30 April 2013	Foreign	Director
Enrique Alberto Bascur Middleton – appointed 30 April 2013	6.953.593-3	Director

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been adopted for the preparation of this Report of Historical Financial Information and applied consistently to all years presented.

2.1 Responsibility for the information

The Directors are responsible for such internal control as the directors determine is necessary to enable the preparation of Historical Financial Information that is free from material misstatement, whether due to fraud or error.

2.2 Basis of preparation of the Report of Historical Financial Information

Financial Statements as of 31 December 2014

The consolidated Financial Statements of the Dreams Group as of 31 December 2014 and for the years then ended, from which the Historical Financial Information for the year ended 31 December 2014 has been derived, have been prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (hereinafter the “IASB”) and the instructions issued by the Chilean Superintendence of Securities and Exchange (SVS) (except for the amendments made for deferred tax and Sun International accounting policies).

The Report of Historical Financial Information for the year ended 31 December 2014 has been prepared on the historical cost basis except for financial instruments which are recognised at fair value.

Financial Statements as of 31 December 2013 and 2012

The Financial Statements as of 31 December 2013 and 2012 and for the years then ended, from which the Historical Financial Information for the years ended 31 December 2013 and 2012 has been derived, have been prepared in accordance with IFRS as issued by the IASB.

The consolidated Financial Statements have been prepared on the historical cost basis except for financial instruments which are recognised at fair value.

2.3 Period covered by the Report of Historical Financial Information

The Report of Historical Financial Information covers the following periods:

- Consolidated statements of financial position as of 31 December 2014, 2013 and 2012.
- Consolidated statements of profit or loss and other comprehensive income for the years ended 31 December 2014, 2013 and 2012.
- Consolidated statements of cash flows for the years ended 31 December 2014, 2013 and 2012.
- Consolidated statements of changes in equity for the years ended 31 December 2014, 2013 and 2012.

2.4 New standards and interpretations issued not yet effective

At the date of issue of the consolidated Financial Statements, from which this Report of Historical Financial Information has been derived, the following accounting standards, amendments and interpretations which are not yet effective had been issued by the IASB:

New accounting pronouncements adopted:

The adoption of new and revised International Financial Reporting Standards and Interpretations had no significant impact on the Group's accounting policies or the amounts recognised in the consolidated Financial Statements, from which this Report of Historical Financial Information has been derived.

The following significant standards, amendments and interpretations, that may have an impact on the Group, have been issued, but were not yet effective:

New IFRS	Mandatory for
IFRS 9, Financial Instruments	Annual periods beginning on or after 1 January 2018. Early adoption is permitted.
IFRS15, Revenue from Contracts with Customers	Annual periods beginning on or after 1 January 2017. Early adoption is permitted.
Amendments to IFRS	
IAS 19 – Employee benefits – employee contributions	Annual periods beginning on or after 1 July 2014 (1 January 2015). Early adoption is permitted.
IFRS 11, Joint Arrangements: Accounting for Acquisitions of Interests in Joint Operations	Annual periods beginning on or after 1 January 2016. Early adoption is permitted.
IFRS 10, Consolidated Financial Statements, and IAS 28, Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Annual periods beginning on or after 1 January 2016. Early adoption is permitted.

The full implications of the above mentioned standards are in the process of being evaluated. Other standards, amendments and interpretations are not expected to have a significant impact on the Group's results and have not been included in the above list.

2.5 Basis of consolidation

(a) Business combinations (subsidiaries)

The Report of Historical Financial Information includes the financial statements of the Parent and its subsidiaries, including all their assets, liabilities, revenues, expenses and cash flows.

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In addition, in accordance with this standard non-controlling interest represents the portion of net assets and gains or losses that are not owned by the Company, which is presented separately in the statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position.

In assessing whether the Group controls another Entity, the Group considers the existence and effect of potential voting rights which are substantive. Subsidiaries are consolidated starting from the date in which control is transferred and are excluded from consolidation when such control ceases.

The Company uses the acquisition method to recognize the acquisition of subsidiaries in accordance with IFRS 3 "Business Combinations." Consideration transferred is the fair value of assets delivered, equity instruments issued and liabilities incurred or assumed at the acquisition date. Identifiable assets acquired and identifiable liabilities and contingencies assumed in a business combination are initially measured at their fair value on the acquisition date, regardless of the scope of non-controlling interests. Goodwill is recognised as the excess of the consideration transferred over the fair value of the Company's share of the identifiable

net assets acquired. Should the acquisition cost be lower than the fair value of the net assets of the acquiree, the difference is recognised directly in profit or loss. Any transactions costs are expensed as they are incurred, except if related to the issue of debt or equity instruments.

Intercompany transactions, balances and unrealised gains from intergroup transactions are eliminated during the preparation of the consolidated Financial Statements, from which this Report of Historical Financial Information has been derived.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

(b) Transactions and non-controlling interests

Acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners. Non-controlling interests are presented in equity in the consolidated statement of financial position. Profit or loss attributable to non-controlling interests is presented in the consolidated statement of income comprising profit/(loss) for the period.

2.6 Operating segments

IFRS 8 requires that entities adopt the management approach to report the financial performance of operating segments. In general, this is the information used internally by the Chief Operating Decision Maker (“CODM”) to assess the performance of segments and decide on how to assign resources to such segments.

The Dreams Group presents segment information (which corresponds to business areas) considering the financial information provided to the CODM for such matters as measurement of profitability and assignment of investments and considering the different products, in accordance with IFRS 8 – Operating Segments. Such information is detailed in Note 6.

The criteria for accounting for and recording the companies included in each segment do not differ from those used in the preparation of the financial statements of the parent.

Operating segments disclosed by the Dreams Group are as follows:

Casinos
Hotels
Food and beverage
Real estate and management

The inclusion of the geographic segments has not been considered to be significant because the assets and results of the operation in Peru are not significant. Information in respect of the operating segments indicated above is disclosed in note 6 to the Historical Financial Information of Dream S.A. and its subsidiaries.

2.7 Functional and presentation currency

The Report of Historical Financial Information is presented in Chilean pesos, which is the functional currency of the Parent Dream S.A. and its subsidiaries except for Dreams Corporation S.A.C., Advanced Gaming Corporation S.A.C., Dreams Gaming S.A.C., Recreativos El Galeón S.A.C. and Inmobiliaria Disandina S.A., whose functional currency is the Peruvian nuevo sol.

Chilean pesos are presented in thousands rounded to the nearest thousand, for each figure exceeding 500 Chilean pesos, unless expressly indicated that the amount is shown in Chilean pesos.

(a) Inflation adjusted units

In Chile, measurement units have been created that include the daily effects of inflation in the economy. Such measurement units are the UF (unidad de fomento, which is widely used for business purposes) and the UTM (monthly tax unit, which adjusts taxes). These inflation adjustments are largely included in the contracts that the companies agree with suppliers and customers. Assets subject to these adjustment factors generate gains (mainly recoverable taxes) and liabilities generate losses (mainly debt obligations and accounts payable).

Foreign currency and inflation-adjusted units are those currencies that are different from the Company’s functional currency. Transactions in foreign currencies are initially recorded at the exchange rate of the Company’s functional currency at the date of the transaction or, for multiple transactions, at a representative average. Monetary assets and liabilities denominated in foreign currency and inflation-adjusted units are translated using the exchange rate of the functional currency at the closing date of the statement of financial position. All foreign currency translation gains and losses are recognised in the caption foreign currency translation differences in other comprehensive income.

Assets and liabilities expressed in foreign currencies or inflation-adjusted units have been translated to Chilean pesos at the exchange rates prevailing at each reporting period, as follows:

	12-31-2014	12-31-2013	12-31-2012
US dollar (USD)	606.75	524.61	479,96
Peruvian Nuevo sol (PEN)	202.93	187.49	188,15
Euro (EUR)	738.05	724.30	634,45
Unidad de Fomento (inflation-adjusted unit) (UF)	24,627.10	23,309.56	22,840,75

For such cases where the standard requires the use of a more representative exchange rate of transactions, the Company has used an average or historical exchange rate.

2.8 Translation of foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into Chilean pesos at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Chilean pesos at the exchange rates at the dates of the transactions. Where the exchange rates do not fluctuate significantly, an average exchange rate that approximates the actual exchange rate is used.

Foreign currency differences are recognised in Other Comprehensive Income and accumulated in the Translation Reserve (FCTR) in equity, except to the extent that the translation difference is allocated to Non-Controlling Interests (NCI).

When a foreign operation is disposed of in its entirety or partially such that control is lost, the cumulative amount in the Translation Reserve (FCTR) related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI.

2.9 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits in financial institutions, as well as bank overdrafts, time deposits in banks and financial institutions and other short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturities of less than three months as these amounts are generally used by the Company in the management of its short-term operations. Cash and cash equivalents are measured at fair value in the statement of financial position.

2.10 Trade and other receivables

Trade and other receivables fall within the loans and receivables financial assets category and they are initially recognised at fair value plus any directly attributable transaction costs.

Subsequent to initial recognition, trade and other receivables are measured at amortised cost using the effective interest method.

The Group calculates an allowance for impairment taking into account the following factors:

- default or delinquency by a receivable;
- restructuring of an amount due to the Group on terms that the Group would not consider otherwise;
- indications that a receivable will enter bankruptcy;
- adverse changes in the payment status of receivables; and
- observable data indicating that there is a measurable decrease in the expected cash flows from a group of receivables.

The Group considers evidence of impairment for trade and other receivables at both an individual asset and a collective level. All individually significant trade and other receivables are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Trade and other receivables that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group uses historical information on the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss is calculated as the difference between the carrying amount and the recoverable amount. Losses are recognised in profit or loss, under administrative expenses, and reflected in an allowance account. When the Group considers that there is no realistic prospects of recovery of the trade and other receivables, the relevant amounts are written off either against the allowance account (if previously provided for) or through profit or loss (if not previously provided for). If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

2.11 Inventories

Inventories are initially measured at cost. Subsequently, these are measured at the lower of cost and net realisable value.

Cost is determined using the weighted average cost method.

Net realisable value is the estimated sales price in the ordinary course of business, less the estimated costs necessary costs to make the sale.

2.12 Income tax and deferred tax

The Dreams Group compute income taxes on net taxable income calculated in accordance with the legal provisions contained in the Income Tax Law in place at each period.

Income tax expense comprises current and deferred tax. It is recognised in profit or loss, except to the extent that it relates to a business combination, or to items recognised directly in equity or Other Comprehensive Income (OCI).

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes.

Deferred taxes are determined using tax rates contained in laws enacted or substantively enacted at the closing date of the consolidated statement of financial position and which are expected to be applied when the related deferred tax asset is realised or deferred tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that the entity will have sufficient future taxable income available against which to recover tax deductions related to temporary differences and use tax credits. Deferred tax is recognised in profit or loss except for those items recognised with a credit or debit to equity, in which case the related deferred tax is also credited or debited to equity. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

2.13 Intangible assets other than goodwill

Intangible assets other than goodwill include gaming casino concessions for casinos in Iquique and Puerto Varas, in accordance with the annual payments made to City-Halls and concession renewal and extension rights. Such intangible assets are amortised on a straight-line basis over the term of each concession.

Licences and software are amortised over a term of four years and expenditure required to obtain concessions are amortised over the same term of the concession.

Intangible assets acquired by the Group and that have finite useful lives are initially measured at cost. Subsequently they are measured at cost, less accumulated amortisation and any accumulated impairment loss. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other subsequent expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. Goodwill is not amortised. Other indefinite-life intangible assets are not amortised and are subject to impairment testing on an annual basis.

Amortisation methods, useful lives and residual values are reviewed at each reporting period and adjusted where necessary, and considering future use if appropriate. The estimated useful lives for other intangible assets for current and comparative periods are disclosed in note 13.

The carrying amounts of intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount.

2.14 **Goodwill**

Goodwill represents the excess of the cost of an acquisition over the fair value of Dream S.A.'s share of the net identifiable assets of the new subsidiary at the date of acquisition. Goodwill acquired relating to the acquisition of subsidiaries is recorded in the caption goodwill and tested for impairment every time an impairment indicator exists and, at least, annually. Goodwill is measured at cost less accumulated impairment losses. The impairment loss amount is recognised directly in profit or loss.

2.15 **Property, plant and equipment**

Items of property, plant and equipment are measured at cost net of accumulated depreciation and impairment losses.

In addition to the price paid for the acquisition of each item the Group also includes any other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, as well as expansion, modernisation and improvement costs that represent an increase in productivity, capacity or efficiency, or an increase in the useful life.

The cost of replacing or renewing full items of property, plant and equipment are recognised as an increase in the value of the related assets and replaced or renewed items are derecognised.

Interest and other borrowing costs incurred that are directly attributable to the acquisition or construction of property, plant and equipment are capitalised.

Periodic repair, preservation and maintenance expenses are expensed in profit or loss in the period in which they are incurred.

At year-end or when any indication of impairment exists, the Company compares their recoverable amount to their net carrying amount.

Any reversal of the impairment loss or recognition of impairment arising as a result of such comparison is recognised in profit or loss.

Depreciation of property, plant and equipment:

Items of property, plant and equipment or significant components are depreciated from the date they are available for use. The cost is depreciated on a straight-line basis over the estimated useful life in which the assets are expected to be used.

The useful lives of the items of property, plant and equipment used for the calculation of depreciation have been determined based on technical studies. Such useful lives are used for new acquisitions or constructions of items of property, plant and equipment or when indications exist that the useful life of these assets must be modified. Useful lives of property, plant and equipment are disclosed in note 14.3.

On an annual basis, the residual value, depreciation methodology and useful life of an asset are reviewed and, if applicable, adjusted prospectively.

Land is recognised separately from the buildings or facilities that may be constructed on them. Land, is not depreciated.

Gains or losses from the sale or retirement of items of property, plant and equipment are recognised in profit or loss and calculated as the difference between the prices obtained from the sale and the net carrying amount of the asset.

2.16 **Other non-financial assets**

The Company's policy is to record in this caption all assets that originally do not have a financial nature and which are not classified in other captions of current assets. Other non-financial assets are measured at cost less any accumulated impairment losses.

2.17 **Impairment of non-financial assets**

At each year-end, the carrying amounts of the Company's non-financial assets, are reviewed to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated to determine the amount of the impairment loss. For identifiable assets that do not generate cash flows independently, recovery of the cash-generating unit (CGU) of the asset is estimated. A CGU is the smallest identifiable group of assets that generates cash inflows that are independent from cash inflows of other assets.

The recoverable amount of an asset is the greater of its value in use and its market value less costs to sell. Value in use being the present value of estimated future cash flows. Almost in all cases, the Group uses the value in use criteria to calculate the recoverable amount of property, plant and equipment and intangible assets.

If the recoverable amount is lower than the net carrying amount of the asset, an allowance for impairment loss is recorded for such difference, with a debit to profit or loss.

Impairment losses recognised in an asset in prior years are reversed if there has been a change in the estimates used to determine the recoverable amount, only increasing the asset (reversing the impairment) value with a credit to profit or loss to the limit of the carrying amount that would have been determined if no impairment loss had been recognised.

Non-financial assets for which an impairment loss has previously been recorded are tested for impairment annually to determine whether the reversals of such impairment loss have occurred.

2.18 Other financial liabilities

Other financial liabilities include borrowings and financial liabilities of a similar nature and which are initially measured at fair value, net of borrowing costs. Subsequently, they are measured at amortised cost using the effective interest method.

Financial liabilities are classified as current liabilities when their maturity term is lower than 12 months and as non-current liabilities when the maturity term exceeds 12 months.

Financial liabilities are derecognised when the liability is settled.

2.19 Trade and other payables

Trade and other payables fall within the other financial liability category. They are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, trade and other payables are measured at amortised cost using the effective interest method.

2.20 Current and non-current employee benefits

The Company measures employee benefits including salaries, bonuses, leave pay and severance payments on an accrual basis. Those due and payable over a term that does not exceed twelve months are not discounted.

2.21 Other current and non-current non-financial liabilities

Other current and non-current non-financial liabilities include obligations that are not classified as financial liabilities or trade and other payables, including withholdings in favour of third parties and special taxes on gaming casinos. Non-financial liabilities are measured at cost.

2.22 Special taxes on gaming casinos

Gaming casinos in Temuco, Valdivia, Coyhaique and Punta Arenas are regulated by Law No. 19.995, which establishes requirements for the operation of casino taxes associated with casinos, as well as establishes that casinos are subject to the oversight of the Chilean Superintendence of Casinos (SCJ).

Article No. 58 of Law No. 19.995 on Gaming Casinos establishes a tax equivalent to a Monthly Tax Unit of 0.07, which is collected in the functional currency of the Casino, from the public entering gaming rooms of gaming casinos regulated by such law.

Such tax is a withholding tax, recorded in the caption: "Other current non-financial liabilities" at the date of its collection and is settled within the first 12 days of the month following its withholding and paid to the Government General Revenue.

Article No. 59 of Law No. 19,995 on Gaming Casinos establishes an exclusive tax for the benefit of the Treasury with a nominal rate of 20% on gross revenue obtained by companies operating gaming casinos.

Such tax is applied on gross revenues obtained by the taxpayer from the operation of authorised games, before deduction of the amount of value-added tax (VAT) and before the deduction of the monthly provisional income tax payments established in letter a) of Article No. 84 of Decree Law No. 824 of 1974 of the Income Tax Law. The latter deduction is different for each company subject to it and depends on each company's tax position.

Tax is declared and paid on a monthly basis over the same term that the taxpayer has to make monthly provisional income tax payments indicated above. Gaming tax is recognised as cost of sales.

Casinos operating in Lima, Peru are regulated by the specific tax regulations applicable in Peru, which establishes tax on gaming activities at a rate of 11.76% on gross gaming revenue.

2.23 Share capital

Share capital is divided into 6,574,232 nominal shares with no par value, which are sub-divided into six preference series: Series A, Series C, Series D, Series E, Series F and Series G shares and an ordinary series: Series B. Incremental costs directly attributable to the issue of ordinary shares, net of any tax effects, are recognised as a deduction from equity.

2.24 Earnings per share

Basic earnings per share are calculated considering the net profit/(loss) for the period attributable to the owners of ordinary shares of the controlling interest (the “numerator”) and the weighted average number of ordinary shares outstanding during the period (the “denominator”). As of 31 December 2014, the Company does not have any dilutive potential ordinary shares.

Earnings per share are calculated by dividing the net profit/(loss) attributable to shareholders by the weighted average number of shares in issue. Headline earnings include adjustments made to certain items of income or expense, including material items considered to be outside the normal operating activities of the Group of a non-recurring nature. Headlines earnings (the “numerator”) is calculated in accordance with Circular 2/2013 issued by the South African Institute of Chartered Accountants (SAICA), divided by the weighted average number of ordinary shares outstanding during the period (the “denominator”).

2.25 Dividend distribution

Dividends payable to the shareholders of Dream S.A. are recognised as a liability in the financial statements in the period in which they are declared and approved by the shareholders. These have been disclosed in the statement of changes in equity.

