Sun International

UNAUDITED PROFIT AND CASH DIVIDEND ANNOUNCEMENT

FOR THE SIX MONTHS ENDED 31 DECEMBER 2015

HIGHLIGHTS

REVENUE	EBITDA	DILUTED ADJUSTED HEPS	INTERIM GROSS CASH DIVIDEND OF
^ 10.3% to R5.8 billion	v 0.8% to R1.6 billion	v 19.0% to 332 cents	90 cents per share

CONDENSED GROUP STATEMENTS OF COMPREHENSIVE INCOME

R million	Unaudited Six months ended 31 December 2015	% change	Unaudited Six months ended 31 December 2014	Audited Year ended 30 June 2015
Continuing operations				
Revenue				
Casino	**4 578**	6	4 339	8 653
Rooms	**463**	8	428	825
Food and beverage	**550**	77	310	669
Other	**246**	15	213	406
	5 837	10	5 290	10 553
Other income	**–**		462	466
Consumables and services	**(724)**		(530)	(1 081)
Depreciation and amortisation	**(531)**		(484)	(992)
Employee costs	**(1 226)**		(1 106)	(2 201)
Impairment of assets	**–**		–	(176)
Levies and VAT on casino revenue	**(1 121)**		(1 059)	(2 104)
Promotional and marketing costs	**(355)**		(320)	(659)
Property and equipment rentals	**(80)**		(71)	(145)
Property costs	**(385)**		(330)	(665)
Menlyn Maine settlements	**(747)**		–	–
Monticello purchase price differential	**(195)**		(23)	–
Other operational costs	**(458)**		(447)	(919)
Operating profit	**15**		1 382	2 077
Foreign exchange profits/(losses)	**254**		(32)	(103)
Interest income	**20**		12	51
Interest expense	**(349)**		(288)	(625)
Share of associates profits/(losses)	**32**		(1)	20
(Loss)/profit before tax	**(28)**		1 073	1 420
Tax	**(303)**		(235)	(435)
(Loss)/profit for the period from continuing operations	**(331)**		838	985
Profit for the period from discontinued operations	**4**		47	46
(Loss)/profit for the period	**(327)**		885	1 031

R million	Unaudited Six months ended 31 December 2015	% change	Unaudited Six months ended 31 December 2014	Audited Year ended 30 June 2015
Other comprehensive income:				
Items that will not be reclassified to profit or loss				
Remeasurements of post employment benefit obligations	**–**		–	(9)
Tax on remeasurements of post employment benefit obligations	**–**		–	3
Items that may be reclassified to profit or loss				
Net profit/(loss) on cash flow hedges	**1**		(2)	(2)
Tax on net profit/(loss) on cash flow hedges	**–**		1	–
Currency translation reserve	**205**		(13)	(57)
Total comprehensive (loss)/income for the period	**(121)**		871	966
(Loss)/profit for the period attributable to:				
Minorities	**118**		95	141
Ordinary shareholders	**(445)**		790	890
	(327)		885	1 031
Total comprehensive (loss)/income for the period attributable to:				
Minorities	**147**		98	126
Ordinary shareholders	**(268)**		773	840
	(121)		871	966
Total comprehensive (loss)/income attributable to ordinary shareholders arises from:				
Discontinued operations	**2**		41	41
Continuing operations	**(270)**		732	799
	(268)		773	840

CONDENSED GROUP STATEMENTS OF COMPREHENSIVE INCOME continued

R million	Unaudited Six months ended 31 December 2015	% change	Unaudited Six months ended 31 December 2014	Audited Year ended 30 June 2015
HEADLINE EARNINGS AND ADJUSTED HEADLINE EARNINGS RECONCILIATION				
(Loss)/profit attributable to ordinary shareholders	**(445)**	(156)	790	890
Net (profit)/loss on disposal of property, plant and equipment	**(24)**		–	7
Profit on disposal of shares in subsidiaries	**–**		(462)	(466)
Impairment of assets	**–**		–	176
Tax relief on the above items	**4**		18	(10)
Minorities' interests on the above items	**–**		–	(7)
Headline (loss)/earnings	**(465)**	(234)	346	590
Pre-opening expenses	**13**		48	36
Menlyn Maine settlements	**747**		–	–
Transaction costs	**19**		12	45
Restructure and related costs	**–**		35	82
Monticello purchase price adjustment	**195**		23	23
Dinokana – Employee share based payments expense	**–**		–	12
Other	**1**		(27)	11
Foreign exchange (profits)/losses on intercompany loans	**(234)**		13	7
Tax on the above items	**65**		(20)	(7)
Minorities' interests on the above items	**–**		(11)	(66)
Reversal of Employee Share Trusts' consolidation (i)	**5**		10	21
Adjusted headline earnings	**346**	(19)	429	754

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

	Cents per share		Cents per share	Cents per share
(Loss)/earnings per share				
basic	**(453)**		849	950
diluted	**(452)**	(154)	843	946
Dividends per share	**90**		110	285

CONDENSED GROUP STATEMENTS OF FINANCIAL POSITION

R million	Unaudited Six months ended 31 December 2015	Unaudited Six months ended 31 December 2014	Audited Year ended 30 June 2015
ASSETS			
Non current assets			
Property, plant and equipment	**12 424**	11 298	11 244
Intangible assets	**789**	758	738
Investment in associates	**402**	392	390
Investment in joint ventures	**213**	191	201
Available-for-sale investment	**48**	48	48
Loans and receivables	**21**	10	17
Pension fund asset	**36**	45	36
Deferred tax	**329**	287	320
	14 262	13 029	12 994
Current assets			
Tax	**44**	75	21
Accounts receivable and other	**975**	638	785
Cash and cash equivalents	**656**	567	507
	1 675	1 280	1 313
Non current assets held for sale	**77**	75	69
Total assets	**16 014**	14 384	14 376
EQUITY AND LIABILITIES			
Capital and reserves			
Ordinary shareholders' equity	**1 857**	1 954	2 325
Minorities' interests	**434**	406	421
	2 291	2 360	2 746
Non current liabilities			
Deferred tax	**392**	448	384
Borrowings	**5 221**	5 904	5 347
Other non current liabilities	**754**	842	905
	6 367	7 194	6 636
Current liabilities			
Tax	**114**	58	94
Accounts payable and other	**2 396**	1 253	1 484
Borrowings	**4 798**	3 467	3 371
	7 308	4 778	4 949
Non current liabilities held for sale	**48**	52	45
Total liabilities	**13 723**	12 024	11 630
Total equity and liabilities	**16 014**	14 384	14 376

