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

REVIEWED CONDENSED CONSOLIDATED FINANCIAL RESULTS
for the year ended 31 December 2017

REVIEW CONCLUSION

These condensed consolidated financial statements for the year ended 31 December 2017 have been reviewed by PricewaterhouseCoopers Inc., who expressed an unmodified review conclusion. A copy of the auditor's review report is available for inspection at the company's registered office together with the financial statements identified in the auditor's report.

ACCOUNTING POLICY

The condensed consolidated financial information for the year ended 31 December 2017 has been prepared in accordance with the requirements of the JSE Limited Listings Requirements and the South African Companies Act No 71 of 2008. The Listings Requirements require provisional reports to be prepared in accordance with the framework concepts, the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and must also, as a minimum, contain the information required by IAS 34 "Interim Financial Reporting". The accounting policies applied are consistent with those adopted in the financial statements for the year ended 31 December 2016.

CONDENSED GROUP STATEMENTS OF COMPREHENSIVE INCOME

R million	Reviewed Year ended 31 December 2017	Pro forma Year ended 31 December 2016	Restated Year ended 6 months 31 December 2016
Revenue	15 609	13 884	7 700
Other income	-	18	-
Consumables and services	(1 678)	(1 669)	(920)
Depreciation and amortisation	(1 705)	(1 388)	(788)
Employee costs	(3 023)	(2 712)	(1 474)
Impairment of assets	(92)	(269)	(269)
Levies and VAT on casino revenue	(3 157)	(2 672)	(1 431)
LPM site owners commission	(299)	(212)	(146)
Promotional and marketing costs	(1 071)	(826)	(485)
Property and equipment rentals	(215)	(239)	(117)
Property costs	(733)	(771)	(380)
Monticello purchase price differential	-	(48)	-
Other operational costs	(1 705)	(1 328)	(813)
Operating profit	1 931	1 768	877
Foreign exchange losses	(115)	(563)	(82)
Interest income	34	33	20
Interest expense	(1 094)	(949)	(542)
Fair value adjustment to put liability	(223)	247	247
Share of profit of investments accounted for using the equity method	2	6	1
Profit before tax	535	542	521
Tax	(497)	(480)	(256)
Profit for the period from continuing operations	38	62	265
Loss for the period from discontinued operations	(50)	(24)	(51)
(Loss)/profit for the year	(12)	38	214
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of post employment benefit obligations	51	4	-
Tax on remeasurements of post employment benefit obligations	(14)	-	-
Net loss on Time Square hedge	66	(1)	-
Items that may be reclassified to profit or loss			
Net loss on cash flow hedges	(27)	(72)	(50)
Currency translation reserve	(78)	(136)	(151)
Total comprehensive (loss)/profit for the period	(14)	(167)	13
Minorities	231	(98)	109
Ordinary shareholders	(243)	136	105
(Loss)/profit for the period	(12)	38	214
Minorities	209	(442)	(235)
Ordinary shareholders	(223)	275	248
Total comprehensive (loss)/profit for the period attributable to	(14)	(167)	13
Discontinued operations	(50)	(24)	(51)
Continuing operations	(173)	299	299
Total comprehensive (loss)/profit attributable to ordinary shareholders arising from	(223)	275	248