2.26 Leases

At inception of an arrangement, the Group determines whether the arrangement is or contains a lease. Assets held under leases that transfers substantially all of the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of the fair value of the leased asset and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term, and recognised in profit or loss, so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Assets held under other leases are classified as operating leases and are not recognised in the Group’s statement of financial position.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the lease term. Lease incentives received are recognised as an integral part of the total lease expense, over the lease term.

2.27 Classification of balances as current and non-current

In the consolidated statement of financial position, balances are classified according to their maturities; i.e., balances maturing in 12 months or less as current and balances maturing in periods exceeding 12 months as non-current.

2.28 Revenue recognition

(a) Revenue

Revenue includes the fair value of the considerations received or receivable for the sale of goods and services during the ordinary course of the Group’s business activities. Revenue is recognised net of sales tax, returns, rebates and discounts (if any) and after eliminating intragroup sales.

Revenue is recognised when the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the specific conditions for each Group activity are met as described below.

(b) Gaming revenue

Gaming revenue is measured at the fair value of the consideration received for services provided in the normal course of business. Gaming revenue is the sum of gross revenue from gaming machines, table games and bingo games. Revenue is presented net of awards paid, provisions for progressive jackpots and net of gaming taxes which is included in cost of sales. Revenue from the gaming casino located in Lima reduces provisions from progressive jackpots solely when effectively paid to the player in accordance with the regulating governmental authority.

(c) Sale of goods

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

The timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreement

(d) **Interest**

Interest income and expense is recognised using the effective interest method.

(e) **Rendering of services**

Revenue from rendering of services is recognised when services have been rendered and are recorded on an accrual basis, as the service is rendered.

3. **MANAGEMENT'S CRITERIA FOR ESTIMATES AND JUDGEMENTS**

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported of amounts. Actual results may differ from estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

In the Report of Historical Financial Information, judgements and estimates made by management have been used to quantify certain assets, liabilities, revenues, expenses and commitments recorded therein and include:

- The measurement of intangible assets and goodwill to determine the existence of impairment thereof.
- The useful lives of items of property, plant and equipment and intangible assets and their residual value.
- Impairment losses of certain assets, including trade receivables.
- Provisions for commitments assumed with third parties and contingent liabilities.

4. **ACCOUNTING CHANGES**

The Group has consistently applied the accounting policies set out herein to all periods presented in these consolidated financial statements.

5. **RISK MANAGEMENT POLICIES**

The Group's risk management policies are established to identify and analyse risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Board undertakes both regular and ad hoc reviews of risk management controls and procedures.

The Dreams Group is exposed to market risks inherent to their business, financial risks and risks inherent to its assets. The Company's management risk policy is focussed on eliminating or mitigating uncertainty relating to variables affecting them or that may affect them.

Market risk

Market risk is the risk that fluctuations in certain business structural variables that may affect the Company's assets and results.

Industry risk

Despite the fact that the gaming casino industry in Chile is regulated to ensure that each gaming facility cannot be located at less than 70 kilometres from another gaming facility, greater competition for attracting customers might decrease the demand for the Company's casinos. To address this risk, the Company maintains high quality standards in its facilities and services, as well as cutting edge technology to offer an outstanding entertainment option. In addition, the Company stands out for offering first-tier entertainment in the locations where it operates.

As of 31 December 2014, approximately 82% of the Company's total revenue is derived from gaming (80% as of 31 December 2013 and 79% as of 31 December 2012). A sensitivity analysis of the Company's gaming revenues is shown in the table below.

12-31-2014			
Item	95%	Casino revenues	105%
Gaming revenue ThCh\$	74,787,924	78,724,131	82,660,338
Difference in revenues ThCh\$	(3,936,207)	-	3,936,207
12-31-2013			
Item	95%	Casino revenues	105%
Gaming revenue ThCh\$	65,972,475	69,444,710	72,916,946
Difference in revenues ThCh\$	(3,472,236)	-	3,472,236
12-31-2012			
Item	95%	Casino revenues	105%
Gaming revenue ThCh\$	70,134,177	73,825,450	77,516,722
Difference in revenues ThCh\$	(3,691,273)	-	3,691,273

In terms of current Chilean legislation, the licences for the casinos in Iquique and Puerto Varas expire on 31 December 2015, and this could reduce the Company's gross revenue by two thirds. On 27 January 2015, a bill amending the Law N°19.995 extending the operation of Municipal casinos was drafted and sent for approval to the Chilean Congress. This bill considered, amongst other items, an amendment to the process for awarding casino concessions and an extension of the current concession rights with Municipal casinos for three further periods of 15 years each.

This amendment, as provided in Comment 8.12., has not been made official yet, as it requires to be promulgated by the President of the Republic and later published in the Official Gazette for it to be considered enforceable. However, it has become publicly acknowledged that such extension of the licenses will take place and that they will, accordingly, expire for any reason and, in any event, as from 1 January 2018.

Regulatory risk

The gaming casino industry in Chile is regulated by Law No. 19.995 enacted in 2005. This law created the Chilean Superintendence of Gaming Casinos (SCJ), which is the agency responsible for renewing and revoking casino operating Licences, as well as the oversight of their activities.

New licences granted under Law No. 19.995, as well as Municipal licences are granted to operators for a limited term. Possible changes in regulations and contracts regulating the gaming industry in Chile or the interpretation of such regulations or contracts by the administrative authorities or Municipalities could affect the operation of casinos and, in particular, the Company's revenues.

Legislation introduced in 2013 in Chile restricted the freedom of smoking in public places, among them, casinos, restaurants and others, which resulted in a decrease in the number of visitors in the company's establishments and the related decrease in revenues. Management implemented several plans in order to mitigate this risk.

Financial risks

The main financial risks to which the Company is exposed are the interest rate, inflation, credit, liquidity and currency risks.

Interest rate risk

The Dreams Group maintain short and long-term debt at fixed and variable rates. Fluctuations in interest rates affect the Company's finance costs as a significant portion of the debt is subject to variable rates. Approximately 62.88% of total financial liabilities are subject to variable rates with a weighted spread of 1.13%, which can change depending on market conditions at that time. An hypothetical change of one percentage point in the variable interest rate, during an entire year, of all variable interest rates to which the Company is exposed, and maintaining all other variables constant, would generate an additional expense before taxes of ThCh\$495,842. The Company believes it is not cost effective to enter into hedging instruments to mitigate this risk.

Inflation risk

A significant portion (76.63% as at 31 December 2014) of the financial liabilities are denominated in UF (inflation-adjusted units) due to the indexation of the Chilean capital markets to inflation. A risk of a significant increase in inflation exists. An increase in one percentage point, with all other variables remaining constant, will result in an additional expense (before tax) of ThCh\$606,238.

Credit risk

Credit risk is the risk that a counterparty fails to meet its contractual obligations resulting in a financial loss for the Dreams Group principally in its trade receivables and financial assets and derivatives.

The hospitality, food and events and conventions business segments grant credit to customers on an infrequent basis. These credit terms range between 30 and 180 days and are generally for small amounts. Compliance to credit terms is monitored by management. It is the Group's policy to provide an impairment allowance of 100% of those receivables where the risk of collectability is uncertain.

The Group does not use credit insurance nor financial guarantees to secure the collectability of these receivables. Credit risk where the counterparties are banks which have high credit-risk agency ratings, is limited.

The carrying amount of financial assets recognised, represents the maximum exposure to credit risk.

Liquidity risk

Liquidity risk relates to the possibility that the Group will encounter difficulty in meeting the different needs for funds related to investment commitments, business expenses, debt maturities, etc. Funds necessary to cover these cash outflows are obtained from own resources generated by the Company's line of business and loans granted by financial institutions. Liquidity ratio measured as a percentage current assets and current liabilities as of 31 December, 2014 was 1.6 times.

The contractual maturities of financial liabilities in accordance with contractual cash flows (including unaccrued interest) are as follows:

	Current			Non-current			Total	
	Up to 90 days ThCh\$	91 days to 1 year ThCh\$	Total current ThCh\$	1 - 3 years ThCh\$	3 - 5 years ThCh\$	Over 5 years ThCh\$	Total non-current ThCh\$	ThCh\$
31 December, 2014								
Interest-bearing bank borrowings	2,932,127	8,975,801	11,907,928	33,360,608	27,252,310	18,352,852	78,965,770	90,873,698
Trade and other payables	6,003,394	2,139,034	8,142,428	49,254	-	-	49,254	8,191,682
Trade payables due to related parties	-	-	-	286,111	-	-	286,111	286,111
Total	8,935,521	11,114,835	20,050,356	33,695,973	27,252,310	18,352,852	79,301,135	99,351,491

	Current			Non-current			Total	
	Up to 90 days ThCh\$	91 days to 1 year ThCh\$	Total current ThCh\$	1 - 3 years ThCh\$	3 - 5 years ThCh\$	Over 5 years ThCh\$	Total non-current ThCh\$	ThCh\$
31 December, 2013								
Interest-bearing bank borrowings	19,922,812	7,613,522	27,536,334	34,108,667	13,349,640	10,587,674	58,045,981	85,582,315
Trade and other payables	3,102,664	5,795,493	8,898,157	1,596,704	-	-	1,596,704	10,494,861
Trade payables due to related parties	-	-	-	286,111	-	-	286,111	286,111
Total	23,025,476	13,409,015	36,434,491	35,991,482	13,349,640	10,587,674	59,928,796	96,363,287

	Current			Non-current			Total	
	Up to 90 days ThCh\$	91 days to 1 year ThCh\$	Total current ThCh\$	1 - 3 years ThCh\$	3 - 5 years ThCh\$	Over 5 years ThCh\$	Total non-current ThCh\$	ThCh\$
31 December, 2014								
Interest-bearing bank borrowings	5,725,917	19,639,043	25,364,960	31,505,549	14,172,941	23,262,665	68,941,155	94,306,115
Trade and other payables	7,135,603	1,508,006	8,643,609	3,924,376	-	-	3,924,376	12,567,985
Trade payables due to related parties	-	-	-	-	-	-	216,448	216,448
Total	12,861,520	21,147,049	34,008,569	35,429,925	14,172,941	23,479,113	73,081,979	107,090,548

Currency risk

Currency risk arises from settlements that need to be made in currencies other than the functional currency of the relevant Group entity. These settlements relate to the financing of:

- Investments in technological systems (including new gaming machines); and
- Other construction projects.

The project sizes are not significant, and therefore the exchange rate fluctuations for the payments on these projects are not significant.

The acquisition and construction of casinos in Lima, Peru increased debt exposure in foreign currency. As of 31 December 2014, 22.81% of financial debt is expressed in US dollars. A devaluation of Chilean peso of 5% might result in a debit to profit or loss of ThCh\$902,154 (This amount is additional to the conversion per the exchange rate between Peruvian Nuevo sol and U.S. dollars).

Risks inherent to its assets

The Company's operations are exposed to interruptions from natural disasters and other accidents. To minimise business interruption, the Company has the following risk management plans in place:

- risk prevention plans;
- preventative maintenance programmes for critical equipment; and
- comprehensive insurance policies (which are reviewed periodically).

Fair value hierarchy:

Fair value information as required by IFRS 13 has been disclosed in the relevant asset notes.

6. SEGMENT INFORMATION

The Group has the following four strategic divisions, which are its reportable segments. These divisions offer different products and services and are managed separately because they require different technology and marketing strategies.

The following summary describes the operations of each reportable segment.

Reportable segments	Operations
Casinos	Gaming machines, betting tables and bingo
Hospitality	Hotel accommodation and conference facilities
Food and Beverage	Food and beverage supplies
Real Estate and Management	Management of real estate

The Group's CEO is the Chief operating decision maker that regularly reviews internal management reports of each segment.

The methods used to prepare the segment results are consistent with the accounting policies applied in these financial statements.

Profit or loss by segment As of 12-31-2014	Real Estate				Total Segments ThCh\$
	Casinos ThCh\$	Hospitality ThCh\$	Food and Beverage ThCh\$	Management ThCh\$	
Revenue	78,724,131	7,618,929	10,117,061	25,609,196	96,564,064
Cost of sales	(53,123,964)	(5,034,155)	(7,640,210)	(15,624,432)	(55,917,508)
Gross profit	25,600,167	2,584,774	2,476,851	9,984,764	40,646,556
Other income	163,313	18,535	482	1,106,161	1,288,491
Administrative expenses	(14,935,110)	(846,313)	(1,617,763)	(6,212,036)	(23,611,222)
Other expenses	(1,562,679)	(23,636)	(12,102)	(1,063,165)	(2,661,583)
Finance income	60,938	3,861	2,936	242,792	310,527
Finance costs	(1,097,537)	(8,866)	(15,391)	(2,278,003)	(3,399,797)
Foreign currency translation differences	(1,169,999)	23,702	1,295	1,113,307	(31,695)
Gain (loss) from inflation-adjusted units	21,137	5,373	4,819	(2,071,132)	(2,039,803)
Profit before taxes	7,080,230	1,757,430	841,127	822,687	10,501,474
Profit or loss by segment As of 12-31-2013	Real Estate				Total Segments ThCh\$
	Casinos ThCh\$	Hospitality ThCh\$	Food and Beverage ThCh\$	Management ThCh\$	
Revenue	69,444,710	7,138,470	10,311,805	17,879,103	86,894,985
Cost of sales	(48,911,170)	(4,753,628)	(8,183,301)	(9,104,225)	(53,073,221)
Gross profit	20,533,540	2,384,842	2,128,504	8,774,878	33,821,764
Other income	28,971	18,932	2,513	15,122	65,538
Administrative expenses	(11,365,401)	(842,312)	(1,365,536)	(5,225,754)	(18,799,003)
Other expenses	(1,689,371)	(53,684)	(181,092)	(600,767)	(2,524,914)
Finance income	190,268	4,490	7,864	87,058	289,680
Finance costs	(1,619,898)	(7,797)	(13,704)	(2,876,262)	(4,517,661)
Foreign currency translation differences	13,353	(58,519)	1,002	(664,112)	(708,276)
Gain (loss) from inflation-adjusted units	17,863	2,663	-	35,110	55,636
Profit before taxes	6,109,325	1,448,615	579,551	(454,727)	7,682,764

Profit or loss by segment As of 12-31-2012	Real Estate			Consolidation Adjustment ThCh\$	Total Segments ThCh\$
	Casinos ThCh\$	Hospitality ThCh\$	Food and Beverage ThCh\$		
Revenue	73,825,450	6,587,979	12,794,942	12,842,310	93,235,337
Cost of sales	(48,708,953)	(4,379,057)	(9,717,832)	(6,043,095)	(56,033,593)
Gross profit	25,116,497	2,208,922	3,077,110	6,799,215	37,201,744
Other income	952,541	64,695	80,900	5,021,937*	6,120,073
Administrative expenses	(10,154,432)	(988,882)	(1,665,937)	(1,954,510)	(14,763,761)
Other expenses	(573,979)	(50,082)	(406,762)	(2,770,916)	(3,801,739)
Finance income	218,346	27,469	26,975	124,500	397,290
Finance costs	(1,529,395)	(6,729)	(12,178)	(3,168,956)	(4,717,258)
Foreign currency translation differences	(7,008)	-	-	26,327	19,319
Gain (loss) from inflation-adjusted units	97,012	(48,513)	(803)	(1,247,919)	(1,200,223)
Profit before taxes	14,119,582	1,206,880	1,099,305	2,829,678	19,255,445

* Includes income from insurance recoveries arising from a flooding in Punta Arenas.

** Includes de-recognition of assets damaged in Punta Arenas.

Assets and liabilities by segment as of 12-31-2014	Real Estate			Real Estate and Management ThCh\$	Total Segments ThCh\$
	Casinos ThCh\$	Hospitality ThCh\$	Food and Beverage ThCh\$		
Assets					
Current assets	11,705,810	4,419,325	2,569,383	14,783,317	33,477,835
Non-current assets	57,798,314	170,074	967,003	119,156,546	178,091,937
Liabilities					
Current liabilities	14,571,137	391,289	2,356,519	4,060,706	21,379,651
Non-current liabilities	15,173,499	-	-	57,507,951	72,681,450

Assets and liabilities by segment as of 12-31-2013	Real Estate			Real Estate and Management ThCh\$	Total Segments ThCh\$
	Casinos ThCh\$	Hospitality ThCh\$	Food and Beverage ThCh\$		
Assets					
Current assets	7,277,997	887,324	1,039,832	15,043,809	24,248,962
Non-current assets	87,677,324	2,411,587	1,841,061	86,914,911	178,844,833
Liabilities					
Current liabilities	24,414,251	390,277	1,106,776	10,690,462	36,601,766
Non-current liabilities	9,609,989	-	916,320	44,295,413	54,821,722

Assets and liabilities by segment as of 12-31-2012	Casinos ThCh\$	Hospitality ThCh\$	Food and Beverage ThCh\$	Real Estate and Management ThCh\$	Total Segments ThCh\$
Assets					
Current assets	11,917,061	1,325,411	1,705,419	22,644,849	37,592,740
Non-current assets	57,271,332	204,161	814,737	116,495,062	174,785,292
Liabilities					
Current liabilities	15,087,592	538,693	1,060,953	18,041,199	34,728,437
Non-current liabilities	14,693,478	-	-	52,400,386	67,093,864

7. **CASH AND CASH EQUIVALENTS**

Cash and cash equivalents comprise cash on hand, demand deposits in financial institutions, time deposits and other financial investments.

As of year end, cash and cash equivalents are detailed as follows:

	12-31-2014 ThCh\$	12-31-2013 ThCh\$	12-31-2012 ThCh\$
Classes of cash and cash equivalents			
Cash on hand	2,167,795	2,187,606	3,177,579
Bank balance	2,241,258	1,235,277	1,593,316
Other cash equivalents (term deposits and other cash balances)	17,326,010	7,570,390	9,026,782
Total cash and cash equivalents	21,735,063	10,993,273	13,897,677
As of year end, the detail of cash and cash equivalents by currency is as follows:			
Classes of cash and cash equivalents	12-31-2014 ThCh\$	12-31-2013 ThCh\$	12-31-2012 ThCh\$
Chilean pesos (CLP)	10,241,725	3,533,559	7,547,867
Peruvian nuevo sol (PEN)	790,367	1,229,369	1,758
US dollars (USD)	10,701,341	6,221,448	6,344,136
Euros (EUR)	1,630	8,897	3,916
Total cash and cash equivalents	21,735,063	10,993,273	13,897,677

8. OTHER NON-FINANCIAL ASSETS AND LIABILITIES

8.1 Current non-financial assets

As of year end, this caption comprises the following:

Current	12-31-2014 ThCh\$	12-31-2013 ThCh\$	12-31-2012 ThCh\$
Insurance receivable ⁽¹⁾	1,479,330	41,848	316,987
Prepaid insurance policies	200,917	321,860	–
Other prepaid expenses	170,494	91,900	294,779
Guarantees receivable	204,133	200,270	197,431
Total current	2,054,874	655,878	809,197

1. Relates to an insurance claim receivable in respect of the losses related to the earthquake in Iquique during April 1, 2014, and a claim related to a boiler in Puerto Varas.