GROUP STATEMENTS OF CHANGES IN EQUITY

R million	Share capital and premium	Treasury shares and share options	Foreign currency translation reserve	Share based payment reserve
Unaudited				
FOR THE SIX MONTHS ENDED 31 DECEMBER 2015				
Balance at 30 June 2015	**295**	**(542)**	**163**	**112**
Total comprehensive income for the year	**–**	**–**	**177**	**–**
Treasury share options purchased	**–**	**(3)**	**–**	**–**
Net deemed treasury shares purchased	**–**	**(49)**	**–**	**–**
Vested shares	**–**	**4**	**–**	**(4)**
Employee share based payments	**–**	**–**	**–**	**31**
Release of share based payment reserve	**–**	**–**	**–**	**(21)**
Delivery of share awards	**–**	**–**	**–**	**–**
Subsidiary share issue	**–**	**–**	**–**	**–**
Dividends paid	**–**	**–**	**–**	**–**
Balance at 31 December 2015	**295**	**(590)**	**340**	**118**
Unaudited				
FOR THE SIX MONTHS ENDED 31 DECEMBER 2014				
Balance at 30 June 2014	309	(1 829)	449	112
Total comprehensive income for the year	–	–	(16)	–
Treasury share options purchased	–	(10)	–	–
Net deemed treasury shares purchased	–	(2)	–	–
Vested shares	–	4	–	(4)
Employee share based payments	–	–	–	31
Release of share based payment reserve	–	–	–	(27)
Delivery of share awards	–	–	–	–
Disposal of shares in African operations	–	–	(117)	–
Acquisition of minority interests in Monticello	–	–	(127)	–
Acquisition of minorities' interests	–	–	–	–
Dividends paid	–	–	–	–
Balance at 31 December 2014	309	(1 837)	189	112
Audited				
FOR THE YEAR ENDED 30 JUNE 2015				
Balance at 30 June 2014	309	(1 829)	449	112
Total comprehensive income for the year	–	–	(42)	–
Treasury share options purchased	–	(20)	–	–
Net deemed treasury shares sold	–	10	–	–
Treasury shares cancelled	(14)	653	–	–
Treasury shares reversed back to share capital	–	614	–	–
Vested shares	–	30	–	(30)
Employee share based payments	–	–	–	57
Release of share based payment reserve	–	–	–	(27)
Delivery of share awards	–	–	–	–
Disposal of shares in African operations	–	–	(117)	–
Acquisition of minority interests in Monticello	–	–	(127)	–
Acquisition of minorities' interests	–	–	–	–
Dividends paid	–	–	–	–
Balance at 30 June 2015	295	(542)	163	112

 

	Available-for-sale reserve	Other reserves	Reserve for non-controlling interests	Hedging reserve	Retained earnings	Ordinary shareholders' equity	Minorities' interests	Total equity
	4	**–**	**(3 136)**	**1**	**5 428**	**2 325**	**421**	**2 746**
	–	**–**	**–**	**–**	**(445)**	**(268)**	**147**	**(121)**
	–	**–**	**–**	**–**	**–**	**(3)**	**–**	**(3)**
	–	**–**	**–**	**–**	**–**	**(49)**	**–**	**(49)**
	–	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	–	**–**	**–**	**–**	**–**	**31**	**–**	**31**
	–	**–**	**–**	**–**	**21**	**–**	**–**	**–**
	–	**–**	**–**	**–**	**(4)**	**(4)**	**–**	**(4)**
	–	**–**	**–**	**–**	**–**	**–**	**30**	**30**
	–	**–**	**–**	**–**	**(175)**	**(175)**	**(164)**	**(339)**
	4	**–**	**(3 136)**	**1**	**4 825**	**1 857**	**434**	**2 291**
	4	(673)	(2 326)	3	5 448	1 497	491	1 988
	–	–	–	(1)	790	773	98	871
	–	–	–	–	–	(10)	–	(10)
	–	–	–	–	–	(2)	–	(2)
	–	–	–	–	–	–	–	–
	–	–	–	–	–	31	–	31
	–	–	–	–	27	–	–	–
	–	–	–	–	(24)	(24)	–	(24)
	–	–	–	–	–	(117)	(62)	(179)
	–	673	(550)	–	–	(4)	2	(2)
	–	–	(37)	–	–	(37)	(2)	(39)
	–	–	–	–	(153)	(153)	(121)	(274)
	4	–	(2 913)	2	6 088	1 954	406	2 360
	4	(673)	(2 326)	3	5 448	1 497	491	1 988
	–	–	–	(2)	884	840	126	966
	–	–	–	–	–	(20)	–	(20)
	–	–	–	–	–	10	–	10
	–	–	–	–	(639)	–	–	–
	–	–	–	–	–	614	–	614
	–	–	–	–	–	–	–	–
	–	–	–	–	–	57	–	57
	–	–	–	–	27	–	–	–
	–	–	–	–	(32)	(32)	–	(32)
	–	–	–	–	–	(117)	(62)	(179)
	–	673	(550)	–	–	(4)	3	(1)
	–	–	(260)	–	–	(260)	110	(150)
	–	–	–	–	(260)	(260)	(247)	(507)
	4	–	(3 136)	1	5 428	2 325	421	2 746

SUPPLEMENTARY INFORMATION

R million	Unaudited Six months ended 31 December 2015	Unaudited Six months ended 31 December 2014	Audited Year ended 30 June 2015
EBITDA RECONCILIATION			
Operating profit	**15**	1 382	2 077
Depreciation and amortisation	**531**	484	992
Property and equipment rental	**80**	71	145
Net (profit)/loss on disposal of property, plant and equipment*	**(24)**	–	7
Impairment of assets*	**–**	–	176
Pre-opening expenses*	**13**	48	36
Restructure and related costs*	**–**	35	82
Transaction costs*	**19**	12	45
Menlyn Maine settlements*	**747**	–	–
Profit on disposal of shares in subsidiaries*	**–**	(462)	(466)
Monticello purchase price adjustment*	**195**	23	23
Dinokana – Employee share based payments expense*	**–**	–	12
Other*	**1**	2	11
Reversal of Employee Share Trusts' consolidation*	**21**	16	31
EBITDA	**1 598**	1 611	3 171
EBITDA margin (%)	**27**	30	30
Number of shares ('000)			
– in issue	**98 128**	93 072	98 519
– for EPS calculation	**98 319**	93 065	93 729
– for diluted EPS calculation	**98 371**	93 681	94 040
– for adjusted headline EPS calculation[(i)]	**104 140**	103 980	104 000
– for diluted adjusted headline EPS calculation[(i)]	**104 191**	104 596	104 311
(Loss)/earnings per share (cents)			
– basic (loss)/earnings per share	**(453)**	849	950
– headline (loss)/earnings per share	**(473)**	372	629
– adjusted headline earnings per share	**332**	413	725
– diluted basic (loss)/earnings per share	**(452)**	843	946
– diluted headline (loss)/earnings per share	**(473)**	369	627
– diluted adjusted headline earnings per share	**332**	410	723
Continuing – (loss)/earnings per share (cents)			
– basic (loss)/earnings per share	**(455)**	805	896
– headline(loss)/earnings per share	**(475)**	329	576
– adjusted headline earnings per share	**330**	374	677
– diluted basic (loss)/earnings per share	**(454)**	800	893
– diluted headline (loss)/earnings per share	**(475)**	326	574
– diluted adjusted headline earnings per share	**330**	371	675