HEADLINE EARNINGS AND ADJUSTED HEADLINE EARNINGS RECONCILIATION

R million	Reviewed Year ended 31 December 2017	Pro forma** Year ended 31 December 2016	Restated Year ended 6 months 31 December 2016
(Loss)/profit attributable to ordinary shareholders	(243)	136	105
Net profit/(loss) on disposal of property, plant and equipment	13	12	(9)
Profit on disposal of shares in joint venture and subsidiaries	(27)	(18)	-
Fair value adjustment on investment held for sale	43	-	-
Impairment of assets	92	269	269
Tax (relief)/expense on the above items	(13)	5	(48)
Minorities' interests on the above items	(41)	(30)	(28)
Headline (loss)/earnings	(176)	374	289
Straight-line adjustment for rentals	20	21	10
Pre-opening expenses	48	19	4
Bid and transaction costs	43	37	4
Restructuring costs	43	48	-
Amortisation of Dreams intangible assets raised as part of the PPA	149	122	104
Fair value adjustment on put option liabilities	223	(247)	(247)
Interest on Time Square Note	22	43	43
Additional Goldrush payment	6	21	20
Foreign exchange losses on intercompany loans	27	547	80
Onerous contract - Colombia	50	-	-
Provision for remaining license conditions - Fish River	20	-	-
Fair value of debenture	6	-	-
Reversal of Employee Share Trust consolidation(i)	6	5	3
Other	18	8	(7)
Tax (relief)/expense on the above items	(89)	(10)	42
Minorities' interests on the above items	(106)	(464)	(113)
Adjusted headline earnings	310	524	232

(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.

	Reviewed Year ended 31 December 2017 Cents per share	Pro forma** Year ended 31 December 2016 Cents per share	Restated Year ended 6 months 31 December 2016 Cents per share
(Loss)/earnings per share			
basic	(248)	139	107
diluted	(248)	139	107
Dividends per share	-	135	-
Diluted adjusted headline earnings per share	298	503	223

Pro forma information

** Shareholders are reminded that in terms of announcements released by the company on SENS on 22 August 2016 and 24 February 2017, Sun International has changed its financial year end from 30 June to 31 December, in order to align with its Chilean operations. Accordingly, the earnings per share ranges for the twelve month period from 1 January 2017 to 31 December 2017 are compared against the pro forma results for the prior corresponding period from 1 January 2016 to 31 December 2016. The group pro forma income statement was derived by deducting the unaudited, published results for the six months ended 31 December 2015 from the audited results for the year June 2016, to get to six months ended 30 June 2016 figures. The audited six months ended 31 December 2016 results were added to the six months ended 30 June 2016 to derive the pro forma results for the year ended 31 December 2016. Where information reported in published results for the six months ended 31 December 2015 was not appropriately disaggregated, the pro forma comparative information for the six months ended 30 June 2016 included in the published results for the six months ended 30 June 2017 was utilised as the results for the six months ended 30 June 2016. An assurance report issued in respect of the pro forma financial information by the group's external auditor, is available at the registered office of the company.

Correction of Dreams PPA

Subsequent to the audited 30 June 2016 comparable balance sheet, but before the expiry of the measurement period on 31 May 2017 (one year from the acquisition date), new information was obtained about the assets and liabilities acquired that was in existence at the acquisition date. Adjustments to the provisional amounts, and the recognition of newly identified assets and liabilities, must be made within the measurement period where they reflect new information obtained about facts and circumstances that were in existence at the acquisition date [IFRS 3.45]. An amount of R235 million relating to the non-controlling reserve was in error allocated to minorities in the provisional PPA workings. This has been corrected by restating the opening balances of minorities' interest and the reserve for non-controlling interest.

CONDENSED GROUP STATEMENTS OF FINANCIAL POSITION

R million	Reviewed at 31 December 2017	Restated at 31 December 2016	Restated at 30 June 2016
Non-current assets			
Property, plant and equipment	18 196	17 329	16 942
Intangible assets	2 695	2 987	3 279
Equity accounted investments	18	16	15
Available-for-sale investment	-	48	48
Loans and receivables	214	24	23
Pension fund asset	32	33	36
Deferred tax	912	863	350
	22 067	21 300	20 693
Current assets			
Accounts receivable and other	1 503	1 472	2 073
Cash and cash equivalents	696	1 123	1 301
	2 199	2 595	3 374
Non-current assets held for sale	170	170	170
Total assets	24 436	24 065	24 237
Capital and reserves			
Ordinary shareholders' equity before put option reserve	2 058	2 379	3 070
Put option reserve	(4 651)	(4 651)	(5 252)
Ordinary shareholders' equity	(2 593)	(2 272)	(2 182)
Minorities' interests	2 899	2 936	3 436
	306	664	1 254
Non-current liabilities			
Deferred tax	950	820	343
Borrowings	11 735	10 731	9 980
Other non-current liabilities	1 009	916	876
Put option liability	4 838	4 651	5 252
	18 532	17 118	16 451
Current liabilities			
Accounts payable and other	2 206	2 451	2 402
Borrowings	3 259	3 786	4 082
	5 465	6 237	6 484
Non-current liabilities held for sale	133	46	48
Total liabilities	24 130	23 401	22 983
Total equity and liabilities	24 436	24 065	24 237