8.2 Current non-financial liabilities

Current	12-31-2014 ThCh\$	12-31-2013 ThCh\$	12-31-2012 ThCh\$
Gaming and casino tickets taxes	1,629,518	1,346,851	1,685,581
Provisional income tax payable	269,725	331,975	415,217
Total current	1,899,243	1,678,826	2,543,584

9. TRADE AND OTHER RECEIVABLES

9.1 Trade and other receivables, current.

This caption comprises the following:

Current	12-31-2014 ThCh\$	12-31-2013 ThCh\$	12-31-2012 ThCh\$
Types			
Unsecured trade receivables	1,657,069	1,586,847	1,788,839
Impairment of unsecured trade receivables	(83,683)	(84,277)	(107,670)
Total net	1,573,386	1,502,570	1,681,169
Notes receivable	424,443	423,649	764,354
Impairment of notes receivable	(261,867)	(259,266)	(396,352)
Total net	162,576	164,383	368,002
Other receivables	5,055,391	7,733,314	3,931,257
Total net	5,055,391	7,733,314	3,931,257
Summary			
Total gross	7,136,903	9,743,810	6,484,450
Impairment	(345,550)	(343,543)	(504,022)
Total net	6,791,353	9,400,267	5,980,428

Maturity dates of trade and other receivables are the following:

Trade and other receivables, current	12-31-2014 ThCh\$	12-31-2013 ThCh\$	12-31-2012 ThCh\$
Past due			
Past due for less than 3 months	939,102	732,477	504,725
Past due between 3 and 6 months	19,160	8,358	117,292
Past due more than 6 months	6,345	15,847	185,343
Total past due	964,607	756,682	807,360
Not past due			
Current debts	6,172,296	8,987,128	5,677,090
Total not past due	6,172,296	8,987,128	5,677,090
Total trade and other receivables, gross	7,136,903	9,743,810	6,484,450

Movement in allowance for doubtful accounts is the following:

	12-31-2014	12-31-2013	12-31-2012
Allowance for doubtful accounts	ThCh\$	ThCh\$	ThCh\$
Opening balance	(343,543)	(504,022)	(481,461)
New allowances	(10,349)	(8,351)	(76,232)
Write-offs for the period	4,342	19,194	34,549
Allowance reversal	4,000	149,636	19,122
Total	(345,550)	(343,543)	(504,022)

Other receivables comprises the following:

	12-31-2014	12-31-2013	12-31-2012
Type	ThCh\$	ThCh\$	ThCh\$
Prepayments to foreign suppliers	166,829	216,315	199,757
Prepayment to local suppliers	298,701	655,262	812,603
Personnel current accounts	36,388	–	801
Pre-payment for acquisition of Lima Casino	–	–	2,831,827
Sundry debtors	64,320	34,696	85,994
Securities granted as guarantees	356,259	300,261	275
VAT fiscal credit ¹	4,132,894	6,526,780	–
Total gross	5,055,391	7,733,314	3,931,257
Allowance for doubtful accounts	–	–	–
Total net	5,055,391	7,733,314	3,931,257

1. This fiscal credit arises from the acquisition and construction of items of property, plant and equipment for the operation of the business, such as hotels, rooms and gaming machines.

9.2 Trade and other receivables, non-current.

This caption comprises the following:

	12-31-2014	12-31-2013	12-31-2012
Non-current	ThCh\$	ThCh\$	ThCh\$
Discounts receivable ¹	49,254	46,619	–
Total	49,254	46,619	–

1. Corresponds to discounts granted on the acquisition of property, plant and equipment from the supplier Constructora Salfa S.A.

10. RELATED PARTY TRANSACTIONS AND BALANCES

10.1 Trade payables due to related parties, non-current

As of year end, this caption comprises the following:

Tax ID number	Company	Country	Relationship	Currency	12-31-2014 ThCh\$	12-31-2013 ThCh\$	12-31-2012 ThCh\$
76.030.743-2	Entretenimientos del Sur Ltda.	Chile	Shareholder	CLP	286,111	286,111	216,448
Total					286,111	286,111	216,448

The amount is unsecured, bears no interest and has no fixed terms of repayment.

10.2 Related party transactions.

The detail of significant related party transactions is as follows:

Company	Relationship	Transaction	12-31-14		12-31-13		12-31-12	
			Pre-tax (VAT) effect on profit or loss ThCh\$	Post-tax effect on profit or loss ThCh\$	Effect on profit or loss ThCh\$	Effect on profit or loss ThCh\$		
Entretenimientos del Sur Ltda.	Shareholder	UF adjustment on loan	-	-	69,663	69,663	-	-
Soc. de Rentas Inmobiliaria Ltda.	Common shareholder	Entertainment	3,820	3,210	7,035	7,035	-	-
		Lease charges	10,243	(8,607)	32,679	32,679	29,604	29,604
		Food and beverage	951	799	-	-	-	-
		Service payments	5,472	-	25,644	25,644	29,604	-
Inv. y Turismo Pedro de Valdivia S.A.	Common shareholder	Entertainment	3,633	(3,053)	9,510	(9,510)	70,867	(20,862)
		Service payment	3,633	-	9,510	9,510	81,885	-
Inversiones Aéreas Patagonia Ltda.	Common shareholder	Entertainment	208	175	-	-	-	-
		Food and beverage	1,260	1,059	-	-	-	-
		Air Travel	16,428	(13,805)	-	-	-	-
		Service payments	14,960	-	-	-	-	-

10.3 Key management personnel

As of year end, the Company's directors receive no remuneration. The remuneration of key management, who are not directors' is disclosed below.

As of year end, the overall remuneration and bonuses paid to key executives amounts to ThCh\$1,363,939 (ThCh\$1,284,888 as of 31 December 2013) (ThCh\$1,178,369 as of 31 December 2012).

Refer to Note 17 for obligations raised in respect of key management.

11. INVENTORIES

This caption comprises the following:

	12-31-2014	12-31-2013	12-31-2012
	ThCh\$	ThCh\$	ThCh\$
Card decks – Tickets and dices	52,062	48,989	23,214
Spare parts for gambling tables	–	10,832	16,677
Machine tickets – entry tickets	45,305	43,974	46,152
Food and beverages	438,778	437,515	519,635
Consumables	45,396	53,557	19,173
Inputs and supplies	71,961	61,531	88,105
Total	653,502	656,398	712,956

As of year end, no provision for inventory obsolescence has been made.

12. TAXATION RECEIVABLE

As of year end, this caption comprises the following:

	12-31-2014	12-31-2013	12-31-2012
	ThCh\$	ThCh\$	ThCh\$
Taxation receivable			
Current			
Monthly provisional income tax payments	4,467,523	4,472,736	4,418,491
Income tax arising (Provision for income tax)	(4,552,330)	(4,064,568)	(5,540,338)
Credit for training expenses	136,123	170,278	173,173
Real estate contributions	692,197	871,398	757,444
Credit for Austral Law	1,067,504	650,893	1,199,605
Credit for cultural donations	133,395	45,902	172,406
Provisional payment for absorbed profit	253,214	333,534	788,890
Value added tax fiscal credit	–	6,526,780	5,358,400
Other recoverable taxes	45,417	62,973	103,577
Total current taxation receivable	2,243,043	2,543,146	7,431,648
	12-31-2014	12-31-2013	12-31-2012
	ThCh\$	ThCh\$	ThCh\$
Non-current			
Credit for Austral Law	11,391,931	11,319,995	10,363,151
Total non-current taxation receivable	11,391,931	11,319,995	10,363,151

13. INTANGIBLE ASSETS AND GOODWILL

13.1 Composition of intangible assets and goodwill

	12-31-2014 ThCh\$	12-31-2013 ThCh\$	12-31-2012 ThCh\$
Intangible assets, net			
Casino concessions, net	10,646,274	16,518,808	19,899,462
Software licences, net	977,540	686,685	569,587
Other intangible assets, net	1,928,887	998,583	–
Goodwill, net	5,788,744	5,795,678	–
Total intangible assets, net	19,341,445	23,999,754	20,469,049
Intangible assets, gross			
Casino concessions, gross	54,206,944	53,775,352	50,420,435
Software and licences, gross	1,927,187	1,419,669	1,132,805
Other intangible assets, gross	2,089,997	998,583	–
Goodwill, gross	5,788,744	5,795,678	–
Total intangible assets, gross	64,012,872	61,989,282	51,553,240
Accumulated amortisation of intangible assets			
Accumulated amortisation of casino concessions	(43,560,670)	(37,256,544)	(30,520,973)
Accumulated amortisation of software and licences	(949,647)	(732,984)	(563,218)
Amortisation of other intangible assets	(161,110)	–	–
Total accumulated amortisation of intangible assets	(44,671,427)	(37,989,528)	(31,084,191)

13.2 Movement of intangible assets.

Movements in 2014	Casino concessions and operating Licences ThCh\$	Software and Licences ThCh\$	Other intangible assets ThCh\$	Goodwill ⁽¹⁾ ThCh\$	Intangible assets, net ThCh\$
Opening balance as of 1 January 2014	16,518,808	686,685	998,583	5,795,678	23,999,754
Additions	–	501,116	974,937	–	1,476,053
Effect of foreign currency translation	314,163	5,695	94,052	440,439	854,350
Amortisation	(5,182,961)	(216,664)	(161,111)	–	(5,560,736)
Amortisation of Concession Iquique and Puerto Varas	(1,121,164)	–	–	–	(1,121,164)
Correction of goodwill (translation effect)	–	–	–	(447 373)	(447 373)
Other increase	117,428	707	22,426	–	140,561
Closing balance as of 31 December 2014, Net total	10,646,274	977,540	1,928,887	5,788,744	19,341,445

Movements in 2013	Casino concessions and operating Licences ThCh\$	Software and Licences ThCh\$	Other intangible assets ThCh\$	Goodwill⁽¹⁾ ThCh\$	Intangible assets, net ThCh\$
Opening balance as 1 January 2013	19,899,462	569,587	–	–	20,469,049
Additions	–	283,243	–	–	283,243
Additions in business combination ¹	3,814,933	3,622	998,583	5,795,678	10,612,816
Amortisation	(4,972,722)	(169,767)	–	–	(5,142,489)
Amortisation of Concession Iquique and Puerto Varas	(1,762,849)	–	–	–	(1,762,849)
Other increase (decrease)	(460,016)	–	–	–	(460,016)
Closing balance as of 31 December 2013, Net total	16,518,808	686,685	998,583	5,795,678	23,999,754

Movements in 2012	Casino concessions and operating Licences ThCh\$	Software and Licences ThCh\$	Other intangible assets ThCh\$	Goodwill⁽¹⁾ ThCh\$	Intangible assets, net ThCh\$
Opening balance as 1 January 2012	26,484,653	311,098	–	–	26,795,751
Additions	–	383,183	–	–	383,183
Amortisation	(5,027,208)	(124,694)	–	–	(5,151,902)
Amortisation of Concession Iquique and Puerto Varas	(1,557,983)	–	–	–	(1,557,983)
Closing balance as of 31 December 2012, Net total	19,899,462	569,587	–	–	20,469,049

1. Relates to the value from the acquisition of casinos in Lima.

The amortisation for the period is included in cost of sales.

13.3 Useful lives of intangible assets considered for their amortisation are as follows:

Types	Useful life
Municipal concessions	5 – 10 years
Licences and software	4 years
Brands	Indefinite
Customer relationships	6 years
Licence Casino New York	Indefinite
Goodwill	Indefinite

Impairment consideration

Goodwill arose on the acquisition of Dreams Corporation S.A.C. (Casino New York) (ThCh\$4,433,107) and Recreativos El Galeon S.A.C (the Eden Room) (ThCh\$915,198) in Peru, Lima during 2013 and is not amortised. The Casino New York Licence and the Brands acquired have indefinite lives and are not amortised. The licences are treated as having an indefinite life because they are expected to contribute to the Group's net cash flows indefinitely, subject to applicable legislation. The carrying amount of goodwill, licences and brands were subject to an impairment test at 31 December 2014, using various methodologies as follows:

Brands:

Management projected the business cash flows for a going concern. The following assumptions were used in determining the value of the New York brand:

- Estimated royalty rate of 1.25%, Brand maintenance expense of 0.3%, Growth in revenues up to 2017 of 7.8% (CAGR), Growth rate to perpetuity of 3% and a discount rate of 15%.

Cash flows generated were positive and on this basis no impairment was considered necessary.

Licences:

Management projected the business cash flows under a going concern scenario and projected the business flows under the "Greenfield" scenario under the assumption of possessing permits and licences for the operation of a casino having the same characteristics of the New York casino.

Management estimated growth in revenues of 7.8%; EBITDA Margin for 2013 – 2017 of an average of 34.8%; EBITDA Margin to perpetuity of 36.4%; working capita /average sales to 2017 of 1.87%; Capex/depreciation of 100%. Management also considered the fact that the Peruvian authorities ceased granting Licences for the operation of casinos in the Magdalena district and other similar districts (San Isidro, Miraflores), and accordingly, business cash flows were adjusted by 30%. The discount rate used was 13.5%, growth to perpetuity rate of 3%. Cash flows generated were positive and on this basis no impairment was considered necessary.

Goodwill:

ThCh\$4,433,107 of the goodwill is related to the Casino New York in Peru. A cash flow methodology was used to determine future cash flow for the business as a whole, based on value in use. A growth rate of 2% was used, an EBITDA margin which increases from 12.3% for 2014 to 24.9% for 2024. The discount rate (WACC) was 11.15%. Consistent with the tax changes introduced in Peru in 2014, tax rates used were 30% for 2014, 28% for 2015, 28% for 2016, 27% for 2017, 27% for 2018 and 26% for 2019 and thereafter. A value to perpetuity equivalent to 100% of the last cash flows has been assumed considering the related adjustment for working capital. The perpetual growth rate used is an actual rate of 0%. On this basis, the determined fair value amounts were in excess of the carrying values and no impairment was considered necessary.

13.4 Municipal concessions**Municipal concession Casino de Juegos de Iquique**

In addition to the initial payment made to obtain the casino concession, the company Casino de Juegos de Iquique S.A., also pays the following for the concession rights:

- 23,000 Unidades de Fomento annually, divided into 12 monthly payments in favour of the Iquique Municipality. This is initially recognised as an intangible asset and then expensed on a monthly basis as it is incurred, during the life of the concession.
- Operation of the gaming machines requires the payment of a 40% tax on net revenue (gross revenue less prizes or jack-pot and taxes) when operating between 200 and 249 gaming machines; 39% of net revenue when operating between 250 and 299 gaming machines; 38% of net revenue when operating between 300 and 349 gaming machines; and 37% of net revenue when operating 350 gaming machines or more. This duty is paid at the same date rights for gaming facilities are paid. This is recognised in cost of sales on a monthly basis.
- Revenue from entry tickets to the casino and gaming facilities and rights payable for cards, IDs and credentials granting access to the gaming facilities in the casino. This revenue is paid over to the municipality at the same date rights for gaming facilities are paid. This obligation is recognised in cost of sales on a monthly basis.

Municipal concession Casino de Juegos de Puerto Varas

In addition to the initial payment made to obtain the casino concession, the company Sociedad Plaza Casino S.A., is also required to pay the following:

- 43,500 Unidades de Fomento annually, divided into 12 monthly payments in favour of the Puerto Varas Municipality. This is recognised in profit or loss on a monthly basis during the life of the concession, which expires in 31 December 2015
- Revenue from entry tickets to the casino and gaming facilities. This revenue is paid at the same date rights for gaming facilities are paid. This obligation is recognised in cost of sales on a monthly basis
- Financing artistic shows and fireworks of an annual basis for the community of Puerto Varas for UF2,150 plus VAT. This disbursement is charged to profit or loss for the appropriate period

13.5 Casino concession according to Law No.19.995

Casinos that are governed by Law No.19.995, which are overseen by the Superintendence of Casinos, have the following maturity date for their Licences:

Casinos	Maturity date
Temuco	January 2024
Valdivia	February 2024
Coyhaique	April 2027
Punta Arenas	March 2024

13.6 Casino licences in Peru

Casinos and gambling halls in Peru are governed by the Ministry of Foreign Affairs and Tourism and licences are granted for a five-year period, renewable for four years and then indefinitely.

14. PROPERTY, PLANT AND EQUIPMENT

14.1 This caption comprises the following:

	12-31-2014	12-31-2013	12-31-2012
	ThCh\$	ThCh\$	ThCh\$
Types of property, plant and equipment, net			
Property, plant and equipment, net			
Land, net*	18,834,874	18,834,874	18,834,874
Buildings and facilities, net	100,813,243	101,897,105	103,129,643
Machinery and equipment, net	10,230,516	9,028,793	9,152,970
Other property, plant and equipment, net	4,187,819	4,523,019	5,213,252
Construction in progress	638,813	1,608,410	1,624,468
Total property, plant and equipment, net	134,705,265	135,892,201	137,955,807
Property, plant and equipment, gross			
Land, gross *	18,834,874	18,834,874	18,835,474
Buildings and facilities, gross	125,806,614	122,033,435	118,741,243
Machinery and equipment, gross	36,291,107	30,615,143	26,627,780
Other property, plant and equipment, gross	10,660,700	9,515,785	8,867,263
Construction in progress	638,813	1,608,410	1,624,468
Total property, plant and equipment, gross	192,232,108	182,607,647	174,696,228
Accumulated depreciation and impairment, property, plant and equipment			
Accumulated depreciation and impairment, buildings and facilities	(24,993,370)	(20,136,330)	(15,611,600)
Accumulated depreciation and impairment, machinery and equipment	(26,060,592)	(21,586,350)	(17,474,810)
Accumulated depreciation and impairment, other property, plant and equipment	(6,472,881)	(4,992,766)	(3,654,011)
Total accumulated depreciation and impairment, property, plant and equipment	(57,526,843)	(46,715,446)	(36,740,421)

* Measurement of fair value for land.