	Unaudited Six months ended 31 December	Unaudited Six months ended 31 December	Audited Year ended 30 June
	2015	**2014**	**2015**
Discontinuing – earnings per share (cents)			
– basic earnings per share	**2**	44	53
– headline earnings per share	**2**	43	53
– adjusted headline earnings per share	**2**	39	48
– diluted basic earnings per share	**2**	43	53
– diluted headline earnings per share	**2**	43	53
– diluted adjusted headline earnings per share	**2**	39	48

R million

	2015	**2014**	**2015**
Tax rate reconciliation			
(Loss)/profit before tax	**(28)**	1 073	1 420
Share of associates (profits)/losses	**(32)**	1	(20)
Adjusted (loss)/profit before tax	**(60)**	1 074	1 400
	%	%	%
Effective tax rate (excluding Menlyn Maine settlements)	**(166)**	22	31
Preference share dividends	**23**	(2)	(3)
Prior year over-provisions	**17**	–	2
Withholding taxes	**20**	–	(1)
Foreign tax rate variation	**(20)**	(1)	2
Exempt income	**(7)**	11	5
Exempt income – capital gains	**(3)**	–	1
Foreign monetary adjustments and government incentives	**(27)**	2	1
Monticello purchase price adjustment	**118**	–	–
Capital allowances and disallowed expenditure	**73**	(4)	(10)
SA corporate tax rate	**28**	28	28
EBITDA to interest (times)	**4.9**	5.8	5.5
Annualised borrowings to EBITDA (times)	**3.2**	3.0	2.7
Net asset value per share (Rand)	**18.92**	20.99	23.60
Capital expenditure	**1 009**	1 084	1 714
Capital commitments	**4 582**	904	2 974

* *Items identified above are included as other expenses and other income in the segmental analysis.*

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

CONDENSED GROUP STATEMENTS OF CASH FLOWS

R million	Unaudited Six months ended 31 December 2015	Unaudited Six months ended 31 December 2014	Audited Year ended 30 June 2015
Cash generated by operations before:	**1 575**	1 741	3 141
Working capital changes	**(641)**	(371)	(340)
Cash generated by operations	**934**	1 370	2 801
Tax paid	**(282)**	(300)	(505)
Cash generated by operating activities	**652**	1 070	2 296
Cash utilised in investing activities	**(1 025)**	(1 418)	(2 094)
Cash realised from investing activities	**101**	528	548
Acquisition of shares in subsidiaries	**–**	(1 726)	(1 729)
Net cash inflow from financing activities	**381**	1 168	534
Effect of exchange rates upon cash and cash equivalents	**45**	(2)	1
Increase/(decrease) in cash and cash equivalents	**154**	(380)	(444)
Cash and cash equivalents at beginning of the period	**514**	958	958
Cash and cash equivalents at end of the period	**668**	578	514
Assets held for sale	**(12)**	(11)	(7)
Cash and cash equivalents at end of the period excluding non current assets held for sale	**656**	567	507


500
CARNIVAL CITY
BRAKPAN
500
500
500

COMMENTARY

REVIEW OF THE SIX MONTHS

The ongoing strategic changes in the group continue to make comparisons to prior periods difficult. Key features of the past six months are the strong contributions to revenue from new businesses, in particular the insourcing of food and beverage in South Africa and the new properties in Panama and Colombia. These same new businesses are yet to contribute meaningfully to EBITDA and at a HEPS level start-up losses, interest charges and the associated new depreciation charges have had a negative impact on earnings. The core South African operations of the group still contribute 80% of revenue (predominantly gaming) and unfortunately the prevailing poor economic conditions in the country have resulted in extremely low casino revenue growth (0.6%), which is well below the level of cost escalation. This has been partially offset by the continued growth of Monticello in Chile, where the positive earnings growth is also amplified by the strengthening of the Peso against the Rand.

Despite the challenging operational environment we continue to review and implement the transactions and initiatives that make up our medium term strategic objectives. Over the past six months we have achieved the following:

- Finalised the merger of the group's Latin American (Latam) interests with Dreams (now subject only to final gaming board approvals, anticipated Q1 2016);
- Made significant progress with the construction of our new casino entertainment complex at Menlyn Maine which will open during 2017;
- Exercised our option to acquire a further 25% interest in GPI Slots (now subject only to gaming board approvals, anticipated Q1 2016);
- Made significant progress with the Sun City renovation plan;
- Completed the insourcing of food and beverage operations;
- Completed the implementation of the IFS Enterprise Resource Planning system; and
- Made good progress with our International VIP gaming business.

Another major strategic initiative over the past year has been the potential acquisition of Peermont Group (Peermont) with a significant amount of time and effort having been put into the transaction. Following the decision taken in December 2015 by the Competition Commission to prohibit the acquisition, and given that the Competition Tribunal hearings are scheduled to occur only after the transaction deadline of 31 March 2016 for obtaining the Tribunal's approval, it is anticipated that the transaction will terminate on 31 March 2016. This brings the Menlyn Maine note into effect in recognition of Peermont having lifted its objection to the Menlyn Maine project. The note (which becomes unconditional upon opening of the casino) has a face value of between R700 million and R900 million dependent upon the circumstances under which the Peermont acquisition failed. The relevant parties are in the process of negotiating to cash settle the note for R675 million on 30 April 2016 in settlement of all claims. This amount has been provided for through the statement of comprehensive income in the period under review. With the anticipated termination of the Peermont acquisition there is no longer any need for the potential rights offer that was announced in 2015.