GROUP STATEMENT OF CHANGES IN EQUITY
for the period ended 31 December 2017

R million	Share capital and premium	Treasury shares and share options	Foreign currency translation reserve	Share based payment reserve	Available-for-sale reserve	Reserve for non-controlling interests	Hedging and other reserve	Retained earnings	Ordinary share-holders' equity before put option reserve	Put option reserve	Ordinary share-holders' equity	Minorities' interests	Total equity
Reviewed													
FOR THE YEAR ENDED 31 DECEMBER 2017													
Balance at 31 December 2016	295	(604)	165	116	4	(2 411)	(54)	4 502	2 013	(4 651)	(2 638)	3 171	533
Correction of PPA misallocation	-	-	-	-	-	235	-	-	235	-	235	(235)	-
Dreams merger PPA finalisation adjustment	-	-	-	-	-	131	-	-	131	-	131	-	131
	295	(604)	165	116	4	(2 045)	(54)	4 502	2 379	(4 651)	(2 272)	2 936	664
Total comprehensive income for the year	-	-	(39)	-	-	-	59	(243)	(223)	-	(223)	209	(14)
Treasury share options purchased	-	(11)	-	-	-	-	-	-	(11)	-	(11)	-	(11)
Employee share schemes	-	27	-	(27)	-	-	-	1	1	-	1	-	1
Time Square SPV	-	-	-	-	-	(84)	-	-	(84)	-	(84)	84	-
Fair value adjustment on investment held for sale	-	-	-	-	(4)	-	-	-	(4)	-	(4)	-	(4)
Disposal of interest in Botswana, Namibia and Lesotho	-	-	-	-	-	(257)	-	257	-	-	-	-	-
Release of share option reserve	-	164	-	-	-	-	-	(164)	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	(330)	(330)
Balance at 31 December 2017	295	(424)	126	89	-	(2 386)	5	4 353	2 058	(4 651)	(2 593)	2 899	306
Pro forma													
FOR THE YEAR ENDED 31 DECEMBER 2016													
Balance at 31 December 2015	295	(590)	340	118	4	(3 136)	1	4 825	1 857	-	1 857	434	2 291
Total comprehensive income for the year	-	-	180	-	-	-	(55)	150	275	-	275	(442)	(167)
Treasury share options purchased	-	1	-	-	-	-	-	-	1	-	1	-	1
Net deemed treasury shares sold	-	(54)	-	-	-	-	-	-	(54)	-	(54)	-	(54)
Employee share schemes	-	39	-	(2)	-	-	-	-	37	-	37	-	37
Dreams merger transaction	-	-	(1)	-	-	304	-	-	303	-	303	3 451	3 754
Currency translation differences	-	-	(354)	-	-		-	-	(354)	354	-		-
SunWest option	-	-	-	-	-	-	-	14	14	(1 286)	(1 272)	-	(1 272)
Dreams option	-	-	-	-	-	-	-	(261)	(261)	(3 719)	(3 980)	-	(3 980)
Acquisition of minorities' interests	-	-	-	-	-	421	-	-	421	-	421	27	448
Dividends paid	-	-	-	-	-	-	-	(226)	(226)	-	(226)	(299)	(525)
Balance at 31 December 2016	295	(604)	165	116	4	(2 411)	(54)	4 502	2 013	(4 651)	(2 638)	3 171	533