Land has been measured at cost in line with the accounting policy of the acquirer. A valuation was performed by a professional valuer during 2013, using comparable transactions with similar locations and similar characteristics; and considering the average values paid for the price of land in those areas. The estimated fair value would increase based on the increase in demand and market value for similar properties in these areas. The fair values are indicated as follows:

Land location	Valuation 2013	Valuation 2012
	and 2014	
	ThCh\$	ThCh\$
Temuco	11,578,931	10,664,890
Valdivia	14,451,927	12,707,580
Puerto Varas	9,080,192	7,102,808
Coyhaique	2,537,898	2,157,613
Punta Arenas	4,386,626	3,948,713
Coquimbo	4,736,736	4,693,878
Total	46,772,310	41,275,482

14.2 Table of movements in property, plant and equipment

	Land net	Buildings and facilities net	Machinery and equipment net	Other property plant and equipment net	Construction in progress	Property plant and equipment net
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Movement in 2014						
Opening balance as of 1 January 2014	18,834,874	101,897,105	9,028,793	4,523,019	1,608,410	135,892,201
Additions	–	414,459	3,776,964	830,329	5,253,849	10,275,601
Effect of foreign currency translation	–	(25,956)	58,602	168,025	144,996	345,667
Depreciation expenses	–	(4,819,467)	(4,777,393)	(1,460,693)	–	(11,057,553)
Other increase (decrease) ⁽¹⁾	–	3,347,102	2,143,550	127,139	(6,368,442)	(750,651)
Closing balance as of 31 December 2014	18,834,874	100,813,243	10,230,516	4,187,819	638,813	134,705,265
Movement in 2013						
Opening balance as of 1 January 2013	18,835,474	103,129,643	9,152,970	5,213,252	1,624,468	137,955,807
Additions	–	1,575,666	1,969,340	664,534	1,608,410	5,817,950
Additions in business combinations	–	–	2,371,105	–	–	2,371,105
Depreciation expenses	–	(4,432,672)	(4,278,061)	(1,354,767)	–	(10,065,500)
Other increase (decrease) ⁽¹⁾	(600)	1,624,468	(186,561)	–	(1,624,468)	(187,161)
Closing balance as of 31 December 2013	18,834,874	101,897,105	9,028,793	4,523,019	1,608,410	135,892,201

Movement in 2012						
Opening balance as of 1 January 2012	14,140,996	103,947,597	12,152,546	6,773,471	565,317	137,579,927
Additions	4,694,478	4,885,293	978,535	-	1,624,468	12,182,765
Impairment losses recognised in profit or loss	-	(1,824,524)	(251,466)	(42,390)	-	(2,118,380)
Depreciation expenses	-	(4,444,040)	(5,010,230)	(84,260)	-	(9,538,530)
Other increase (decrease) ⁽¹⁾	-	565,317	1,283,594	(1,433,569)	(565,317)	(149,975)
Closing balance as of 31 December 2012	18,835,473	103,129,643	9,152,970	5,213,252	1,624,468	137,955,807

Capitalization of work-in-progress, reclassification of assets and derecognition of assets.

14.3 Useful lives of property, plant and equipment

Types	Useful life range (years)
Buildings and facilities	
Structural works	80
Infrastructure	20 – 40
Facilities	10 – 20
Information technology equipment	3 – 5
Gaming machines	7
Other property, plant and equipment	3 – 7

14.4 Finance lease

As of year end, finance lease obligations for operations of Casino de Juegos de Iquique S.A. with Banco Internacional, are the following:

	12-31-2014 ThCh\$	12-31-2013 ThCh\$	12-31-2012 ThCh\$
Machinery and equipment under lease agreement, net	251,820	617,996	988,668
Total	251,820	617,996	88,668
31-12-2014			
	Contractual flow ThCh\$	Interest ThCh\$	Present value ThCh\$
Current	481,466	(61,705)	419,761
Over one year but less than five years	-	-	-
Total	481,466	(61,705)	419,761
31-12-2013			
	Contractual flow ThCh\$	Interest ThCh\$	Present value ThCh\$
Current	442,834	(82,029)	360,805
Over one year but less than five years	407,402	(27,095)	380,307
Total	850,236	(109,124)	741,112

	31-12-2012		
Minimum lease payments, finance lease obligations	Contractual flow ThCh\$	Interest ThCh\$	Present value ThCh\$
Current	442,834	(109,974)	332,860
Over one year but less than five years	885,668	(141,490)	744,178
Total	1,328,502	(251,464)	1,077,038

15. INCOME TAX AND DEFERRED TAXATION

15.1 Balance of deferred taxation

As of 31 December this caption comprises the following:

	12-31-2014 ThCh\$	Movement in profit or loss	12-31-2013 ThCh\$	Movement in profit or loss	12-31-2012 ThCh\$
Allowance for doubtful accounts	77,399	10,767	66,632	(6,110)	72,742
Leave accrual	191,307	23,274	168,033	7,038	160,995
Personnel benefits	159,149	17,418	141,731	(4,440)	146,171
Finance lease liabilities	91,666	(53,319)	144,985	(70,414)	215,399
Tax losses	3,064,596	1,223,156	1,841,440	628,221	1,213,219
Unrealised profit or loss	497,540	124,028	373,512	47,589	325,923
Non-deductible expenses	65,193	(191,131)	256,324	236,499	19,825
Property, plant and equipment	8,457,192	3,863,535	4,593,657	750,646	3,843,011
Total asset	12,604,042	5,017,728	7,586,314	1,589,029	5,997,285
	12-31-2014 ThCh\$	Movement in profit or loss	12-31-2013 ThCh\$	Movement in profit or loss	12-31-2012 ThCh\$
Finance lease assets	(56,659)	85,464	(142,123)	229,510	(371,633)
Intangible assets other than goodwill	(2,746,495)	(557,440)	(2,189,055)	1,341,133	(3,530,188)
Total liabilities	(2,803,154)	(471,976)	(2,331,178)	1,570,643	(3,901,821)
Net amount	9,800,888	4,545,752	5,255,136	3,159,672	2,095,464

15.2 Current tax and deferred tax

	12-31-2014 ThCh\$	12-31-2013 ThCh\$	12-31-2012 ThCh\$
Reconciliation of tax expense			
Current tax	(4,552,330)	(4,064,568)	(5,540,338)
Adjustments to prior year current tax	53,827	(667,616)	(81,406)
Payments for absorbed profit	144,928	97,304	139,205
Current tax net total	(4,353,575)	(4,634,880)	(5,482,539)
Deferred income (expense) for taxes related to the generation and reversal of temporary differences	3,104,457	3,159,672	1,148,155
Tax rate change	1,441,295	-	-
Deferred tax benefit, net total			
Income tax expense (benefit), net total	192,177	(1,475,208)	(4,334,384)

15.3 Reconciliation of tax expense using the legal rate to tax expense using the effective rate

	12-31-2014	12-31-2013	12-31-2012
	ThCh\$	ThCh\$	ThCh\$
Reconciliation of tax expense			
Profit (loss) before tax	10,501,474	7,682,764	19,255,445
Tax expense using the legal rate	(2,205,310)	(1,536,553)	(3,851,089)
Effect of permanent differences	951,899	61,345	(259,206)
Effect for changes to the income tax rate	(157,253)	-	(224,089)
Change in tax rate	1,602,664	-	-
Adjustments to income tax using the legal rate, total			
Income tax arising using the effective rate	192,000	(1,475,208)	(4,334,384)

On 29 September 2014, the Tax Reform Law was enacted, which, among other aspects, defines the default tax system applicable to the Company, the corporate income tax rate that will be gradually applied to companies between 2014 and 2018 and allows for companies to opt for one of two established tax systems, being the attributed income system or the partially-integrated system.

The tax system to which the Company, by default, shall be subject to as of 1 January, 2017, is the partially integrated system, unless the Company opts for the attributed income system. The partially-integrated system established the progressive increase in the corporate income tax rate for commercial years 2014, 2015, 2016, 2017 and 2018 thereafter, increasing such rate to 21.0%, 22.5%, 24.0%, 25.5% and 27.0%, respectively.

The differences of deferred tax assets and liabilities arising from the direct effect of the corporate tax introduced by Law No.20.780, and in conformity with Circular No.856 issued by the Superintendence of Securities and Insurance, amounted to ThCh\$1,602,664.

In the case of Peru, the Income Tax regulation is governed by Decree Law No.774 of 30 December, 1993, and the Orderly Single Text of the Income Tax Law approved by Decree Law No. 179-2004-EF of 8 December 2004. Up to 31 December 2014, a Corporate Tax of 30% is established, but from 2015, and according to Article 55 of this Law, a progressive decrease in the income tax for 2015 and 2016, 2017 and 2018 and 2019 thereafter is established, decreasing such rate to 28%, 27% and 26%, respectively. However, this amendment will have no effect on Dreams Corporation S.A.C., which have a Judicial Stability Contract until July 3, 2023 with a rate of 30%.

15.4 Details of fiscal credits not utilised

As of year end, tax credits not utilised by the Group amount to:

	12-31-2014	12-31-2013	12-31-2012
	ThCh\$	ThCh\$	ThCh\$
No credit	4,852,229	4,100,245	4,851,512
Credit 17.0%	27,155,596	25,691,198	23,669,500
Credit 20.0%	54,691,638	56,472,694	30,886,993
Credit 21.0%	17,125,432	-	-
Total	103,824,895	86,264,137	59,408,005

16. OTHER FINANCIAL LIABILITIES

The Company classifies its financial liabilities into interest-bearing bank borrowings and trade payables. Management determines the classification of its financial liabilities at the time of initial recognition.

16.1 Interest-bearing bank borrowings

As of year end, this caption comprises the following:

	12-31-2014	12-31-2013	12-31-2012
	ThCh\$	ThCh\$	ThCh\$
Interest-bearing bank borrowings			
Current	9,635,688	24,128,295	22,343,392
Non-current	69,443,808	50,589,210	58,985,556
Total	79,079,496	74,717,505	81,328,948

On 7 April 2014, the Company obtained financing for UF800,000 from two loans maturing in 15 years with Banco Consorcio, which allows it to refinance short-term liabilities and improve the Company's amortisation profile.

From 31 December 2014, future cash flows, including interest, related to the abovementioned bank loans are as follows:

	2015	2016	2017	2018	2019	2020	2021	2022
	ThCh\$							
	11,945,177	11,419,170	11,276,974	10,627,215	18,931,390	8,320,920	3,820,505	2,311,731
	2023	2024	2025	2026	2027	2028	2029	TOTAL
	ThCh\$							
	2,298,785	2,243,951	1,776,970	1,776,970	1,776,970	1,776,970	570,000	90,873,698

The details of bank loans are as follows:

12-31-2014

Debtor		Lender				Current maturity								
						Country	Currency or inflation-adjusted unit	Type of amortisation	Nominal rate	Effective rate	Up to 90 days	More than 90 days to 1 year	Total current	
Tax ID No.	Bank	Country	Country	Country	ThCh\$									ThCh\$
76.129.853-4	Arrendamientos Turísticos	Chile	UF	Chile	97.006.000-6	BCI	Chile	UF	Monthly	2.54%	2.54%	56,135	164,231	220,366
76.129.853-4	Arrendamientos Turísticos	Chile	UF	Chile	97.006.000-6	BCI	Chile	UF	Monthly	2.54%	2.54%	124,336	377,184	501,520
99.599.010-5	Casino Coyhaique	Chile	UF	Chile	97.006.000-6	BCI	Chile	UF	Monthly	2.54%	2.54%	72,082	302,400	374,482
96.689.710-4	Casino Iquique	Chile	UF	Chile	97.011.000-3	Banco Internacional	Chile	UF	Annual	8.76%	8.76%	-	419,761	419,761
0	Dreams Gaming	Peru	USD	Peru	97.006.000-6	BCI	Chile	USD	Quarterly	3.11%	3.11%	21,516	63,709	85,225
0	Dreams Gaming	Peru	USD	Peru	97.006.000-6	BCI	Chile	USD	Up to maturity	3.30%	3.30%	1,427	-	1,427
0	Dreams Corporation	Peru	USD	Peru	97.006.000-6	BCI	Chile	USD	Quarterly	3.11%	3.11%	112,746	333,834	446,580
0	Dreams Corporation	Peru	USD	Peru	97.006.000-6	BCI	Chile	USD	Quarterly	3.11%	3.11%	344,787	1,020,887	1,365,674
0	Dreams Corporation	Peru	USD	Peru	97.006.000-6	BCI	Chile	USD	Up to maturity	3.40%	3.40%	1,104	-	1,104
0	Dreams Corporation	Peru	USD	Peru	97.006.000-6	BCI	Chile	USD	Up to maturity	3.35%	3.35%	1,016	-	1,016
0	Dreams Corporation	Peru	USD	Peru	97.006.000-6	BCI	Chile	USD	Up to maturity	3.30%	3.30%	713	-	713
0	Dreams Corporation	Peru	USD	Peru	97.006.000-6	BCI	Chile	USD	Up to maturity	3.30%	3.30%	4,042	-	4,042
76.033.514-2	Dream S.A.	Chile	UF	Chile	99.500.410-0	Banco Consorcio	Chile	UF	Monthly	4.30%	4.30%	310,999	680,397	991,396
76.708.680-6	Inmob. Y Tur. Recreacional	Chile	UF	Chile	76.645.030-k	ITAU	Chile	UF	Monthly	2.32%	2.32%	357,245	1,079,492	1,436,737
76.708.680-6	Inmob. Y Tur. Recreacional	Chile	UF	Chile	97.006.000-6	BCI	Chile	UF	Monthly	2.32%	2.32%	354,930	1,079,492	1,434,422
76.708.680-6	Inmob. Y Tur. Recreacional	Chile	UF	Chile	97.023.000-9	Corpbanca	Chile	UF	Monthly	2.32%	2.32%	194,877	588,864	783,741
76.708.680-6	Inmob. Y Tur. Recreacional	Chile	UF	Chile	97.036.000-k	Santander	Chile	UF	Monthly	2.32%	2.32%	194,877	588,864	783,741
76.708.680-6	Inmob. Y Tur. Recreacional	Chile	UF	Chile	97.030.000-7	Banco Estado	Chile	UF	Monthly	2.32%	2.32%	194,877	588,864	783,741
Total											2,347,709	7,287,979	9,635,688	

		Debtor				Lender				Current maturity			
Tax ID No.	Entity	Country	Tax ID No.	Bank	Country	Currency or inflation-adjusted unit	Type of amortisation	Nominal rate	Effective rate	Up to 90 days	More than 90 days to 1 year	Total current	
										ThCh\$	ThCh\$	ThCh\$	
76.129.853-4	Arrendamientos Turísticos	Chile	97.006.000-6	BCI	Chile	UF	Monthly	5.15%	5.15%	138,968	357,003	495,971	
76.129.853-4	Arrendamientos Turísticos	Chile	97.006.000-6	BCI	Chile	UF	Monthly	5.15%	5.15%	54,934	155,443	210,377	
99.599.010-5	Casino Coyhaique	Chile	97.006.000-6	BCI	Chile	UF	Monthly	5.15%	5.15%	107,430	286,222	393,652	
96.689.710-4	Casino Iquique	Chile	97.023.000-9	Corpbanca	Chile	CLP	Quarterly	2.19%	2.19%	52,511	139,247	191,758	
96.689.710-5	Casino Iquique	Chile	97.011.000-3	Banco Internacional	Chile	CLP	Annual	6.50%	6.50%	-	133,022	133,022	
96.689.710-4	Casino Iquique	Chile	97.011.000-3	Banco Internacional	Chile	UF	Annual	8.76%	8.76%	-	360,805	360,805	
0	Dreams Gaming	Peru	97.006.000-6	BCI	Chile	USD	Maturity	2.16%	2.16%	365,503	-	365,503	
0	Dreams Gaming	Peru	97.006.000-6	BCI	Chile	USD	Maturity	0.80%	0.80%	1,574,119	-	1,574,119	
0	Dreams Corporation	Peru	97.006.000-6	BCI	Chile	USD	Maturity	0.80%	0.80%	4,469,062	-	4,469,062	
0	Dreams Corporation	Peru	97.006.000-6	BCI	Chile	USD	Maturity	2.16%	2.16%	6,824,437	-	6,824,437	
0	Dreams Corporation	Peru	97.006.000-6	BCI	Chile	USD	Maturity	2.16%	2.16%	989,544	-	989,544	
76.028.331-2	Holding Casino	Chile	97.036.000-k	Santander	Chile	CLP	Annual	8.60%	8.60%	1,734,443	-	1,734,443	
76.015.689-2	Inmob. Gast. Y Spa Turist.	Chile	97.036.000-k	Santander	Chile	UF	Monthly	0.24%	0.24%	11,716	-	11,716	
76.015.689-2	Inmob. Gast. Y Spa Turist.	Chile	97.030.000-7	Banco Estado	Chile	UF	Monthly	0.24%	0.24%	11,716	-	11,716	
76.015.689-2	Inmob. Gast. Y Spa Turístico	Chile	76.645.030-k	ITAU	Chile	UF	Monthly	0.24%	0.24%	21,483	-	21,483	
76.015.689-2	Inmob. Gast. Y Spa Turístico	Chile	97.006.000-6	BCI	Chile	UF	Monthly	0.24%	0.24%	21,483	-	21,483	
76.015.689-2	Inmob. Gast. Y Spa Turístico	Chile	97.023.000-9	Corpbanca	Chile	UF	Monthly	0.24%	0.24%	11,716	-	11,716	
76.014.175-5	Inmob. Hotelera y Turismo	Chile	76.645.030-k	ITAU	Chile	UF	Monthly	0.24%	0.24%	30,345	-	30,345	
76.014.175-5	Inmob. Hotelera y Turismo	Chile	97.006.000-6	BCI	Chile	UF	Monthly	0.24%	0.24%	30,345	-	30,345	
76.014.175-5	Inmob. Hotelera y Turismo	Chile	97.023.000-9	Corpbanca	Chile	UF	Monthly	0.24%	0.24%	16,563	-	16,563	
76.014.175-5	Inmob. Hotelera y Turismo	Chile	97.036.000-k	Santander	Chile	UF	Monthly	0.24%	0.24%	16,563	-	16,563	
76.014.175-5	Inmob. Hotelera y Turismo	Chile	97.030.000-7	Banco Estado	Chile	UF	Monthly	0.24%	0.24%	16,563	-	16,563	
76.708.680-6	Inmob. Y Tur. Recreacional	Chile	76.645.030-k	ITAU	Chile	UF	Monthly	0.24%	0.24%	392,920	934,232	1,327,152	
76.708.680-6	Inmob. Y Tur. Recreacional	Chile	97.006.000-6	BCI (a1)	Chile	UF	Monthly	0.24%	0.24%	392,920	934,232	1,327,152	
76.708.680-6	Inmob. Y Tur. Recreacional	Chile	97.023.000-9	Corpbanca (a1)	Chile	UF	Monthly	0.24%	0.24%	214,338	509,624	723,962	

Debtor			Lender			Current maturity						
Tax ID No.	Entity	Country	Tax ID No.	Bank	Country	Currency or inflation-adjusted unit	Type of amortisation	Nominal rate	Effective rate	Up to 90 days	More than 90 days to 1 year	Total current
										ThCh\$	ThCh\$	ThCh\$
76.708.680-6	Inmob. Y Tur. Recreacional	Chile	97.036.000-k	Santander (a1)	Chile	UF	Monthly	0.24%	0.24%	214,338	509,624	723,962
76.708.680-6	Inmob. Y Tur. Recreacional	Chile	97.030.000-7	Banco Estado (a1)	Chile	UF	Monthly	0.24%	0.24%	214,338	509,624	723,962
76.015.665-5	Inmob.Eventos y Conv. Tur.	Chile	76.645.030-k	ITAU (a1)	Chile	UF	Monthly	0.24%	0.24%	3,339	-	3,339
76.015.665-5	Inmob.Eventos y Conv. Tur.	Chile	97.006.000-6	BCI (a1)	Chile	UF	Monthly	0.24%	0.24%	3,339	-	3,339
76.015.665-5	Inmob.Eventos y Conv. Tur.	Chile	97.023.000-9	Corpbanca (a1)	Chile	UF	Monthly	0.24%	0.24%	1,822	-	1,822
76.015.665-5	Inmob.Eventos y Conv. Tur.	Chile	97.036.000-k	Santander (a1)	Chile	UF	Monthly	0.24%	0.24%	1,822	-	1,822
76.015.665-5	Inmob.Eventos y Conv. Tur.	Chile	97.030.000-7	Banco Estado (a1)	Chile	UF	Monthly	0.24%	0.24%	1,822	-	1,822
96.904.770-5	Plaza Casino	Chile	97.053.000-2	Security (a5)	Chile	CLP	Monthly	0.66%	0.66%	341,995	1,016,780	1,358,775
Total										18,282,437	5,845,858	24,128,295