FINANCIAL RESULTS

Revenue of R5.8 billion for the period ended 31 December 2015 (current year) was 10.3% ahead of the period ended 31 December 2014 (last year), boosted by insourced food and beverage revenue and the new properties opened in the prior year. Comparable revenue excluding these new businesses increased by 4.6%. Monticello grew its revenues by 16.4% when translated into Rand, offsetting negligible growth in South Africa where the core casino revenue was up by only 0.6% due to the weak economic environment.

Expenses excluding those of the insourced food and beverage operations and non-comparable operations have escalated in line with inflation, with savings in certain areas being offset by higher water and energy costs and the Dollar-denominated IT costs which were well up given the weak Rand.

EBITDA for the period, including all adjusted headline earnings adjustments and excluding discontinued operations is down marginally (0.8%) at R1.6 billion. As a result of the disappointing casino revenue growth and the addition of the new, lower margin food and beverage business; the overall group EBITDA margin declined 3.1% to 27.4%.

Depreciation and amortisation was up 9.7% (2% on a comparative basis) primarily due to the inclusion of a full period of depreciation from Sun Nao Casino and the Ocean Sun Casino.

Net interest paid of R329 million was 19% higher than last year. The increase on last year is due to expensing interest on the Sun Nao Casino (Colombia) and the Ocean Sun Casino (Panama) developments (previously capitalised), the converting of the group's US Dollar denominated loans used for funding the newer Latam operations into Rand, which attracts a higher interest rate (increase of approximately R30 million), interest on the loans used to acquire the 25.1% interest in GPI Slots and generally higher interest rates. Although our Rand based interest rates are now higher, $141 million of loans were converted into Rand prior to the recent significant devaluation of the currency which has had a meaningful saving in the underlying liability.
The intercompany loans with Panama and Colombia were also converted to Rand which has resulted in net foreign exchange gains being realised. These have been treated as adjusted headline earnings adjustments.

Associates profits include the group's 25.1% interest in GPI Slots (from 1 January 2015), and the group's remaining interests in the African properties. Once the acquisition of the additional 25% interest in GPI Slots has been approved by the remaining gaming boards this investment will be consolidated.

With the lower EBITDA and higher depreciation and interest charges adjusted headline earnings of R346 million and diluted adjusted headline earnings per share of 332 cents were 19% below last year.

Other significant adjusted headline earnings adjustments include the Menlyn Maine settlements of R747 million in relation to objections raised by Goldrush and Peermont and the earn-out payment of R195 million due to the minority shareholders of Monticello bought out by the group last year as a result of Monticello achieving the earnings targets set out in the transactional agreements. Although this payment is effectively an increase in the purchase price for the minorities interests, in terms of IFRS 3 it is treated as an expense in the statement of comprehensive income.

The effective tax rate, excluding non-deductible preference share dividends, the Menlyn Maine settlements, withholding taxes and CGT, on South African income was 32% (2014: 31%). The Latam operations effective tax rate excluding the Monticello earn-out was 25%.

In line with the lower results the board has declared a gross interim dividend of 90 cents (2014: 110 cents) per share. In considering the dividend the board took into account the funding requirement of the projects under development as well as the prevailing economic environment. The funding of the projects always anticipated the simultaneous payment of dividends and the long term forecasts for the business and its debt levels indicate that dividends can still be comfortably paid. The economic environment is of some concern and should it worsen then the board will re-evaluate the payment of future dividends during this period of above-normal capital expenditure.

SEGMENTAL ANALYSIS

R million	REVENUE Six months ended 31 December 2015	REVENUE Six months ended 31 December 2014	REVENUE Year ended 30 June 2015	EBITDA Six months ended 31 December 2015	EBITDA Six months ended 31 December 2014	EBITDA Year ended 30 June 2015
South African Operations	**4 614**	4 340	8 574	**1 219**	1 287	2 563
GrandWest	**1 129**	1 103	2 152	**455**	470	915
Sun City	**755**	712	1 410	**57**	94	201
Sibaya	**602**	566	1 143	**204**	206	418
Carnival City	**561**	547	1 047	**173**	190	356
Boardwalk	**308**	282	568	**66**	86	169
Wild Coast Sun	**242**	218	430	**44**	38	82
Carousel	**165**	164	319	**37**	36	72
Meropa	**158**	141	281	**53**	53	103
Windmill	**148**	131	259	**50**	48	97
Table Bay	**143**	119	252	**38**	30	60
Morula	**113**	113	217	**10**	15	33
Flamingo	**94**	82	163	**29**	26	53
Worcester	**83**	73	149	**13**	10	26
Maslow	**70**	62	127	**3**	1	8
Other operating segments	**43**	27	57	**(13)**	(16)	(30)
Federal Palace	**114**	107	212	**19**	16	33
Latam	**1 076**	823	1 743	**237**	180	344
Monticello	**910**	782	1 597	**267**	192	387
Ocean Sun Casino	**147**	41	140	**(18)**	(12)	(43)
Sun Nao Casino	**19**	-	6	**(12)**	–	–
Management activities	**300**	334	652	**132**	142	264
Total operating segments	**6 104**	5 604	11 181	**1 607**	1 625	3 204
Central office and other eliminations	**(267)**	(314)	(628)	**(9)**	(14)	(33)
Other income (ii)				**–**	–	–
Other expenses (ii)				**–**	–	–
Group total	**5 837**	5 290	10 553	**1 598**	1 611	3 171

*(ii) Refer to EBITDA reconciliation denoted.**

EBITDA MARGIN (%)			OPERATING PROFIT		
Six months ended 31 December		Year ended 30 June	Six months ended 31 December		Year ended 30 June
2015	**2014**	**2015**	**2015**	**2014**	**2015**
26.4	29.7	29.9	**788**	867	1 715
40.3	42.6	42.5	**385**	404	787
7.5	13.2	14.3	**(35)**	19	30
33.9	36.4	36.6	**165**	162	335
30.8	34.7	34.0	**132**	139	264
21.4	30.5	29.8	**24**	43	82
18.2	17.4	19.1	**16**	13	31
22.4	22.0	22.6	**23**	21	42
33.5	37.6	36.7	**42**	42	82
33.8	36.6	37.5	**39**	37	76
26.6	25.2	23.8	**20**	15	29
8.8	13.3	15.2	**1**	5	14
30.9	31.7	32.5	**23**	20	39
15.7	13.7	17.4	**6**	1	10
4.3	1.6	6.3	**(37)**	(37)	(69)
(30.2)	(59.3)	(52.6)	**(16)**	(17)	(37)
16.7	15.0	15.6	**(4)**	(4)	(7)
22.0	21.9	19.7	**104**	88	150
29.3	24.6	24.2	**200**	120	252
(12.2)	(29.3)	(30.7)	**(61)**	(32)	(101)
(63.2)	–	–	**(35)**	–	(1)
44.0	42.5	40.5	**105**	116	212
26.3	29.0	28.7	**993**	1 067	2 070
–	–	–	**(6)**	(11)	(35)
–	–	–	**–**	462	466
–	–	–	**(972)**	(136)	(424)
27.4	30.5	30.0	**15**	1 382	2 077

ASSOCIATES, JOINT VENTURES AND DISCONTINUED OPERATIONS

R million	REVENUE Six months ended 31 December		Year ended 30 June	EBITDA Six months ended 31 December		Year ended 30 June
	2015	**2014**	**2015**	**2015**	**2014**	**2015**
GPI Slots	**468**	–	798	**115**	–	190
Avani Victoria Falls & Royal Livingstone	**123**	126	237	**32**	41	55
Avani Gaborone Hotel & Casino	**117**	106	208	**28**	28	52
Avani Windhoek Hotel & Casino	**69**	76	146	**15**	19	36
Royal Swazi and Ezulwini Sun (Swaziland)	**102**	90	173	**8**	5	8
Other	**86**	80	164	**30**	21	50

* *The results above reflect a full year's trading for each operation. The properties sold to Minor are accounted for as discontinued operations up to 30 November 2014 and equity accounted thereafter. GPI Slots is accounted for as an associate as from 1 January 2015.*

REVENUE SEGMENTAL ANALYSIS

Revenue by region and nature is set out below:

R million	GAMING			ROOMS		
	2015	**%**	**2014**	**2015**	**%**	**2014**
South Africa*	**3 575**	1	3 552	**423**	8	393
Nigeria	**51**	6	48	**31**	11	28
Latam	**952**	29	739	**9**	29	7
	4 578	6	4 339	**463**	8	428

* *Includes Management activities and Central office and other eliminations.*

South Africa continues to contribute the majority of group revenue, being 80% of total revenue, with gaming revenue still the primary contributor to the group at 78% (2014: 82%). Insourcing of the food and beverage operations has resulted in food and beverage now contributing more revenue to the group than hotel rooms. Latam's share of group revenue increased with the strong growth in Monticello's revenue and a full period of trading at the Ocean Sun Casino in Panama and the Sun Nao Casino in Colombia. Latam will continue to grow relative to the rest of the business and post the merger with Dreams is anticipated to contribute around 30 – 35% of group revenue.

EBITDA MARGIN (%)			OPERATING PROFIT		
Six months ended 31 December		Year ended 30 June	Six months ended 31 December		Year ended 30 June
2015	**2014**	**2015**	**2015**	**2014**	**2015**
24.6	–	23.8	**77**	–	124
26.0	32.5	23.2	**19**	28	30
23.9	26.4	25.0	**21**	21	40
21.7	25.0	24.7	**3**	7	12
7.8	5.6	4.6	**6**	3	3
34.9	26.3	30.5	**25**	15	39

F & B			OTHER			TOTAL		
2015	**%**	**2014**	**2015**	**%**	**2014**	**2015**	**%**	**2014**
423	91	221	**226**	16	194	**4 647**	7	4 360
27	4	26	**5**	–	5	**114**	7	107
100	59	63	**15**	7	14	**1 076**	31	823
550	77	310	**246**	15	213	**5 837**	10	5 290

OPERATIONAL REVIEW

South African properties

As a result of the insourcing of food and beverage operations most South African properties are reflecting good growth in revenue. The food and beverage operations are, however, in their start-up phase and, as anticipated, the additional revenue has not yet translated into EBITDA growth. As this new business unit consolidates and settles down it should contribute to profit in the year ahead, albeit at margins below the core gaming business. As regards the gaming business, the past year has been one in which the new gaming system (EGS) has been fully operational and we have implemented a policy of granting "free play" to our targeted customers. This has the effect of increasing handle and reducing the win percentage on slots, which has improved the odds for our customers, but has yet been unable to counter the negative effect of the economic slow-down.

GrandWest revenue was up 2.4%, with gaming revenue down 0.1%, partly reflecting a higher base in the prior period as well as a reduction in play in the Privé. Revenue from the main casino floor was up 5%. Despite the lower gaming revenues and inflationary cost increases, cost saving initiatives contained the decrease in EBITDA to 3% (R455 million).

Sun City revenue includes the new international VIP business. This business commenced in June 2015 and although it has achieved good volumes to date, it has only generated revenue of R12 million due to a significantly lower win than the theoretical win percentage, indicating reasonable upside potential in the future. The nature of this business is volatile with revenue of R23 million recorded last year and an R11 million loss in the current period. We are confident that the business can grow and are encouraged by the positive feedback we have received on Sun City and South Africa as a gaming destination. We are focused on increasing the volume of play which should reduce volatility and generate results closer to the theoretical win. As this business initiative becomes more meaningful, we will start to report on it separately in order to avoid distorting Sun City's results.

Excluding VIP, Sun City revenues were 7.5% up at R766 million, driven by a 40% increase in food and beverage revenue. Casino and rooms revenue were down 1.9% and 1.8%, respectively. The decrease in casino revenue is primarily attributed to a lower hold on both tables and slots. Rooms revenue from the local South African market was marginally down on last year and although international rooms revenue was up, the growth would have been greater were it not for the visa restrictions which have curtailed international tourism despite the weaker Rand. With the revenue growth coming from the low margin food and beverage operations, EBITDA was 20% down on last year at R76 million. The ongoing significant refurbishment of Sun City will continue to cause some disruption to business, in particular during calendar 2016 as the Entertainment & Conference Centre undergoes its makeover. Contingency plans are in place to reduce the disruption to a minimum.

For the period under review we achieved R70 million in sales (revenue recognised over 10 years) of Vacation Club phase 1 units at a selling cost of R21.7 million. The unsold inventory is rented out achieving revenue of R29.7 million for the period. The timeshare is proving to be exceptionally popular, with occupancy of 79% for the period, and is becoming a key driver of results at Sun City.

Sibaya revenue at R602 million was 6.4% above last year but with casino revenue only up by 2.6%. EBITDA declined by 1% to R204 million as a result of the low casino revenue growth and property maintenance costs. Plans are being finalised to upgrade and add new features to the property in order to ensure that it remains relevant to its market.