12-31-2012

Debtor			Lender			Current maturity						
Tax ID No.	Entity	Country	Tax ID No.	Bank	Country	Currency or inflation-adjusted unit	Type of amortisation	Nominal rate	Effective rate	Up to 90 days	More than 90 days to 1 year	Total current
										ThCh\$	ThCh\$	ThCh\$
96.689.710-4	Casino Iquique	Chile	97.023.000-9	Corpbanca (a4)	Chile	CLP	Quarterly	2.19%	2.19%	37,541	127,571	165,112
96.689.710-5	Casino Iquique	Chile	97.011.000-3	Banco Internacional (a3)	Chile	CLP	Annual	6.50%	6.50%	-	130,369	130,369
76.708.680-6	Inmob. Y Tur. Recreacional	Chile	76.645.030-k	ITAU (a1)	Chile	UF	Monthly	0.24%	0.24%	442,281	1,136,481	1,578,762
76.015.689-2	Inmob. Gast. Y Spa Turístico	Chile	76.645.030-k	ITAU (a1)	Chile	UF	Monthly	0.24%	0.24%	20,210	61,811	82,021
76.014.175-5	Inmob. Hotelera y Turismo	Chile	76.645.030-k	ITAU (a1)	Chile	UF	Monthly	0.24%	0.24%	28,547	87,308	115,855
76.015.665-5	Inmob.Eventos y Conv. Tur.	Chile	76.645.030-k	ITAU (a1)	Chile	UF	Monthly	0.24%	0.24%	3,141	9,606	12,747
99.597.880-6	Casino Temuco	Chile	76.645.030-k	ITAU (a1)	Chile	UF	Monthly	0.22%	0.22%	72,350	-	72,350
99.597.790-7	Casino Valdivia	Chile	76.645.030-k	ITAU (a1)	Chile	UF	Monthly	0.22%	0.22%	50,607	-	50,607
99.599.450-k	Casino Punta Arenas	Chile	76.645.030-k	ITAU (a1)	Chile	UF	Monthly	0.22%	0.22%	57,025	-	57,025
76.708.680-6	Inmob. Y Tur. Recreacional	Chile	97.006.000-6	BCI (a1)	Chile	UF	Monthly	0.24%	0.24%	442,281	1,136,481	1,578,762

Debtor				Lender				Current maturity				
Tax ID No.	Entity	Country	Tax ID No.	Bank	Country	Currency or inflation-adjusted unit	Type of amortisation	Nominal rate	Effective rate	Up to 90 days	More than 90 days to 1 year	Total current
										ThCh\$	ThCh\$	ThCh\$
76.015.689-2	Inmob. Gast. Y Spa Turístico	Chile	97.006.000-6	BCI (a1)	Chile	UF	Monthly	0.24%	0.24%	20,210	61,811	82,021
76.014.175-5	Inmob. Hotelera y Turismo	Chile	97.006.000-6	BCI (a1)	Chile	UF	Monthly	0.24%	0.24%	28,547	87,308	115,855
76.015.665-5	Inmob.Eventos y Conv. Tur.	Chile	97.006.000-6	BCI (a1)	Chile	UF	Monthly	0.24%	0.24%	3,141	9,606	12,747
99.597.880-6	Casino Temuco	Chile	97.006.000-6	BCI (a1)	Chile	UF	Monthly	0.22%	0.22%	72,350	-	72,350
99.597.790-7	Casino Valdivia	Chile	97.006.000-6	BCI (a1)	Chile	UF	Monthly	0.22%	0.22%	50,607	-	50,607
99.599.450-k	Casino Punta Arenas	Chile	97.006.000-6	BCI (a1)	Chile	UF	Monthly	0.22%	0.22%	57,025	-	57,025
76.708.680-6	Inmob. Y Tur. Recreacional	Chile	97.023.000-9	Corpbanca (a1)	Chile	UF	Monthly	0.24%	0.24%	241,264	619,951	861,215
76.015.689-2	Inmob. Gast. Y Spa Turístico	Chile	97.023.000-9	Corpbanca (a1)	Chile	UF	Monthly	0.24%	0.24%	11,022	33,708	44,730
76.014.175-5	Inmob. Hotelera y Turismo	Chile	97.023.000-9	Corpbanca (a1)	Chile	UF	Monthly	0.24%	0.24%	15,830	47,657	63,487
76.015.665-5	Inmob.Eventos y Conv. Tur.	Chile	97.023.000-9	Corpbanca (a1)	Chile	UF	Monthly	0.24%	0.24%	1,714	5,242	6,956
99.597.880-6	Casino Temuco	Chile	97.023.000-9	Corpbanca (a1)	Chile	UF	Monthly	0.22%	0.22%	39,028	-	39,028
99.597.790-7	Casino Valdivia	Chile	97.023.000-9	Corpbanca (a1)	Chile	UF	Monthly	0.22%	0.22%	25,831	-	25,831
99.599.450-k	Casino Punta Arenas	Chile	97.023.000-9	Corpbanca (a1)	Chile	UF	Monthly	0.22%	0.22%	30,598	-	30,598
76.708.680-6	Inmob. Y Tur. Recreacional	Chile	97.036.000-k	Santander (a1)	Chile	UF	Monthly	0.24%	0.24%	241,264	619,951	861,215
76.015.689-2	Inmob. Gast. Y Spa Turístico	Chile	97.036.000-k	Santander (a1)	Chile	UF	Monthly	0.24%	0.24%	11,022	33,708	44,730
76.014.175-5	Inmob. Hotelera y Turismo	Chile	97.036.000-k	Santander (a1)	Chile	UF	Monthly	0.24%	0.24%	15,830	47,657	63,487
76.015.665-5	Inmob.Eventos y Conv. Tur.	Chile	97.036.000-k	Santander (a1)	Chile	UF	Monthly	0.24%	0.24%	1,714	5,242	6,956
99.597.880-6	Casino Temuco	Chile	97.036.000-k	Santander (a1)	Chile	UF	Monthly	0.22%	0.22%	39,028	-	39,028
99.597.790-7	Casino Valdivia	Chile	97.036.000-k	Santander (a1)	Chile	UF	Monthly	0.22%	0.22%	25,831	-	25,831
99.599.450-k	Casino Punta Arenas	Chile	97.036.000-k	Santander (a1)	Chile	UF	Monthly	0.22%	0.22%	30,598	-	30,598
76.708.680-6	Inmob. Y Tur. Recreacional	Chile	97.030.000-7	Banco Estado (a1)	Chile	UF	Monthly	0.24%	0.24%	241,264	619,951	861,215
76.015.689-2	Inmob. Gast. Y Spa Turístico	Chile	97.030.000-7	Banco Estado (a1)	Chile	UF	Monthly	0.24%	0.24%	11,022	33,708	44,730
76.014.175-5	Inmob. Hotelera y Turismo	Chile	97.030.000-7	Banco Estado (a1)	Chile	UF	Monthly	0.24%	0.24%	15,830	47,657	63,487
76.015.665-5	Inmob.Eventos y Conv. Tur.	Chile	97.030.000-7	Banco Estado (a1)	Chile	UF	Monthly	0.24%	0.24%	1,714	5,242	6,956
99.597.880-6	Casino Temuco	Chile	97.030.000-7	Banco Estado (a1)	Chile	UF	Monthly	0.22%	0.22%	39,027	-	39,027
99.597.790-7	Casino Valdivia	Chile	97.030.000-7	Banco Estado (a1)	Chile	UF	Monthly	0.22%	0.22%	25,830	-	25,830

Debtor		Lender				Current maturity						
Tax ID No.	Entity	Country	Tax ID No.	Bank	Country	Currency or inflation-adjusted unit	Type of amortisation	Nominal rate	Effective rate	Up to 90 days	More than 90 days to 1 year	Total current
										ThCh\$	ThCh\$	ThCh\$
99.599.450-k	Casino Punta Arenas	Chile	97.030.000-7	Banco Estado (a1)	Chile	UF	Monthly	0.22%	0.22%	30,597	-	30,597
76.028.331-2	Holding Casino	Chile	97.036.000-k	Santander (a2)	Chile	CLP	Annual	8.60%	8.60%	-	1,807,647	1,807,647
96.904.770-5	Plaza Casino	Chile	97.053.000-2	Security (a5)	Chile	CLP	Monthly	0.66%	0.66%	343,508	1,016,780	1,360,288
76.129.853-4	Arrendamientos Turísticos	Chile	97.060.000-7	BCI (a6)	Chile	UF	Annual	5.15%	5.15%	138,872	349,825	488,697
76.129.853-4	Arrendamientos Turísticos	Chile	97.600.000-6	BCI (a7)	Chile	UF	Annual	5.15%	5.15%	54,772	152,115	206,887
99.599.010-5	Casino Coyhaique	Chile	97.600.000-7	BCI (a9)	Chile	UF	Annual	5.15%	5.15%	100,853	316,817	417,670
96.689.710-4	Casino Iquique	Chile	97.011.000-3	Banco Internacional (A10)	Chile	CLP	Annual	8.60%	8.60%	-	332,860	332,860
76.669.250-8	Juegos Electronicos S.A.	Chile	BBVA (a13)		Chile	CLP	Monthly	-	733	-	733	
97.600.000-7	Dreams Corporation SAC	Peru	BCI (a11)		Chile	USD	Maturity	2.72%	-	4,032,625	4,032,625	
97.600.000-7	Dreams Corporation SAC	Peru	BCI (a12)		Chile	USD	Maturity	3.90%	-	6,246,238	6,246,238	
Total										3,120,459	19,222,933	22,343,392

Debtor		Lender				Current maturity							
Tax ID No.	Entity	Country	Tax ID No.	Bank	Country	Currency or inflation-adjusted unit	Type of amortisation	Nominal rate	Effective rate	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total non-current
										ThCh\$	ThCh\$	ThCh\$	M\$
76.129.853-4	Arrendamientos Turísticos	Chile	97.006.000-6	BCI	Chile	UF	Monthly	2.54%	2.54%	419 701	-	-	419,701
76.129.853-4	Arrendamientos Turísticos	Chile	97.006.000-6	BCI	Chile	UF	Monthly	2.54%	2.54%	1 005 824	1,005,824	2,472,651	4,484,299
99.599.010-5	Casino Coyhaique	Chile	97.006.000-6	BCI	Chile	UF	Monthly	2.54%	2.54%	776 305	-	-	776,305
0	Dreams Gaming	Peru	97.006.000-6	BCI	Chile	USD	Quarterly	3.11%	3.11%	169 890	106,595	-	276,485
0	Dreams Gaming	Peru	97.006.000-6	BCI	Chile	USD	Up to maturity	3.30%	3.30%	-	1,729,238	-	1,729,238
0	Dreams Corporation	Peru	97.006.000-6	BCI	Chile	USD	Quarterly	3.11%	3.11%	890 224	556,390	-	1,446,614
0	Dreams Corporation	Peru	97.006.000-6	BCI	Chile	USD	Quarterly	3.11%	3.11%	2 722 363	1,701,479	-	4,423,842
0	Dreams Corporation	Peru	97.006.000-6	BCI	Chile	USD	Up to maturity	3.40%	3.40%	-	1,298,445	-	1,298,445
0	Dreams Corporation	Peru	97.006.000-6	BCI	Chile	USD	Up to maturity	2.90%	2.90%	-	1,213,500	-	1,213,500
0	Dreams Corporation	Peru	97.006.000-6	BCI	Chile	USD	Up to maturity	3.30%	3.30%	-	864,619	-	864,619
0	Dreams Corporation	Peru	97.006.000-6	BCI	Chile	USD	Up to maturity	3.30%	3.30%	-	4,902,595	-	4,902,595

Tax ID No.	Debtor	Country	Tax ID No.	Bank	Country	Currency or inflation-adjusted unit	Type of amortisation	Nominal rate	Effective rate	Current maturity			Total non-current M\$
										Over 1 year to 3 years ThCh\$	Over 3 years to 5 years ThCh\$	Over 5 years ThCh\$	
76.033.514-2	Dream S.A.	Chile	99.500.410-0	Banco Consorcio	Chile	UF	Monthly	4.30%	4.30%	2 112 515	2,298,097	13,675,403	18,086,015
76.708.680-6	Inmob. Y Tur. Recreacional	Chile	76.645.030-k	ITAU	Chile	UF	Monthly	2.32%	2.32%	2 974 915	3,118,607	2,024,761	8,118,283
76.708.680-6	Inmob. Y Tur. Recreacional	Chile	97.006.000-6	BCI	Chile	UF	Monthly	2.32%	2.32%	2 974 915	3,118,607	2,024,761	8,118,283
76.708.680-6	Inmob. Y Tur. Recreacional	Chile	97.023.000-9	Corpbanca	Chile	UF	Monthly	2.32%	2.32%	1 622 818	1,701,202	1,104,508	4,428,528
76.708.680-6	Inmob. Y Tur. Recreacional	Chile	97.036.000-k	Santander	Chile	UF	Monthly	2.32%	2.32%	1 622 818	1,701,202	1,104,508	4,428,528
76.708.680-6	Inmob. Y Tur. Recreacional	Chile	97.030.000-7	Banco Estado	Chile	UF	Monthly	2.32%	2.32%	1 622 818	1,701,202	1,104,508	4,428,528
Total										18 915 106	27,017,602	23,511,100	69,443,808
12-31-2013													
Tax ID No.	Debtor	Country	Tax ID No.	Bank	Country	Currency or inflation-adjusted unit	Type of amortisation	Nominal rate	Effective rate	Current maturity			Total non-current M\$
										Over 1 year to 3 years ThCh\$	Over 3 years to 5 years ThCh\$	Over 5 years ThCh\$	
76.129.853-4	Arrendamientos Turisticos	Chile	97.006.000-6	BCI	Chile	UF	Monthly	5.15%	5.15%	952 009	952,009	2,816,360	4,720,378
76.129.853-4	Arrendamientos Turisticos	Chile	97.006.000-6	BCI	Chile	UF	Monthly	5.15%	5.15%	414 515	189,986	-	604,501
99.599.010-5	Casino Coyhaique	Chile	97.006.000-6	BCI	Chile	UF	Monthly	5.15%	5.15%	729 596	349,826	-	1,079,422
96.689.710-4	Casino Iquique	Chile	97.023.000-9	Corpbanca	Chile	UF	Quarterly	2.19%	2.19%	46 334	-	-	46,334
96.689.710-4	Casino Iquique	Chile	97.011.000-3	B. Internacional	Chile	UF	Annual	6.50%	6.50%	130 861	-	-	130,861
96.689.710-5	Casino Iquique	Chile	97.011.000-3	B. Internacional	Chile	UF	Annual	8.76%	8.76%	380 307	-	-	380,307
76.028.331-2	Holding Casino	Chile	97.036.000-k	Santander	Chile	CLP	Annual	8.60%	8.60%	6 055 751	-	-	6,055,751
76.708.680-6	Inmob. Y Tur. Recreacional	Chile	76.645.030-k	ITAU	Chile	UF	Monthly	0.24%	0.24%	2 648 906	2,890,742	3,567,233	9,106,881
76.708.680-6	Inmob. Y Tur. Recreacional	Chile	97.006.000-6	BCI	Chile	UF	Monthly	0.24%	0.24%	2 648 906	2,890,742	3,567,233	9,106,881
76.708.680-6	Inmob. Y Tur. Recreacional	Chile	97.023.000-9	Corpbanca	Chile	UF	Monthly	0.24%	0.24%	1 444 980	1,576,902	1,945,928	4,967,810
76.708.680-6	Inmob. Y Tur. Recreacional	Chile	97.036.000-k	Santander	Chile	UF	Monthly	0.24%	0.24%	1 444 980	1,576,902	1,945,928	4,967,810
76.708.680-6	Inmob. Y Tur. Recreacional	Chile	97.030.000-7	Banco Estado	Chile	UF	Monthly	0.24%	0.24%	1 444 980	1,576,902	1,945,928	4,967,810
96.904.770-5	Plaza Casino	Chile	97.053.000-2	Security	Chile	CLP	Monthly	0.67%	0.67%	4 454 464	-	-	4,454,464
Total										22,796,589	12,004,011	15,788,610	50,589,210

12-31-2012

Debtor				Lender			Currency or inflation-adjusted unit		Current maturity				
Tax ID No.	Entity	Country	Tax ID No.	Bank	Country	Type of amortisation	Nominal rate	Effective rate	Over 1 years to 3 years ThCh\$	Over 3 years to 5 years ThCh\$	Over 5 years ThCh\$	Total non-current M\$	
96.689.710-4	Casino Iquique	Chile	97.023.000-9	Corpbanca (a4)	Chile	UF	2.19%	2.19%	268 492	-	-	268 492	
96.689.710-4	Casino Iquique	Chile	97.011.000-3	B. Internacional (a3)	Chile	UF	6.50%	6.50%	246 769	-	-	246 769	
76.708.680-6	Inmob. Y Tur. Recreacional	Chile	76.645.030-k	ITAU (a1)	Chile	UF	0.24%	0.24%	2 592 029	2,715,504	4,904,405	10,211,938	
76.015.689-2	Inmob. Gast. Y Spa Turístico	Chile	76.645.030-k	ITAU (a1)	Chile	UF	0.24%	0.24%	21 023	-	-	21,023	
76.014.175-5	Inmob. Hotelera y Turismo	Chile	76.645.030-k	ITAU (a1)	Chile	UF	0.24%	0.24%	29 790	-	-	29,790	
76.015.665-5	Inmob.Eventos y Conv. Tur.	Chile	76.645.030-k	ITAU (a1)	Chile	UF	0.24%	0.24%	3 267	-	-	3,267	
76.708.680-6	Inmob. Y Tur. Recreacional	Chile	97.006.000-6	BCI (a1)	Chile	UF	0.24%	0.24%	2 592 029	2,715,504	4,904,405	10,211,938	
76.015.689-2	Inmob. Gast. Y Spa Turístico	Chile	97.006.000-6	BCI (a1)	Chile	UF	0.24%	0.24%	21 023	-	-	21,023	
76.014.175-5	Inmob. Hotelera y Turismo	Chile	97.006.000-6	BCI (a1)	Chile	UF	0.24%	0.24%	29 790	-	-	29,790	
76.015.665-5	Inmob.Eventos y Conv. Tur.	Chile	97.006.000-6	BCI (a1)	Chile	UF	0.24%	0.24%	3 267	-	-	3,267	
76.708.680-6	Inmob. Y Tur. Recreacional	Chile	97.023.000-9	Corpbanca (a1)	Chile	UF	0.24%	0.24%	1 413 953	1,481,309	2,675,356	5,570,618	
76.015.689-2	Inmob. Gast. Y Spa Turístico	Chile	97.023.000-9	Corpbanca (a1)	Chile	UF	0.24%	0.24%	11 465	-	-	11,465	
76.014.175-5	Inmob. Hotelera y Turismo	Chile	97.023.000-9	Corpbanca (a1)	Chile	UF	0.24%	0.24%	16 209	-	-	16,209	
76.015.665-5	Inmob.Eventos y Conv. Tur.	Chile	97.023.000-9	Corpbanca (a1)	Chile	UF	0.24%	0.24%	1 783	-	-	1,783	
76.708.680-6	Inmob. Y Tur. Recreacional	Chile	97.036.000-k	Santander (a1)	Chile	UF	0.24%	0.24%	1 413 953	1,481,309	2,675,356	5,570,618	
76.015.689-2	Inmob. Gast. Y Spa Turístico	Chile	97.036.000-k	Santander (a1)	Chile	UF	0.24%	0.24%	11 465	-	-	11,465	
76.014.175-5	Inmob. Hotelera y Turismo	Chile	97.036.000-k	Santander (a1)	Chile	UF	0.24%	0.24%	16 209	-	-	16,209	
76.015.665-5	Inmob.Eventos y Conv. Tur.	Chile	97.036.000-k	Santander (a1)	Chile	UF	0.24%	0.24%	1 783	-	-	1,783	
76.708.680-6	Inmob. Y Tur. Recreacional	Chile	97.030.000-7	Banco Estado (a1)	Chile	UF	0.24%	0.24%	1 413 953	1,481,309	2,675,356	5,570,618	
76.015.689-2	Inmob. Gast. Y Spa Turístico	Chile	97.030.000-7	Banco Estado (a1)	Chile	UF	0.24%	0.24%	11 465	-	-	11,465	
76.014.175-5	Inmob. Hotelera y Turismo	Chile	97.030.000-7	Banco Estado (a1)	Chile	UF	0.24%	0.24%	16 209	-	-	16,209	