Carnival City revenue was 2.6% ahead of last year at R561 million while gaming revenue declined by 1.0%, with slots revenue down 5.8% and tables up 26.4% on last year as a result of a refresh of the tables offering. Casino revenue in the last quarter was up 4% which is encouraging. EBITDA was 8.9% lower than prior year, mainly due to the lower slots revenue and cost pressures. A number of initiatives have been launched to refresh the property and increase footfall.

The Gauteng MEC for Economic Development recently provided notice of his intention to increase the provincial gaming taxes from the current 9% flat rate to a sliding scale tax structure. The proposed increase would result in a significant increase in gaming taxes in Gauteng. The industry together with the Casino Association of South Africa is in the process of objecting to the increase.

Boardwalk revenue of R308 million was 9.2% up on last year with the increase being achieved in food and beverage, rooms and conferencing, offsetting a significant decline of 4.2% in casino revenue. Casino revenue was impacted by the weak local economic environment and in particular by a new Electronic Bingo Terminal (EBT) operation opening and another one being expanded within the Boardwalk's catchment area. The low casino revenue growth and cost pressures resulted in EBITDA declining 23% to R66 million. Despite the obvious significant negative impact of EBTs the Provincial regulator, notwithstanding our objections, intends allowing additional EBT outlets in the Boardwalk's catchment area.

The Table Bay Hotel achieved revenue growth of 20.2% to R143 million. The hotel benefited from the weak Rand and traditional source markets but there is still room for improvement from emerging source markets if the visa restrictions are eased. Occupancy increased 6.1% to 68.8% and the average daily rate was up 11%. EBITDA increased by 26.7% to R38 million and the EBITDA margin improved 1.4% to 26.6%.

The Maslow occupancy increased 6.5% to 67.9% and the room rate increased 5.3% to R1 154. Despite a reasonable and improving operational performance the property does not yet cover its straight line lease commitment.

Nigerian property

The Federal Palace revenue was up 4.2% to N1 611 million (R114 million) on last year. There are various challenges currently facing the Nigerian economy such as the low oil price, Boko Haram and a weakening Naira and it has still not recovered from the significant impact that the Ebola epidemic had on the business last year. Occupancy at 47.1% was 1.4% below last year with the average room rate at N37 116 (R2 789) up 11.7%. Through a continued focus on costs EBITDA was 10.4% up on last year. We continue to face challenges in operating in Nigeria as further articulated below.

Latam

Monticello revenue was up 8% in local currency to Clp 45.4 billion (up 16% in Rand) with casino revenue up 6.3% to Clp 40 billion (R803 million). The property has now fully recovered from the impact of the 2013 smoking ban. EBITDA was up 27.7% to CLP13.4 billion (R267 million) with the abnormal increase being as a result of the management contract not being renewed this year due to the Dreams merger. Excluding the impact of the management fees EBITDA was only up 4.4% with the low increase attributed to higher marketing spend and higher energy costs which in Chile are priced in US Dollars.

Ocean Sun Casino revenue at US$10.5 million compares to revenue of US$3.8 million earned in 3.5 months last year and reflects the ongoing ramp up of the property. The casino has established itself as the top casino in the city. EBITDA for the period was still a loss of US$1.3 million compared to last year's loss of US$1.1 million and steps are being taken to restructure and improve profitability. The volumes on the main gaming floor remain disappointing but the property continues to gain traction in the international VIP market which contributed US$4 million in revenue.

We continue to invest heavily in marketing and promotional activities to gain share in the local market as well as to grow the international VIP business. The property is currently overly reliant on VIP business which is volatile and has associated risks such as credit collection.

Sun Nao Casino has traded behind expectation achieving revenue of COP4.3 billion (R19 million). The Nao Shopping Centre within which the casino is situated is currently only 75% let and the adjacent Intercontinental Hotel has not been fully completed with only 160 of its intended 284 rooms being available as at 31 December 2015. The EBITDA for the period was a loss of COP2.7 billion (R12 million). In order to improve revenues a VIP programme has been launched, targeting customers from neighbouring countries and the USA where there are regular direct flights to Cartagena. Once the mixed-use precinct is fully complete it will be easier to assess the performance of the property, which was always intended to be a low risk entry to establish the potential for larger projects in Colombia.

MANAGEMENT ACTIVITIES

Management fees at R246 million were 17% lower than last year due to fees no longer being received from Monticello and a reduction in fees from the African properties that were disposed of to the Minor Group on 30 November 2014. The reduction in management fees was partially offset by project fees charged on the Menlyn Maine project. Lower revenue offset by savings in operating costs resulted in EBITDA only being 7.0% behind last year.

Associates, joint ventures and discontinued operations

With effect from 1 December 2014 the group's remaining interests in its Namibia, Botswana and Lesotho operations have been accounted for as associates and the Zambian operation as a joint venture. Other than the Royal Livingstone the properties sold to Minor are now trading under the Avani brand. Swaziland continues to be disclosed as a discontinued operation awaiting finalisation of the sale to Minor which is still delayed pending approval by the Swaziland authorities. The 25.1% interest in GPI Slots has been accounted for as an associate with effect from 1 January 2015, and once the acquisition of the additional 25% interest is approved by the regulators it will be consolidated.

The Royal Livingstone and Avani Victoria Falls revenue was down 2% to R123 million. Occupancy for the period was down 4.7% to 45.4%, while the average daily rate was up 9% to R2 126. As a result of the lower revenues EBITDA was down 22% to R32 million.

GPI Slots

The group equity accounted R11 million in earnings from GPI Slots for the period and received R4.2 million in interest on its shareholder loan. The group acquired its 25.1% interest on 1 January 2015 so consequently there are no earnings included in the previous year. Revenue for the period and EBITDA were up 18.4% and 23% respectively with good growth coming from all regions.

FINANCIAL POSITION

The group's borrowings at 31 December 2015 amounted to R10.0 billion which is R1.3 billion above 30 June 2015. The increase in borrowings is largely due to:

- expenditure on Menlyn Maine (R262 million) and the Sun City projects (R307 million);
- losses on the group's Dollar-denominated debt which was converted to Rand during the period;
- increases in SFI Resorts and Tourist Company of Nigeria's debt on translation of their balance sheets due to the weak Rand (R366 million).

R million	31 December		30 June
	2015	**2014**	**2015**
SFI Resorts (Monticello)	**1 454**	1 565	1 406
SunWest (GrandWest and Table Bay)	**971**	873	843
Afrisun Gauteng (Carnival City)	**586**	587	586
Tourist Company of Nigeria (Federal Palace)	**573**	406	441
Emfuleni (Boardwalk and Fish River Sun)	**572**	649	592
Afrisun KZN (Sibaya)	**367**	339	330
Transkei Sun (Wild Coast Sun)	**331**	325	334
Mangaung (Windmill)	**125**	124	116
Meropa	**120**	113	111
Teemane (Flamingo)	**87**	85	76
Worcester (Golden Valley)	**15**	146	137
Central Office	**4 818**	3 673	3 746
	10 019	8 849	8 718
Dinokana	**–**	522	–
	10 019	9 371	8 718

Included in Central Office debt is the funding raised in South Africa for the following offshore entities:

R million	31 December		30 June
	2015	**2014**	**2015**
SFI Resorts (Monticello)	**339**	289	307
Ocean Club Inc (Ocean Sun Casino)	**1 481**	1 039	1 114
Sun Casinos Colombia (Sun Nao Casino)	**264**	75	202
	2 084	1 403	1 623

In prior years these were disclosed separately as part of the debt for the entities; however, on conclusion of the Dreams transaction the debt will remain in South Africa and has consequently been reallocated to Central Office at 31 December 2015.

Capital expenditure incurred during the year

R million	
Expansionary	
Sun Nao Casino, Colombia	54
Sun City	59
Menlyn Maine	262
Windmill	4
	379
Refurbishment:	
Sun City	248
Sibaya	7
Carnival City	4
Other refurbishments	10
	269
Other ongoing asset replacement*	**338**
Enterprise Resource Planning	**23**
Total capital expenditure	**1 009**

* *Ongoing asset replacement relates primarily to the replacement of gaming and IT equipment*

Project capital expenditure

The table below sets out the capital expenditure on major projects and the expected timing thereof:

R million	Project budget	Spend to date	Forecast to 30 June 2016	2017	2018
Sun Nao Casino, Colombia	**331**	**260**	–		
Sun City	**619**	**191**	228	200	
Menlyn Maine	**4 000**	**302**	921	1 996	781
Enterprise Resource Planning System	**162**	**150**	12		
	5 112	**903**	1 161	2 196	781

ACCOUNTING POLICIES

The condensed consolidated financial information for the six months ended 31 December 2015 has been prepared in accordance with the requirements of the JSE Limited Listings Requirements and the South African Companies Act No 71 of 2008. The Listings Requirements require provisional reports to be prepared in accordance with the framework concepts, the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and must also, as a minimum, contain the information required by IAS 34 "Interim Financial Reporting". The accounting policies applied are consistent with those adopted in the financial statements for the year ended 30 June 2015.

UPDATE ON STRATEGIC INITIATIVES

Initiatives to improve operational performance

The past three years have been a period of significant change in the operations of the business. The major initiatives are now largely bedded down, all major system changes have been successfully implemented (including the new Enterprise Resource Planning system) and the next phase revolves around extracting efficiencies from them.

The VIP gaming initiative will continue to ramp up in the year ahead and is expected to start generating a more meaningful contribution to profitability. There is potential to grow this business into other regions and in this regard we have started discussions with the Western Cape Gambling Board and the Gauteng Gambling Board regarding tax concessions required in order for the International VIP programme to be viable.

The insourcing of food and beverage operations across the South African operations (which commenced in April 2015) is now largely complete with the opening of a number of restaurants and fast food outlets at Sun City just before the Nedbank Golf Challenge. The focus to date has been on building the respective food and beverage teams at our various properties, the defining of organisational structures, alignment of job titles and job descriptions. We are now well placed to achieve our objective of improving our food and beverage offering and guest experience. The focus will shift to achieving operational efficiencies and cost control which we expect will lead to growth in margins.

Protect and leverage our existing asset portfolio

Sun City

The refurbishment of the Cabanas Hotel and the Valley of the Waves extension and upgrade were completed during 2015 together with a number of new restaurants and fast food outlets. The major refurbishment of the Entertainment and Conference Centre (EC) has commenced and will be complete by November 2016. It is anticipated to cost in the region of R350 million and once complete will re-establish Sun City as the premier conferencing destination in South Africa. It is anticipated that the increased conferencing business will improve mid-week occupancies and help balance the current intra week peaks and troughs.

The sales of Phase One Vacation Club units continue to do well with total sales since launch amounting to R312 million (R70 million in current period), representing 37% of the inventory available. Total expected proceeds for Phase One are estimated at R850 million which at a 70% margin will contribute approximately R595 million in cash flow to Sun City. We have started early bird offers for extension of the period for the Phase Two Vacation Club units, which only have three years left to run. Total sales proceeds for Phase Two for 10-year memberships is estimated at R480 million which at a 70% margin will raise approximately R336 million in cash flow for Sun City. The net proceeds from the Vacation Club sales will fund the bulk of the cost of renovating Sun City and as we are only selling 10 year memberships the units can be sold again at end of the term with minimum capital expenditure required.

Disposal of the group's African portfolio to Minor

The disposal of 80% of our interest in the Swaziland operations is still waiting the approval of the King of Swaziland. We are currently in discussions with Minor to dispose of the remaining interests we hold in the African portfolio with the exception of Nigeria.

Tourist Company of Nigeria – Federal Palace

The feud between the Ibru family (49% shareholders) continues to hamper strategic decisions and our management has recently been the subject of harassment and detention by the Nigerian authorities. Following the detention of certain of our employees the Economic and Financial Crimes Commission (EFCC) requested extensive information on the company's affairs, which we are currently providing to them. No charges have been laid against the company or our employees. Against this background we are considering all our options on how best to protect our employees and the group's investment in Nigeria. The book value of the investment and loan is currently R536 million.

Expansion of the Boardwalk

We have applied to the Eastern Cape Gambling and Betting Board to further develop the land at the Boardwalk with the addition of a large high-end shopping complex. In return we have requested a 20-year extension of the casino licence. The public hearings are set for 3 March 2016. If successful in our application we believe that the longer term future of the casino will be secured and that the shopping centre will generate increased footfall to help compensate for the loss of business to the EBT outlets.

Initiatives to grow our business into new areas and new products

South Africa

Grand Slots (GPI Slots)

The group exercised its option to acquire a further 25% interest in GPI Slots on 1 July 2015. The acquisition is still subject to certain gaming board approvals which are expected in the first quarter of 2016. The total purchase consideration will be R328 million including shareholder loans of R63 million. The purchase price equates to a 7.5 EBITDA multiple with the EBITDA for the current period growing at 23%. Once acquired the group will hold a 50.1% interest in GPI Slots which will then be consolidated. The third and last acquisition tranche for a further 20% will be effective 1 July 2016 subject to the relevant approvals.