Tax ID No.	Debtor Entity	Country	Tax ID No.	Bank	Country	Currency or inflation-adjusted unit	Type of amortisation	Nominal rate	Effective rate	Current maturity			Total non-current M\$
										Over 1 year to 3 years ThCh\$	Over 3 years to 5 years ThCh\$	Over 5 years ThCh\$	
76.015.665-5	Inmob. Eventos y Conv. Tur.	Chile	97.030.000-7	Banco Estado (a1)	Chile	UF	Monthly	0,24%	0,24%	1,783	-	-	1,783
76.028.331-2	Holding Casino	Chile	97.036.000-k	Santander (a2)	Chile	CLP	Annual	8,60%	8,60%	2,422,300	4,844,601	-	7,266,901
96.904.770-5	Plaza Casino	Chile	97.053.000-2	Security (a5)	Chile	CLP	Monthly	0,67%	0,67%	5,810,171	-	-	5,810,171
76.129.853-4	Arrendamientos Turísticos	Chile	97.060.000-7	BCI (a6)	Chile	UF	Annual	5,15%	5,15%	932,866	932,866	3,228,016	5,091,748
76.129.853-4	Arrendamientos Turísticos	Chile	97.600.000-6	BCI (a7)	Chile	UF	Annual	5,15%	5,15%	406,182	389,257	-	795,439
99.599.010-5	Casino Coyhaique	Chile	97.600.000-7	BCI (a9)	Chile	UF	Annual	5,15%	5,15%	777,348	652,249	-	1,429,597
96.689.710-5	Casino Iquique	Chile	97.011.000-3	B. Internacional(a10)	Chile	UF	Annual	8,60%	8,60%	744,178	-	-	744,178
Total										16 693 908	21 060 894	58 985 556	

Other salient terms:

- (a.1) Agreement entered into on 1 February 2008. Interest rate calculated over the adjustable TAB (Chilean Active Bank Rate) publishes on 31 March or each year, plus the applicable spread.
- (a.2) Loan agreement of ThCh\$9,689,202 entered into in 2 March 2011 and maturing on 2 December 2015.
- (a.3) Loan agreement of ThCh\$580,000 entered into in 24 May 2010 and maturing on 20 May 2015.
- (a.4) Loan agreement of ThCh\$670,000 entered into in 18 March 2011 and maturing on 22 April 2015.
- (a.5) Loan agreement of ThCh\$10,216,217 entered into in 27 September 2010 and maturing on 27 November 2015.
- (a.6) Loan agreement of UF 245,052,999 entered into in 25 May 2012 and maturing on 3 December 2015.
- (a.7) Loan agreement of UF 44,457,999 entered into in 25 May 2012 and maturing on 3 December 2015.
- (a.8) Loan agreement of UF 37,250 entered into in 4 May 2012 and matured on 14 December 2012.
- (a.9) Loan agreement of UF 81,861 entered into in 25 May 2012 and matured on 3 December 2012.
- (a.10) Relates to a lease agreement for the acquisition of gaming machines
- (a.11) Loan agreement of USD 11,500,000, which matured on 18 February 2014.
- (a.12) Loan agreement of USD 15,585,000, which matured on 18 February 2014.

16.2 Trade and other payables

As of year end, this caption comprises the following:

Current	12-31-2014 ThCh\$	12-31-2013 ThCh\$	12-31-2012 ThCh\$
Trade payables	4,026,286	5,298,580	3,978,690
Other payables	1,801,734	2,190,332	3,457,850
Liabilities for game wins	1,610,887	1,189,949	869,049
Employee withholdings and remunerations payable	323,149	364,913	–
Tax withholdings	295,212	54,493	–
Total current	8,057,268	9,098,267	8,305,589
Non-current	12-31-2014 ThCh\$	12-31-2013 ThCh\$	12-31-2012 ThCh\$
Non-current trade payables	49,254*	46,619*	886,556
Concessions of Casinos Iquique and Puerto Varas ⁽¹⁾	–	1,469,481	3,004,360
Total non-current	49,254	1,516,100	3,890,916

* Refer to Note 9.2

⁽¹⁾ Relates to the non-current portion of obligations with the Iquique and Puerto Varas Municipalities.

17. ACCRUALS FOR EMPLOYEE BENEFITS

The Company recognizes the personnel benefits such as salaries, bonuses and leave pay on an accrual basis. These obligations are paid on a term not exceeding 12 months, only for current provisions.

As of year end, accruals for employee benefits are as follows:

Current

Types of benefits and employee benefits	12-31-2014 ThCh\$	12-31-2013 ThCh\$	12-31-2012 ThCh\$
Current			
Bonuses	931,268	735,455	730,896
Leave accrual	856,184	960,923	804,976
Total current	1,787,452	1,696,378	1,535,872

Non-current employee benefits

Benefits recognised as non-current relate to individual provisions of some work contracts and relate to the following:

Type of employee benefits	12-31-2014 ThCh\$	12-31-2013 ThCh\$	12-31-2012 ThCh\$
Non-current			
Severance indemnity payments	99,123	99,123	99,123
Total non-current	99,123	99,123	99,123

18. CAPITAL AND RESERVES

18.1 Subscribed and fully-paid share capital

As of 31 December, share capital amounts to ThCh\$83,098,986, divided into 6,574,232 nominal, no par value shares, which in turn are divided in six preference series named Series A, Series C, Series D, Series E, Series F and Series G, and an ordinary Series named Series B.

As of year end, subscribed and fully-paid shares correspond to 6,574,232.

Series	Shares	
	Issued	Subscribed and fully-paid
Series A	3,215,498	3,215,498
Series B	1,250,000	1,250,000
Series C	661,172	661,172
Series D	604,246	604,246
Series E	476,128	476,128
Series F	139,141	139,141
Series G	228,047	228,047
Total	6,574,232	6,574,232

18.2 Dividend policy and dividend paid

The Company has adopted the dividend distribution policy agreed at the Ordinary Shareholders' Meeting considering its needs and the need to comply with contractual commitments with third parties.

At the Ordinary Shareholders' Meeting held on 22 April, 2014, the distribution of a dividend amounting to ThCh\$5,000,000 (2013: ThCh\$5,000,000; 2012: ThCh\$ 2,500,000) was approved, equivalent to Ch\$760,5451 per share. The dividend was paid in two equal instalments of ThCh\$2,500,000, on 29 April and 17 June 2014, respectively.

18.3 Capital management

The Group manages and administers its capital in order to ensure continued performance of its operations, so as to continue as a going concern in the long-term. The Group also periodically analyses the capital structure according to the nature of the industry the entities are involved in, thus ensuring that sufficient resources are available for the financing of new investments required to maintain a sustained future growth. The capital structure consists of capital and debt.

Capital requirements are considered based on the financing requirements, maintaining an appropriate liquidity level and complying with financial safeguards established for the current debt agreements. The Group manages its capital structure by mitigating risks identified that are related to adverse market conditions and it adopts opportunities that may arise to improve its liquidity position, only when assessed to be viable.

18.4 Non-controlling interests

Subsidiary	Minority shareholder	Ownership %	Equity		
			12-31-2014 ThCh\$	12-31-2013 ThCh\$	12-31-2012 ThCh\$
Dreams Corporation S.A.C.	Carlos Fonseca Sarmiento	0.000007	45	177	1,270
Inmobiliaria Disandina S.A.C.	Carlos Fonseca Sarmiento	0.100000	(8)	-	-
Casino de Juegos Calama S.A.	Inversiones Pacífico Sur Ltda.	1.000000	1,704	1,749	1,802
Casino de Juegos Calama S.A.	Vergara y Cía. Ltda.	33.333333	38,069	38,069	38,016
	Total		39,810	39,995	41,088

Subsidiary	Minority shareholder	Ownership %	Profit or loss		
			12-31-2014 ThCh\$	12-31-2013 ThCh\$	12-31-2012 ThCh\$
Dreams Corporation SAC	Carlos Fonseca Sarmiento	0.000007	(132)	23	4
Inmobiliaria Disandina S.A.C.	Carlos Fonseca Sarmiento	0.100000	(8)	–	–
Casino de Juegos Calama S.A.	Inversiones Pacifico Sur Ltda.	1.000000	(45)	–	–
Casino de Juegos Calama S.A.	Vergara y Cía. Ltda.	33.333333	–	–	–
Total			(185)	23	4

19. NET PROFIT FOR DISTRIBUTION AND EARNINGS PER SHARE

19.1 Earning per share

Earnings per share is calculated considering the gain or loss for the year, attributable to the ordinary shareholders of the company (the “numerator”) and the weighted average of the number of ordinary shares during the period (the “denominator”).

As of 31 December the Company has not issued any instruments which will result in a possible dilution.

Information on basic earnings per share	12-31-2014 ThCh\$	12-31-2013 ThCh\$	12-31-2012 ThCh\$
Profit attributable to owners of ownership instruments in equity of the Parent	10,693,836	6,207,533	14,921,057
Profit or loss available to ordinary shareholders, basic	10,693,836	6,207,533	14,921,057
Actual number of shares in issue	6,574,232	6,574,232	6,574,232
Weighted average number of shares, basic	6,574,232	6,574,232	6,003,084
Basic earnings per share	162,663	94,422	248,557
Diluted earnings per share	162,663	94,422	226,963

19.2 Headline earnings per share

	12-31-2014 ThCh\$	12-31-2013 ThCh\$	12-31-2012 ThCh\$
Profit attributable to owners of ownership instruments in equity of the Parent	10,693,836	6,207,533	14,921,057
Adjusted for:	–	–	–
Headline earnings	10,693,836	6,207,533	14,921,057
Actual number of shares in issue	6,574,232	6,574,232	6,574,232
Weighted average number of shares, basic	6,574,232	6,574,232	6,003,084
Headline earnings per share	162,663	94,422	248,557
Diluted Headline earnings per share	162,663	94,422	226,963

20. DETAIL OF RELEVANT RESULTS (INCOME BY NATURE)

As of 31 December this caption comprises the following:

Revenue	12-31-2014 ThCh\$	12-31-2013 ThCh\$	12-31-2012 ThCh\$
Revenue from gambling casinos	78,724,131	69,444,710	73,825,450
Revenue from sales of food and beverages	10,117,061	10,311,805	12,794,942
Revenue from hospitality	7,618,929	7,138,470	6,587,979
Other revenue	103,943	–	26,966
Total revenue	96,564,064	86,894,985	93,235,337

21. FOREIGN EXCHANGE RATE DIFFERENCES

The detail of exchange rate differences generated as of December 31, for balances of assets and liabilities in foreign currencies other than the functional currency, that were credited or debited to profit or loss, is as follows:

	12-31-2014	12-31-2013	12-31-2012
	ThCh\$	ThCh\$	ThCh\$
Foreign suppliers	(73,016)	(132,432)	33,532
Other financial assets and liabilities	(1,266,023)	(938,625)	-
Banks in USD	1,307,344	362,781	(14,213)
Total	(31,695)	(708,276)	19,319

22. (LOSS)/PROFIT FROM INFLATION-ADJUSTED UNITS

As of Year end, this caption comprises the following:

	12-31-2014	12-31-2013	12-31-2012
	ThCh\$	ThCh\$	ThCh\$
Loss on Liabilities denominated in UF	(3,513,896)	(1,299,242)	(1,675,532)
Gain on tax monetary units Current tax assets	1,474,093	1,354,878	475,309
Total	(2,039,803)	55,636	(1,200,223)

23. PROVISIONS, CONTINGENT ASSETS AND CONTINGENT LIABILITIES

23.1 Covenants, direct and indirect guarantees

The subsidiary Inversiones y Turismo S.A. is the guarantor and co-debtor of the obligations arising from loan agreements entered into between Inmobiliaria y Constructora Turística y Recreacional S.A. and Casino de Juegos Temuco S.A., Casino de Juegos de Valdivia S.A., Casino de Juegos Punta Arenas S.A., as debtors and the creditors Banco Itaú, Banco de Crédito e Inversiones, Banco Santander Chile, Banco Estado and Corpbanca. The last agreement entered into on 30 December 2009 referred to as "Agreement for the acknowledgment, consolidation, rescheduling, amendment and postponement of debt" consolidates such obligations. The syndicated loan agreement requires the subsidiary Inversiones y Turismo S.A. to comply with certain covenants.

The subsidiaries Casino de Juegos Temuco S.A., Casino de Juegos Valdivia S.A., Casino de Juegos Punta Arenas S.A., Inmobiliaria y Constructora Turística y Recreacional S.A., Servicios Hoteleros y Turísticos S.A., Servicios Gastronómicos y Spa Turístico S.A., Eventos y Convenciones Turísticas S.A., Inmobiliaria de Eventos y Convenciones Turísticas S.A., Inmobiliaria Gastronómica y Spa Turístico S.A., Inmobiliaria Hotelaría y Turismo S.A. e Inmobiliaria de Casinos S.A., are guarantors and co-debtors on the obligations arising from loan agreements entered into between Inmobiliaria y Constructora Turística y Recreacional S.A. y Casino de Juegos Temuco S.A., Casino de Juegos de Valdivia S.A., and Casino de Juegos Punta Arenas S.A., as debtors and the creditors Banco Itaú, Banco de Crédito e Inversiones, Banco Santander Chile, Banco Estado and Corpbanca.

The subsidiaries Casino de Juegos Temuco S.A., Casino de Juegos Valdivia S.A., Casino de Juegos Coyhaique and Casino de Juegos Punta Arenas S.A. have pledges with no recourse agreements on slot machines and accessories in favour of Banco Itaú Chile et al. to guarantee the obligations arising from the syndicated loan.

The subsidiaries Inmobiliaria y Constructora Turística y Recreacional S.A., Inmobiliaria Gastronómica y Spa Turístico S.A., Inmobiliaria Hotelaría y Turismo S.A. and Inmobiliaria de Casinos S.A. hold first mortgages with a general guarantee clause, prohibitions to encumber and dispose of the real estate of properties in Temuco, Valdivia and Punta Arenas, in favour of Banco Itaú Chile et al. to secure obligations arising from the syndicated loan.

The subsidiary Plaza Casino S.A., has mortgaged a real estate property located at Salvador No 21 in the city of Puerto Varas to secure full compliance with and payment of the obligations assumed by Dream S.A. with Banco Consorcio.

The subsidiaries Arrendamientos Turísticos Coyhaique S.A. and Casino de Juegos Coyhaique S.A. hold a pledge contract and prohibition to encumber and dispose of the rights for the lesser on the real estate buildings that are a part of the Hotel y Casino de Coyhaique project in favour of Banco de Crédito e Inversiones.

Joint and several guarantee for and co-debtor of Dream S.A. and Casino de Juegos Coyhaique S.A. in favour of Banco de Crédito e Inversiones and its subsidiary BCI Factoring S.A., for the present and future obligations in the credit contract in favour of the Bank and its subsidiary.

Endorsement in favour of Banco de Crédito en Inversiones of the insurance contracts and related policies entered into by Arrendamientos Turísticos Coyhaique S.A. and Casino de Juegos Coyhaique S.A. related to the project for the construction and commercial operation of Hotel and Casino in Coyhaique.

First mortgage on Lote A Dos owned by Arrendamientos Turísticos Coyhaique S.A. The subsidiaries Holding Coyhaique S.A., Arrendamiento Turísticos Coyhaique S.A., Casino de Juegos Coyhaique S.A., Convenciones Turísticas Coyhaique S.A., Gastronómica y Spa Turístico Coyhaique S.A., and Hotelera y Turismo Coyhaique S.A. become the mutual joint and several guarantors and co-debtors.

Holding Coyhaique S.A. must comply with certain key financial ratios at all times.

The loan agreement entered into between Banco de Crédito e Inversiones and Arrendamientos Turísticos Coyhaique et al. on 14 October 2011 established as parameter for measurement as of 31 December 2012 for financial covenants for Holding Coyhaique S.A. that these will be redefined and calculated using audited financial statements that contemplate a period of 12 months of operation. The project for the casino, hotel, restaurants and ancillary services in the city of Coyhaique only commenced operations starting from May 2012 and accordingly, the Bank granted a Waiver Letter allowing a temporary grace period for the completion with covenants.

23.2 Commitments

The indirect subsidiary Casino de Juegos de Iquique S.A. committed to transfer, sell or assign to the Municipality of Iquique, via public deed the ownership of the real estate that is the subject of such contract.

The subsidiary Plaza Casino S.A. agreed to a tourism and commercial investment in the coastal area of the city, subject to several conditions that the Municipality of Puerto Varas has to enable, which, if formalised, via the investment in an asset for the company will generate rewards for a term exceeding the maturity of the present casino concession.

23.3 Contingencies and sanctions

Various civil, labour and administrative cases against the company amounting to ThCh\$ 213,597 and MTU 790 have been initiated against the Group. Details are available at the registered office of the Company.

Sanctions amounting to ThCh\$27,529 were imposed against the Company.

Because of the status of the cases, the Company has not made any provisions in the Historical Financial Information.

The Company has not been informed and is unaware of the existence of any other significant litigation, collections, claims or payments required or cases not yet formalised filed by or against Dream S.A. and its subsidiaries.

24. ACQUISITION OF SUBSIDIARIES

24.1 2013 – Casino New York

For the period related to the first half of 2013, the Company acquired Casino New York in Lima, Peru through the subsidiary Dreams Corporation S.A.C.

Casino New York was acquired to enable the company to explore new growth opportunities and hence grow the business.

Dream S.A. purchased the assets, licence, operating lease for 10 years over the property and slot machines belonging to the business. The acquisition was achieved under the business combination approach, which requires the establishment of fair values for different items included in the transaction. To determine the fair value of the assets and liabilities acquired, the Company engaged an independent valuation from expert advisors in the city of Lima with the purpose of determining the initial values to be recognised and their treatment in accordance with relevant standards applicable. Subsequently, management, after receiving additional information, adjusted the amounts previously reported by such advisors.

A consideration of ThCh\$11,547,366 was paid to acquire the business. No material costs were incurred in respect of this business acquisition and these were expensed as incurred. The amounts recognised as assets acquired are presented below.

Identifiable assets acquired

	Amount ThCh\$
Equipment	2,161,474
Trademark	238,571
Licence for operation	3,814,933
Customer relations	639,378
Lease contract	120,634
Intangible assets other than goodwill	4,813,516
Goodwill	4,433,107
Cash and cash equivalents	139,269
Total amount paid	11,547,366

Goodwill is mainly attributable to the operating group and the cash-generating capacity and ability expected from acquiring this group of assets for the Company, particularly, the casino and entertainment business. No portion of the goodwill recognised is expected to be deductible for tax purposes.

24.2 Recreativos El Galeón

In September 2013, the Company acquired Recreativos El Galeón S.A.C. in Lima, Peru. This company is the owner of the Edén gaming room, which through the subsidiary Dreams Gaming S.A.C. consolidates in these statements of financial position.

The casino was acquired to enable the company to explore new growth opportunities and hence grow the business.

Dream S.A. purchased the assets, licence, operating lease for 10 years over property and slot machines belonging to the business. The acquisition was achieved under the business combination approach, which requires the establishment of fair values for different items included in the transaction. The fair values are indicated below.

A consideration of ThCh\$1,633,644 was paid to acquire the business. No material costs were incurred in respect of this business acquisition and these were expensed as incurred.

Identifiable assets acquired

	Amount ThCh\$
Equipment	260,076
Lease contract	458,370
Intangible assets other than goodwill	458,370
Goodwill	915,198
Total amount paid	1,633,644

Goodwill is attributable to the customer relationship, brand and increase in the value of licence and reflects the ability of the company to realise these assets, particularly, the casino and entertainment business. No portion of the goodwill recognised is expected to be deductible for tax purposes

The Peru operations contributed revenue of ThCh\$ 5,584,274 and profit of ThCh\$1,134,921 to the Group's results. If the acquisitions had occurred on 1 January 2013, management estimates that the Peru operation's contribution to the consolidated revenue and profit would have been higher. In making this assumptions, it is assumed that the fair value adjustments that arose at the date of acquisition would have been the same if the acquisition had occurred on 1 January 2013.

25. SUBSEQUENT EVENTS

On 13 February 2015, the Company entered into a Memorandum of Understanding with South African company, Sun International Limited for the purpose of merging Sun International Limited's operation in Latin America, including the Monticello casino in Chile, Casino Ocean Sun in Panama and a project at a development stage in Colombia, with the Dreams Group.

Dream S.A. would be the legal successor company, in conformity with the terms and conditions provided in the Memorandum of Understanding. This merger is subject to the agreement reached by the parties related to the final documentation of the Transaction, corporate authorisations applicable for both companies, a mutual agreed-upon procedures (due diligence) process conducted by both companies and the approval by the relevant authorities, which the parties expect will be formalised during the third quarter of 2015.

Between 1 January 2015 and the date of issuance of this Report of Historical Financial Information, no other material events of a financial or other nature have occurred that may affect the interpretation of this Report of Historical Financial Information or the financial position reflected herein.

**INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE
REPORT OF HISTORICAL FINANCIAL INFORMATION OF DREAM S.A.
AND ITS SUBSIDIARIES**

22 September 2015

The Directors
Sun International Limited
6 Sandown Valley Crescent
Sandown, Sandton
2196

Dear Sirs

Independent reporting accountants' report on the report of Historical Financial Information of Dream S.A. and its subsidiaries

The definitions and interpretations commencing on page 4 of this Circular apply mutatis mutandis to this report.

At your request, we present our Independent Reporting Accountants' report on the Report of Historical Financial Information of Dream S.A. and its subsidiaries ("the Dreams Group") for the three years ended 31 December 2012, 31 December 2013 and 31 December 2014 ("Historical Financial Information"), for the purposes of complying with the Listings Requirements and for inclusion in the Circular dated on or about 30 September 2015.

Our independent reporting accountants' report on the report of Historical Financial Information comprises a review report in respect of the two years ended 31 December 2012 and 31 December 2013 and an audit report in respect of the year ended 31 December 2014.

KPMG Inc. is the Independent reporting accountant in respect of the Historical Financial Information and KPMG Chile is the independent auditor of the Dreams Group for the years ended 31 December 2013 and 31 December 2014. PWC is the independent auditor of Sun International Limited. PWC Chile was the independent auditor of the Dreams Group for the year ended 31 December 2012.

Responsibility

Directors' responsibility

The Directors of Sun International Limited are responsible for the compilation, contents and preparation of the Circular in accordance with the JSE Listings Requirements and the Companies Act. The directors of Sun International Limited are also responsible for preparing the Historical Financial Information in accordance with the requirements of the JSE listing Requirements, as set out in the basis of preparation paragraph and included in Annexure I to the Circular. The Directors of the Dreams Group are responsible for such internal control as the directors of the Dreams Group determine is necessary to enable the preparation of the Circular and Historical Financial Information that are free from material misstatement, whether due to fraud or error.

Historical Financial Information for the two years ended 31 December 2012 and 31 December 2013

We have reviewed the Historical Financial Information for the two years ended 31 December 2012 and 31 December 2013, attached as Annexure I to the Circular prepared in accordance with International Financial Reporting Standards and the JSE Listings Requirements.

Responsibility of the Independent Reporting Accountant with regards to the Historical Financial Information for the two years ended 31 December 2012 and 31 December 2013

Our responsibility is to express a review conclusion on the Historical Financial Information based on our review for the two years ended 31 December 2012 and 31 December 2013, in accordance with International Standard on Review Engagements ISRE 2400 (Revised), which applies to a review of historical financial information. IRSE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the Historical Financial Information for the two years ended 31 December 2012 and 31 December 2013, taken as a whole, is not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of Historical Financial Information for the two years ended 31 December 2012 and 31 December 2013 in accordance with ISRE 2400 (Revised) is a limited assurance engagement in terms of which we perform procedures, primarily consisting of making enquiries of management and others within the entity, as appropriate, and applying analytical procedures and evaluating the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly we do not express an audit opinion on the Historical Financial Information for the two years ended 31 December 2012 and 31 December 2013.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Historical Financial Information for the two years ended 31 December 2012 and 31 December 2013 as included in the Circular does not fairly present, in all material respects, the financial position of the Dreams Group at 31 December 2012 and 31 December 2013 and its performance and cash flows for the years then ended, in accordance with International Financial Reporting Standards.

Historical Financial Information for the year ended 31 December 2014

We have audited the Historical Financial Information for the year ended 31 December 2014, attached as Annexure I to the circular and prepared in accordance with International Financial Reporting Standards.

Responsibility of the independent Reporting Accountant with regards to the Historical Financial Information for the year ended 31 December 2014

Our responsibility is to express an opinion on the Historical Financial Information for the year ended 31 December 2014 based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Historical Financial Information for the year ended 31 December 2014. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Historical Financial Information for the year ended 31 December 2014, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Historical Financial Information for the year ended 31 December 2014 in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Historical Financial Information for the year ended 31 December 2014.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Historical Financial Information for the year ended 31 December 2014, included in the Circular presents fairly, in all material respects, the financial position of the Dreams Group at 31 December 2014, and its performance and cash flows for the year then ended, in accordance with International Financial Reporting Standards.

Per **Goodness Lumphoko**
Chartered Accountant (SA)
Registered Auditor
Director

KPMG Crescent
85 Empire Road, Parktown, Johannesburg, 2192

PRO FORMA STATEMENT OF COMPREHENSIVE INCOME AND STATEMENT OF FINANCIAL POSITION

The *pro forma* financial information set out below has been prepared for illustrative purposes only and due to the nature thereof, may not fairly present Sun International's financial position, changes in equity, results of operations or cash flows after completion of the Transaction. The *pro forma* financial information is the responsibility of the Directors and is based on the published reviewed results of Sun International for the year ended 30 June 2015.

The purpose of the *pro forma* financial information is to illustrate the impact of the Transaction had it been implemented on 30 June 2015 for purposes of the *pro forma* statement of financial position and 1 July 2014 for purposes of the statement of comprehensive income and on the assumptions set out below.

The *pro forma* financial information has been compiled using accounting policies that are consistent with those applied in the reviewed profit and cash dividend announcement of Sun International for the year ended 30 June 2015.

Pro forma statement of financial position

R million	Before¹	Dreams²	Derecognition of 45% stake in Latam portfolio and acquisition of shares³	Consolidation Adjust ments⁴	PV of Put Option liability⁵	Pro Forma after	Exercise of Put Option⁶	Pro Forma after
ASSETS								
Non-current assets								
Property, plant and equipment	11,244	2,572				13,816		13,816
Intangible assets	738	369		1,523		2,631		2,631
Investment in associates	390					390		390
Investment in joint ventures	201					201		201
Investment in subsidiary Available-for-sale investment	48		2,055	(2,055)		48	-	48
Loans and receivables	17	1				18		18
Pension fund asset	36					36		36
Tax asset		218				218		218
Deferred tax	320	241				561		561
	12,994	3,401	2,055	(532)	-	17,918	-	17,918
Current assets								
Loans and receivables	4	130				134		134
Tax	21	43				64		64
Accounts receivable and other	781	52				833		833
Cash and cash equivalents	507	415	(625)	(5)		292		292
	1,313	639	(625)	(5)	-	1,322		1,322
Non current assets held for sale	69					69		69
Total assets	14,376	4,040	1,430	(537)	-	19,310		19,310

R million	Before ¹	Dreams ²	Derecognition of 45% stake in Latam portfolio and acquisition of shares ³	Consolidation Adjustments ⁴	PV of Put Option liability ⁵	Pro Forma after	Exercise of Put Option ⁶	Pro Forma after
EQUITY AND LIABILITIES								
Capital and reserves								
Ordinary shareholders' equity before Put Option reserve	2,325	2,243	383	(2,248)		2,703	(659)	2,044
Put Option reserve					(3,138)	(3,138)	3,138	-
Ordinary shareholders' equity	2,325	2,243	383	(2,248)	(3,138)	(435)	2,479	2,044
Minorities interests	421	1	1,047	1,432	-	2,900	(2,497)	421
	2,746	2,244	1,430	(816)	(3,138)	2,466	-	2,465
Non current liabilities								
Deferred tax	384	54		280		717		717
Borrowings	5,347	1,326				6,673	3,138	9,811
Other non-current liabilities	905	8			3,138	4,052	(3,138)	913
	6,636	1,388	-	280	3,138	11,442	-	11,442
Current liabilities								
Tax	94					94		94
Accounts payable and other	1,484	224				1,708		1,708
Borrowings	3,371	184				3,555		3,555
	4,949	408	-	-		5,357	-	5,357
Non-current liabilities held for sale	45					45		45
Total liabilities	11,630	1,796	-	280	3,138	16,844	-	16,844
Total equity and liabilities	14,376	4,040	1,430	(537)	-	19,310	-	19,310
NAV per share (cents)	2,360					(441)		2,075
NTAV per share (cents)	1,611					(3,112)		(595)
Number of shares in issue ('000)	98,519					98,519		98,519

1. Extracted from the reviewed profit and cash dividend announcement of Sun International for the year ended 30 June 2015.

2. Extracted from the audited financial results of Dreams for the year ended 31 December 2014, converted to Rands at R1: CH\$52.3643, being the exchange rate at 31 December 2014. In terms of IFRS3: Business Combinations, the financial position of Dreams will be consolidated by Sun International from the effective date of the Transaction.

3. Represents:

- the payment of \$51.25 million to the Dreams shareholders in respect of the purchase of the additional 5% interest in the Merged Entity, converted at \$1 : R12.19, being the closing rate on 30 June 2015;
- profit on derecognition of a 45% interest in Sun International's Latam portfolio of R383 million, recognised directly within equity. It is anticipated that the profit on derecognition of the 45% interest in Sun International's Latam portfolio will be impacted by the trading results of Dreams from 31 December 2014, used as the base in this *pro forma* financial information, to 30 June 2015. An exercise will need to be performed on the effective date to determine the fair value of the consideration received for the derecognition of Sun International's interest in its Latam portfolio in terms of IFRS3: Business Combinations; and
- recognition of the minorities' 45% interest in the carrying net asset value of Sun International's Latam portfolio of R1,047 million. The net asset value of Sun International's Latam portfolio, included in the reviewed profit and cash dividend announcement of Sun International at 30 June 2015, amounted to R2,326 million.

4. Represents consolidation entries arising on the acquisition of a 55% interest in Dreams as follows:

- based on preliminary fair value allocation exercise, the surplus of the fair value of Dreams over its net asset value is attributed to identifiable intangible assets and goodwill. The net fair value uplift in terms of the provisional fair value allocation exercise is R1,523 million, of which goodwill and indefinite life intangible assets is assumed to amount to R336 million. A fair value allocation exercise in terms of IFRS 3: Business Combinations will need to be performed at the effective date of the Transaction.

Sun International's accounting policy for goodwill is as follows:

- Goodwill on acquisition of subsidiaries is included in intangible assets. Separately recognised goodwill is assessed for impairment

on an annual basis or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value includes the carrying amount of goodwill relating to the entity sold. Less costs of disposal. Goodwill is carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. The calculation of gains and losses on the disposal of an entity includes the carrying amount of goodwill relating to the entity sold.

- adjustment to Ordinary shareholders' equity representing:
 - reversal of pre-acquisition ordinary shareholders interest in Dreams of R2,243 million; and
 - expense of transaction costs of R5 million;
 - recognition of deferred taxation of R280 million on the fair value uplift; and
 - consolidation entries.
5. Represents the present value of the Put Option liability. The Put Option liability is based on an indicative valuation performed in terms of the Transaction Agreements. A valuation exercise to determine the present value of the fair market value of the Merged Entity, in terms of the Transaction Agreements, will need to be performed at the effective date of the Transaction. Upon exercise of the Put Option, the Put Option liability will be settled and minorities' interest in the Merged Entity will be recognised within Ordinary shareholders' equity.
6. Represents exercise of Put option assumed to be effective 30 June 2015. The excess of the Put option over the carrying value of the minority's interest in the Merged Entity is treated as a transaction within equity.

Pro forma statement of comprehensive income

R millions	Before¹	Dreams²	Derecognition of 45% stake in Latam portfolio and acquisition of shares³	Consolidation Adjustments⁴	PV of Put Option liability⁵	Pro Forma after	Exercise of Put Option⁶	Pro Forma after
Continuing operations								
revenue								
Casino	8,653	1,497				10,150		10,150
Rooms	825	145				970		970
Food, beverage and other	1,075	194				1,269		1,269
	10,553	1,836	-	-	-	12,389	-	12,389
Other income	466	25				491		491
Operating expenses	(8,942)	(1563)		(217)		(10,722)		(10,722)
Operating profit	2,077	298	-	(217)	-	2,157	-	2,157
Foreign exchange (losses) profits	(103)	(39)		29		(113)		(113)
Interest income	51	6				57		57
Interest expense	(625)	(65)	(29)	(29)	(282)	1,031	-	1,031
Share of associates losses	20	-				20		20
Profit before tax	1,420	200	(29)	(217)	(282)	1,091	-	1,091
Tax	(435)	4	11	59		(360)		(360)
Profit from continuing operations	985	203	(18)	(158)	(282)	730	-	730
Profit from discontinued operations	46	-				46		46
Profit for the period	1,031	203	(18)	(158)	(282)	776	-	776
Profit for the period attributable to:								
Minorities	141	92	81	(69)		244	(103)	141
Ordinary Shareholders	890	112	(99)	(89)	(282)	532	103	635
	1,031	203	(18)	(158)	(282)	776	-	776

R millions	Before ¹	Dreams ²	Derecognition of 45% stake in Latam portfolio and acquisition of shares ³	Consolidation Adjustments ⁴	PV of Put Option liability ⁵	<i>Pro</i> <i>Forma</i> after	Exercise of Put Option ⁶	<i>Pro</i> <i>Forma</i> after
HEADLINE EARNINGS RECONCILIATION								
Profit attributable to ordinary shareholders	890	112	(99)	(89)	(282)	532	103	635
Net profit on disposal of property, plant and equipment	7					7		7
Profit on disposal of shares in subsidiaries	(466)					(466)		(466)
Impairment of assets	176					176		176
Tax relief on the above items	(10)					(10)		(10)
Minorities' interests in the above items	(7)					(7)		(7)
Headline earnings	590	112	(99)	(89)	(282)	232	103	335
Pre-opening expenses	36					36		36
Restructure costs/ transaction costs	45	14		5		64		64
Amortisation of put liability and FV uplift	-			84	282	367	(214)	153
Restructure and other related costs	82					82		82
Monticello purchase price adjustment	23					23		23
Dinokana – Employee share based payments expense	12					12		12
Other	11					11		11
Foreign exchange losses/ (profits) on intercompany loans	7					7		7
Tax on the above items	(7)					(7)		(7)
Minorities' interests on the above items	(66)	(6)	(14)			(86)	20	(66)
Reversal of Employee Share Trusts'(i)	21					21		21
Adjusted headline earnings	754	119	(112)	-	-	761	(91)	671

R millions	Before ¹	Dreams ²	Derecognition of 45% stake in Latam portfolio and acquisition of shares³	Consolidation Adjustments ⁴	PV of Put Option liability ⁵	<i>Pro Forma after</i>	Exercise of Put Option ⁶	<i>Pro Forma after</i>
Earnings per share (cents)								
EPS	950					567		678
Diluted EPS	946					565		675
Headline EPS	629					247		358
Adjusted headline EPS	725					732		645
Diluted adjusted headline EPS	723					730		643
Continuing – Earnings per share (cents)								
EPS	907					525		635
Diluted EPS	903					522		632
Headline EPS	586					204		314
Adjusted headline EPS	686					693		606
Diluted adjusted headline EPS	684					730		643
Weighted average number of shares ('000)								
for EPS calculation	93,729					93,729		93,729
for diluted EPS calculations	94,040					94,040		94,040
for adjusted headline EPS calculation	104,000					104,000		104,000
For diluted adjusted headline Eps calculation	104,311					104,311		104,311

1. Extracted from the reviewed profit and cash dividend announcement of Sun International for the year ended 30 June 2015.
2. Extracted from the audited financial results of Dreams for the year ended 31 December 2014, converted to Rands at R1 : CH\$52.5865, being the average exchange rate for the year ended 31 December 2014. In terms of IFRS3: Business Combinations, the results of Dreams will be consolidated by Sun International from the effective date of the Transaction. Minority interest recognised at 45%.
3. Represents:
 - interest on the net cash outflow of \$51.25 million, being consideration paid for the acquisition of the additional 5% interest in the Merged Entity, at an average interest rate of 5% pa and tax thereon at the Chilean tax rate of 22.5%;
 - recognition of the minorities' 45% interest in the profit of Sun International's Latam portfolio for the year ended 30 June 2015 of R58 million. The earnings of Sun International's Latam portfolio, included in the reviewed profit and cash dividend announcement of Sun International for the year ended 30 June 2015, amounted to R130 million including management fees; and
 - recognition of the minorities' interest in the interest adjustment relating to the debt equalisation of Sun International's Latam portfolio for the year ended 30 June 2015. The net debt equalisation adjustment is expected to decrease as a result of the profits generated by Dreams from 1 January 2015 to 30 June 2015.
4. Represents consolidation entries arising on the acquisition of a 55% interest in Dreams as follows:
 - amortisation of identified intangibles based on a provisional fair value allocation exercise in terms of IFRS3: Business Combinations and the related estimated useful life. A fair value allocation exercise in terms of IFRS 3: Business Combinations will need to be performed at the effective date of the Transaction;
 - expense of one-off transaction costs of R5 million; and
 - reclassification of the movement in Chilean Peso denominated loans in Dreams of R29 million from foreign exchange (losses)/ profits to interest expense to align to Sun International classification.
5. Represents the first 12 months amortisation of the Put Option liability at an assumed discount rate of 9%. The present value of the fair value of the Put Option will need to be determined on the effective date of the Transaction, which shall be amortised up to its future value over the period of the Put Option. Upon exercise of the Put Option, minorities will no longer share in the earnings of the Merged Entity.
6. Represents exercise of Put option, assumed to be effective 1 July 2014 and reversal of minority's interest in the Merged Entity. Interest is assumed on the debt to settle the put option liability at 9% consequently off-setting the reversal of the amortisation of the liability.
7. All effects are of a recurring nature except where otherwise stated.