Acquisition of Peermont

In December 2015 the Competition Commission recommended to the Competition Tribunal that Sun International's acquisition of Peermont (Proposed Transaction) be prohibited. The Tribunal hearing of the matter is scheduled to run on selected dates during June 2016. The approval of the Tribunal is a condition precedent to the Proposed Transaction which must be fulfilled by 31 March 2016 (Long Stop Date). Given the timing of the Tribunal hearings it is impossible for the condition precedent to be met by the Long Stop Date. As a consequence, it is anticipated that the transaction will terminate on the Long Stop Date and the relevant parties are in the process of negotiating to cash settle the Menlyn Maine note for R675 million on 30 April 2016 in settlement of all claims.

Time Square
Bulk earthworks and lateral support construction are well advanced for the new Time Square casino and entertainment centre at Menlyn in Pretoria. The super basement construction is progressing well and the architectural planning of the interiors is finalised. During November 2015, the Gauteng Gambling Board approved the group's change request for the project which included the following:

- Increased footprint through acquisition of adjacent land;
- Increase in the hotel from 110 to 245 rooms to create the top hotel in Tshwane;
- Increase in basement parking bays from 1 986 to 3 740 bays;
- Relocation of the arena from on top of the casino to the new land adjacent to the casino.

The casino remains unchanged from the originally approved plans but the changes to the other aspects of the development will significantly improve the overall project from both a guest experience as well as from an operational point of view and will result in incremental revenue. The increase in project scope and the cost of the additional land have resulted in the project budget increasing from R3 billion to R4 billion. The new layout enables the construction of the casino to be fast-tracked and an earlier opening will help offset the incremental cost. The returns on the project remain well above the group's cost of capital.

Latam

Proposed merger of the group's Latam assets with Dreams S.A. (Dreams)
The relevant submissions have been made to the gaming regulators in the respective jurisdictions. We are expecting to receive approval for the transaction before the end of the 2016 financial year. Long term funding for the transaction and the merged entity has been secured in Chile on a non-recourse basis to the group's South African balance sheet. Once complete we will be able to move forward with a number of new initiatives planned for the region. The municipal licences in Chile are expected to come up for renewal during 2016 and this provides an opportunity to bid for new licences as well as a need to renew the two municipal licences that exist within our portfolio.

DIRECTORATE AND CHANGES TO THE BOARD
The Board is pleased to announce the appointment of Mr David Ramakhathela Mokhobo (Khati) as an executive director to the board with effect from 19 February 2016. Khati Mokhobo joined Sun International in 2005 as Director: New Business Development to oversee the group's expansion in new casino licences and other properties outside of South Africa. He was one of the founding members of the auditing and forensic services firm, Gobodo Incorporated, a role in which he consulted extensively over a seven year period with the various gambling boards, including a period during which he served as acting chief executive of the Gauteng Gambling Board. In 2013 Khati was appointed as Director of Special Projects and has been instrumental in overseeing the Menlyn Maine project development. His experiences and in-depth knowledge of our business will be of significant value to the group.

OUTLOOK
The challenges facing the global economy and the uncertainty regarding the Chinese economy continue to have a major impact on emerging market commodity based countries such as South Africa and Chile. The South African economy is not only dealing with the global challenges but is being further impacted by the uncertain political and social challenges facing the country. Against this background, in particular a loss of business and consumer confidence, we expect subdued trading in the

group's core casino business. In contrast we expect the hotel side to continue to do well given the weak currency and the changes being made to visa requirements for foreign travellers. The short term outlook for Chile remains for lower growth than in recent years; however, the gaming industry continues to grow and consequently we expect Monticello to achieve reasonable results. 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. With steps being taken to restructure Panama and to grow the international VIP business we anticipate an improved performance in the second half of the year.

We anticipate that the Dreams merger will be completed by the end of the 2016 financial year, which will have a significant impact on the group's reported results. As it is largely a merger of equals with Sun International buying up an additional 5% we do not expect a significant impact on adjusted headline earnings in the short term. It does, however, diversify the earnings base of the group and brings a number of expansion opportunities which will be considered in due course.

Through the improved performance of 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 in the second half of the financial year.

The forward looking information above has not been reviewed or reported on by the company's auditors.

For and on behalf of the board

MV Moosa
Chairman

GE Stephens
Chief Executive

Registered Office:

6 Sandown Valley Crescent, Sandown, Sandton 2196

Sponsor:

Rand Merchant Bank (a division of FirstRand Bank Limited)

Transfer secretaries:

Computershare Investor Services (Pty) Ltd, 70 Marshall Street, Johannesburg 2001

The profit announcement was prepared under the supervision of the CFO, AM Leeming; BCom, BAcc, CA (SA).

Directors:

MV Moosa (Chairman), IN Matthews (Lead Independent Director), GE Stephens (Chief Executive)*, PD Bacon (British), ZBM Bassa, EAMMG Cibie, AM Leeming (Chief Financial Officer)*, PL Campher, Dr NN Gwagwa, BLM Makgabo-Fiskerstrand, LM Mojela, GR Rosenthal

* *Executive*

Group Secretary

CA Reddiar
22 February 2016

DECLARATION OF INTERIM CASH DIVIDEND

Notice is hereby given that a gross interim cash dividend of 90 cents per share (76.5 cents net of dividend withholding tax) for the six months ended 31 December 2015 has been declared, payable to shareholders recorded in the register of the company at the close of business on the record date appearing below. This dividend has been declared out of income reserves. The number of ordinary shares in issue at the date of this declaration is 109 086 988 including 4 953 134 treasury shares. The salient dates applicable to the interim dividend are as follows:

	2016
Last day to trade *cum* interim cash dividend	**Friday, 11 March**
First day to trade *ex* interim cash dividend	**Monday, 14 March**
Record date	**Friday, 18 March**
Payment date	**Tuesday, 22 March**

No share certificates may be dematerialised or rematerialised between Monday, 14 March 2016 and Friday, 18 March 2016, both days inclusive. Dividend cheques will be posted and electronic payments made, where applicable, to certificated shareholders on the payment date. Dematerialised shareholders will have their accounts with their Central Securities Depository Participant or broker credited on the payment date.

Sun International Limited's tax reference number is: 9875/186/71/1.

By order of the board

CA Reddiar
Group Secretary

19 February 2016

Registration Number: 1967/007528/06
Share Code: SUI
ISIN: ZAE 000097580