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF *PRO FORMA* FINANCIAL INFORMATION

“29 September 2015

The Directors
Sun International Limited
6 Sandown Valley Crescent
Sandton
2196

Independent reporting accountants' assurance report on the compilation of *pro forma* financial information of Sun International Limited (“Sun International”)

Introduction

Sun International Limited (“Sun International”) is issuing a circular to its shareholders (“the Circular”) regarding the merger of Sun International’s Latam (Latin American) portfolio and Dreams (“the Proposed Merger”).

At your request and for the purposes of the Circular to be dated on or about 30 September 2015, we present our assurance report on the compilation of the *pro forma* financial information of Sun International by the directors. The *pro forma* financial information, presented in paragraph 6 and Annexure III to the Circular, consists of the *pro forma* statement of financial position as at 30 June 2015, the *pro forma* statement of comprehensive income for the year ended 30 June 2015 and the *pro forma* financial effects (“the *Pro Forma* Financial Information”). The *Pro Forma* Financial Information has been compiled on the basis of the applicable criteria specified in the JSE Limited (JSE) Listings Requirements.

The *Pro Forma* Financial Information has been compiled by the directors to illustrate the impact of the Proposed Merger on the company’s reported financial position as at 30 June 2015, and the company’s financial performance for the year then ended, as if the Proposed Merger had taken place at 30 June 2015 and 1 July 2014, respectively. As part of this process, information about the company’s financial position and financial performance has been extracted by the directors from the company’s reviewed profit and cash dividend announcement for the year ended 30 June 2015, on which a review opinion has been issued.

Directors’ responsibility

The directors of Sun International are responsible for the compilation, contents and presentation of the *Pro Forma* Financial Information on the basis of the applicable criteria specified in the JSE Listings Requirements and described in paragraph 6 and Annexure III. The directors of Sun International are also responsible for the financial information from which it has been prepared.

Reporting accountants’ responsibility

Our responsibility is to express an opinion about whether the *Pro Forma* Financial Information has been compiled, in all material respects, by the directors on the basis specified in the JSE Listings Requirements based on our procedures performed. We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of *Pro Forma* Financial Information Included in a Prospectus. This standard requires that we comply with ethical requirements and plan and perform our procedures to obtain reasonable assurance about whether the *Pro Forma* Financial Information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the *Pro Forma* Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the *Pro Forma* Financial Information.

As the purpose of *Pro Forma* Financial Information included in a circular is solely to illustrate the impact of a significant corporate action or event on unadjusted financial information of the entity as if the corporate action or event had occurred or had been undertaken at an earlier date selected for purposes of the illustration, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the *Pro Forma* Financial Information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used in the compilation of the *Pro Forma* Financial Information provides a reasonable basis for presenting the significant effects directly attributable to the corporate action or event, and to obtain sufficient appropriate evidence about whether:

- The related *pro forma* adjustments give appropriate effect to those criteria; and
- The *Pro Forma* Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

Our procedures selected depend on our judgment, having regard to our understanding of the nature of the company, the corporate action or event in respect of which the *Pro Forma* Financial Information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the *Pro Forma* Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the *Pro Forma* Financial Information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listings Requirements and described in paragraph 6 and Annexure III of the Circular.

PricewaterhouseCoopers Inc.

Director: **Eric Mackeown**

Registered Auditor

Sunninghill”



Sun International Limited

(Incorporated in the Republic of South Africa)

Registration number 1967/007528/06

Share code: SUI

ISIN: ZAE000097580

NOTICE OF GENERAL MEETING

The definitions and interpretations commencing on Page 4 of the Circular to which this notice of General Meeting is attached also apply to this Notice of General Meeting.

Notice is hereby given that a General Meeting of Shareholders of Sun International will be held at Sun International Limited Head Office, 6 Sandown Valley Crescent, Sandown, Sandton, South Africa, on Monday, 2 November 2015 at 11:00 to, among other things, consider and if deemed fit, pass (with or without modification) the ordinary resolutions set out below. The record date for determining which of Sun International Shareholders are entitled to: (i) receive the notice of the General Meeting is Friday, 25 September 2015 and (ii) participate in and vote at the General Meeting is Friday, 23 October 2015 in terms of section 62(3) (a), as read with section 59 of the Companies Act.

ORDINARY RESOLUTION NUMBER 1 – approval of the Proposed Merger

“Resolved that, in accordance with the Listings Requirements, the Proposed Merger, based on the terms summarised in the Circular, be and is sanctioned, approved and authorised.”

Percentage of voting rights required for the adoption of ordinary resolution number 1:

A simple majority of Shareholders (that is, more than 50%) of the total voting rights exercisable on ordinary resolution number 1 is required to be cast in favour of the adoption of ordinary resolution number 1.

ORDINARY RESOLUTION NUMBER 2 – authority for Directors or company secretary to implement ordinary resolution number 1

“Resolved as an ordinary resolution that any Director of the company or the company secretary be and is hereby authorised to do all such things and sign all such documents as may be required to give effect to ordinary resolution number 1.”

Percentage of voting rights required for the adoption of ordinary resolution number 2:

A simple majority of Shareholders (that is, more than 50%) of the total voting rights exercisable on ordinary resolution number 2 is required to be cast in favour of the adoption of ordinary resolution number 2.

ORDINARY RESOLUTION NUMBER 3 – approval of the Put and Call Options

“Resolved that, in accordance with the Listings Requirements, the Put and Call Options, based on the terms summarised in the Circular, be and are sanctioned, approved and authorised.”

Percentage of voting rights required for the adoption of ordinary resolution number 3:

A simple majority of Shareholders (that is, more than 50%) of the total voting rights exercisable on ordinary resolution number 3 is required to be cast in favour of the adoption of ordinary resolution number 3.

ORDINARY RESOLUTION NUMBER 4 – authority for Directors or company secretary to implement ordinary resolution number 3

“Resolved as an ordinary resolution that any Director of the company or the company secretary be and is hereby authorised to do all such things and sign all such documents as may be required to give effect to ordinary resolution number 3.”

Percentage of voting rights required for the adoption of ordinary resolution number 4:

A simple majority of Shareholders (that is, more than 50%) of the total voting rights exercisable on ordinary resolution number 4 is required to be cast in favour of the adoption of ordinary resolution number 4.

Statement in terms of section 62(3)(e) of the Companies Act:

Sun International Shareholders holding certificated shares and Sun International Shareholders holding Sun International Shares in dematerialised form in “own name”:

- may attend and vote at the General Meeting; alternatively
- may appoint an individual as a proxy (*blue*) (who need not also be a Shareholder of Sun International) to attend, participate in and speak and vote in your place at the General Meeting by completing the attached form of proxy (*blue*) and returning it to the registered office of Sun International or to the transfer secretaries, to be received by no later than 11:00 on 29 October 2015. Alternatively, the form of proxy may be handed to the chairman of the General Meeting at the General Meeting at any time prior to the commencement of the General Meeting. Please note that your proxy may delegate his/her authority to act on your behalf to another person, subject to the restrictions set out in the attached form of proxy. Please also note that the attached form of proxy must be delivered to the registered office of Sun International or to the Transfer Secretaries or handed to the chairman of the General Meeting, before your proxy may exercise any of your rights as a Sun International Shareholder at the General Meeting.

Please note that any Shareholder of Sun International that it is a company may authorise any person to act as its representative at the General Meeting. Please also note that section 63(1) of the Companies Act requires that persons wishing to participate in the General Meeting (including the aforementioned representative) must provide satisfactory identification before they may so participate.

Notice to owners of dematerialised shares:

Please note that if you are the owner of dematerialised shares held through a CSDP or Broker (or their nominee) and are not registered as an “own name” dematerialised Shareholder then you are not a registered Sun International Shareholder, but your CSDP or Broker (or their nominee) would be.

Accordingly, in these circumstances, subject to the mandate between yourself and your CSDP or Broker as the case may be:

- if you wish to attend the General Meeting you must contact your CSDP or Broker, and obtain the relevant letter of representation from it; alternatively.
- if you are unable to attend the General Meeting but wish to be represented at the General Meeting, you must contact your CSDP or Broker, and furnish them with your voting instructions in respect of the General Meeting and/or request it to appoint a proxy. You must not complete the attached form of proxy. The instructions must be provided in accordance with the mandate between yourself and your CSDP or Broker, within the time period required by your CSDP or Broker.

CSDP's, Brokers or their nominees, as the case may be, recorded in the Sun International's sub-register as holders of dematerialised shares should, when authorised in terms of their mandate or instructed to do so by the owner on behalf of whom they hold dematerialised shares, vote by either appointing a duly authorised representative to attend and vote at the General Meeting or by completing the attached form of proxy (*blue*) in accordance with the instructions thereon and returning it to the registered office of the Sun International or to the transfer secretaries, to be received by no later than 11:00, 29 October 2015. Alternatively, the form of proxy may be handed to the chairman of the General Meeting at the General Meeting at any time prior to the commencement of the General Meeting.

Voting at the General Meeting:

In order to more effectively record the votes and give effect to the intentions of Shareholders, voting on all resolutions will be conducted by way of a poll.

Electronic participation in the General Meeting:

Sun International intends to make provision for Sun International Shareholders, or their proxies, to participate in the General Meeting by way of electronic communication. In this regard, Sun International intends making a dial-in facility available that will be linked to the venue at which the General Meeting will take place, on the date of, and from the time of commencement of, the General Meeting. The dial-in facility will enable all persons to participate electronically in the General Meeting in this manner and to communicate concurrently with each other without an intermediary, and to participate reasonably effectively in the General Meeting.

Shareholders wishing to participate electronically in the General Meeting are required to deliver written notice to Sun International at 6 Sandown Valley Crescent, Sandown, Sandton, Gauteng, South Africa (marked for the attention of CA Reddiar, Company Secretary) or email at chantel.reddiar@suninternational.com by no later than 29 October 2015 that they wish to participate via electronic communication at the General Meeting (the "Electronic Notice").

In order for the Electronic Notice to be valid it must contain: (a) if the Shareholder is an individual, a certified copy of his/her identity document and/or passport; (b) if the Shareholder is not an individual, a certified copy of a resolution or letter of representation by the relevant entity and a certified copy of the identity documents and/or passports of the persons who passed the relevant resolution. The authority resolution must set out who from the relevant entity is authorised to represent the entity at the General Meeting via electronic communication; and (c) a valid email address and/or facsimile number (the "Contact Address/Number").

By no later than 24 (twenty-four) hours before the General Meeting Sun International shall use its reasonable endeavours to notify a Shareholder at its Contact Address/Number who has delivered a valid Electronic Notice of the relevant details through which the Shareholder can participate via electronic communication.

Should you wish to participate in the General Meeting by way of electronic communication as aforesaid, you will be required to dial-in on the date of the General Meeting. The dial-in facility will be linked to the venue at which the General Meeting will take place on the date of, and from the time of commencement of, the General Meeting. The dial-in facility will enable all persons to participate electronically in the General Meeting in this manner and to communicate concurrently with each other without an intermediary, and to participate reasonably effectively in the General Meeting.

Shareholders participating in this manner will still have to appoint a proxy to vote on their behalf in person at the General Meeting.

By order of the Board

CA Reddiar

Company secretary

30 September 2015

Registered office:

6 Sandown Valley Crescent
Sandown
Sandton, 2196
(PO Box 782121, Sandton, 2146)

Transfer Secretaries

Postal address:

Computershare Investor Services (Proprietary) Limited
PO Box 61051, Marshalltown, 2107
Gauteng, South Africa

Delivery address:

Computershare Investor Services (Proprietary) Limited
Ground Floor, 70 Marshall Street
Johannesburg, 2001
Gauteng, South Africa



Sun International Limited

(Incorporated in the Republic of South Africa)

Registration number 1967/007528/06

Share code: SUI

ISIN: ZAE000097580

FORM OF PROXY – GENERAL MEETING (BLUE)

For use by Certificated Shareholders or Dematerialised Shareholders with Own-name Registration at the General Meeting to be held at 11:00 on Monday, 2 November 2015 at the Sun International Limited Head Office, 6 Sandown Valley Crescent, Sandown, Sandton, 2146.

The definitions and interpretations commencing on page 4 of the Circular to which this form of proxy is attached also apply to this form of proxy.

If Shareholders have dematerialised their shares with a CSDP or Broker, other than with Own-name Registration, they must arrange with the CSDP or Broker to provide them with the necessary letter of representation to attend the General Meeting or the Shareholder must instruct them as to how they wish to vote in this regard. This must be done in terms of the agreement entered into between the Shareholder and the CSDP or Broker, in the manner and cut-off time stipulated therein.

Please read the notes on the reverse hereof carefully, which, amongst other things, set out the rights of Shareholders in terms of section 58 of the Companies Act with regard to the appointment of proxies.

For the General Meeting

I/We (Name/s in BLOCK LETTERS)

of (address in BLOCK LETTERS)

Telephone number

Mobile phone number

Email address

being a Shareholder of Sun International and holding shares in Sun International, and entitled to vote, do hereby appoint (refer to note 1 at the end of this form of proxy):

_____ or, failing him/her, the Chairman of the General Meeting as my/our proxy(ies) to vote on a poll on my/our behalf at the General Meeting to be held at 11:00 on Monday, 2 November 2015 at the Sun International Limited Head Office, 6 Sandown Valley Crescent, Sandown, Sandton, 2146 and at any postponement or adjournment thereof.

Please indicate with an "X" in the spaces below how you wish your proxy to vote in respect of the resolution to be proposed, as contained in the notice of the abovementioned General Meeting.

*I/We desire my/our proxy to vote on the resolution to be proposed, as follows:

	For	Against	Abstain
ORDINARY RESOLUTION 1 – Approval of the Proposed Merger			
ORDINARY RESOLUTION 2 – Authority for Directors or company secretary to implement ordinary resolution 1			
ORDINARY RESOLUTION 3 – Approval of the Put and Call Options			
ORDINARY RESOLUTION 4 – Authority for Directors or company secretary to implement ordinary resolution 3			

Signed by me/us this

day of

2015

Signature

Assisted by me (where applicable) (see note 12 on reverse of this form of proxy)

Full name/s of signatory if signing in a representative capacity (see note 11 on reverse of this form of proxy)

* If this form of proxy is returned without any indication of how the proxy should vote, the proxy will exercise his/her discretion both as to how he/she votes and as to whether or not he/she abstains from voting.

Notes

1. A Shareholder entitled to attend and vote at the abovementioned meeting is entitled to appoint one or more proxies to attend, speak and, on a poll, vote in his/her stead or abstain from voting. The proxy need not be a member of Sun International.
2. A proxy may delegate the proxy's authority to act on behalf of the Shareholder to another person, subject to any restriction set out in the instrument appointing the proxy.
3. The completion and lodging of this form of proxy will not preclude the relevant Shareholder from attending the General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such Shareholder wish to do so. Accordingly, the appointment of a proxy in terms hereof is suspended at any time and to the extent that the Shareholder chooses to act directly and in person in the exercise of any rights as a Shareholder.
4. A proxy is entitled to exercise, or abstain from exercising, any voting right of the Shareholder without direction, except to the extent that the voting instructions are set out in the relevant section of the form of proxy.
5. The appointment of a proxy shall remain valid until the end of the meeting contemplated in this appointment (including in respect of any adjournment or postponement of the General Meeting), unless revoked in the manner contemplated in note 6 below.
6. A Shareholder may revoke the proxy appointment by (i) cancelling it in writing, or making a later inconsistent appointment of a proxy, and (ii) delivering a copy of the revocation instrument to the proxy and to Sun International. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the Shareholder as of the later of (i) the date stated in the revocation instrument, if any, or (ii) the date on which the revocation instrument was delivered to Sun International.
7. Please insert the number of Sun International Shares, as the case may be, in the relevant spaces according to how you wish your votes to be cast. If you wish to cast your votes in respect of a lesser number of Sun International Shares, as the case may be, exercisable by you, insert the number of Sun International Shares, as the case may be, held in respect of which you wish to vote. Failure to comply with the above will be deemed to authorise and compel the chairman, if the chairman is an authorised proxy, to vote in favour of the resolution, or to authorise any other proxy to vote for or against the resolution or abstain from voting as he/she deems fit, in respect of all the Shareholder's votes exercisable thereat. A Shareholder or its/his/her proxy is not obliged to use all the votes exercisable by the Shareholder or its/his/her proxy, but the total of the votes cast and in respect whereof abstention is recorded may not exceed the total of the votes exercisable by the Shareholder or its/his/her proxy.
8. To be valid, this form of proxy must be completed and returned to Sun International's Transfer Secretaries, Computershare Investor Services Proprietary Limited, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107), to be received by no later than 11:00 on Thursday, 29 October 2015.
9. Any alteration or correction made to this form of proxy must be initialled by the signatory(ies).
10. In the case of a joint holding, the first-named only is required to sign.
11. The authority of a person signing a proxy in a representative capacity must be attached to the form of proxy unless that authority has already been recorded by Sun International.
12. A minor or any other person under legal incapacity must be assisted by his/her parent or guardian as applicable, unless the relevant documents establishing capacity are produced or have been registered with the Transfer Secretaries.
13. If the instrument appointing a proxy or proxies has been delivered to Sun International, as long as that appointment remains in effect, any notice that is required by the Companies Act or Sun International's MOI to be delivered by Sun International to the Shareholder must be delivered by Sun International to (i) the Shareholder or (ii) the proxy or proxies, if the Shareholder has directed Sun International in writing to do so and paid any reasonable fee charged by Sun International for doing so.