R million	Share capital and premium	Treasury shares and share options	Foreign currency translation reserve	Share based payment reserve	Available-for-sale reserve	Reserve for non-controlling interests	Hedging and other reserve	Retained earnings	Ordinary share-holders' equity before put option reserve	Put option reserve	Ordinary share-holders' equity	Minorities' interests	Total equity
Restated													
FOR THE YEAR ENDED 31 DECEMBER 2016													
Balance at 30 June 2016	295	(598)	337	129	4	(2 228)	(15)	4 779	2 703	(5 252)	(2 549)	3 671	1 122
Total comprehensive income for the year	-	-	182	-	-	-	(39)	105	248	-	248	(235)	13
Net deemed treasury shares sold	-	(36)	-	-	-	-	-	-	(36)	-	(36)	-	(36)
Employee share schemes	-	30	-	(13)	-	-	-	-	17	-	17	-	17
Increase in SunWest option	-	-	-	-	-	-	-	14	14	(14)	-	-	-
Decrease in Dreams option	-	-	-	-	-	-	-	(261)	(261)	261	-	-	-
Currency translation differences	-	-	(354)	-	-	-	-	-	(354)	354	-	-	-
Acquisition of minorities' interests	-	-	-	-	-	(183)	-	-	(183)	-	(183)	(79)	(262)
Dividends paid	-	-	-	-	-	-	-	(135)	(135)	-	(135)	(186)	(321)
Balance at 31 December 2016	295	(604)	165	116	4	(2 411)	(54)	4 502	2 013	(4 651)	(2 638)	3 171	533

SUPPLEMENTARY INFORMATION

R million	Reviewed Year ended 31 December 2017	Pro forma Year ended 31 December 2016	Restated Year ended 6 months 31 December 2016
EBITDA RECONCILIATION			
Operating profit	1 931	1 768	877
Depreciation and amortisation	1 705	1 388	788
Net loss/(profit) on disposal of property, plant and equipment*	13	12	(9)
Straightline adjustment for rentals*	20	21	10
Impairment of assets*	92	269	269
Pre-opening expenses*	48	19	4
Transaction costs*	43	37	4
Onerous lease provision	50	-	-
Restructuring cost	43	48	-
Provision for Fish River licensing conditions	20	-	-
Profit on disposal of shares in associates*	(27)	(18)	-
Fair value adjustment on investment held for sale	43	-	-
Additional Goldrush payment*	6	21	20
Other*	38	12	(11)
Reversal of Employee Share Trust consolidation(i)	6	5	3
EBITDA	4 031	3 582	1 955
EBITDA margin (%)	26	26	25
Number of shares ('000)			
- in issue after excluding deemed treasury shares	98 000	97 903	97 903
- for HEPS calculation	97 850	97 925	97 925
- for diluted EPS calculation	97 850	97 932	97 932
- for adjusted headline EPS calculation(i)	104 132	104 140	104 140
- for diluted adjusted headline EPS calculation(i)	104 132	104 147	104 147
(Loss)/earnings per share (cents)			
- basic (loss)/earnings per share	(248)	139	107
- headline (loss)/earnings per share	(180)	382	295
- adjusted headline earnings per share	298	503	223
- diluted basic (loss)/earnings per share	(248)	139	107
- diluted headline (loss)/earnings per share	(180)	382	295
- diluted adjusted headline earnings per share	298	503	223
Continued - (loss)/earnings per share (cents)			
- basic (loss)/earnings per share	(197)	163	103
- headline (loss)/earnings per share	(129)	406	291
- adjusted headline earnings per share	346	526	219
- diluted basic (loss)/earnings per share	(197)	163	103
- diluted headline (loss)/earnings per share	(129)	406	291
- diluted adjusted headline earnings per share	346	528	219

R million	Reviewed Year ended 31 December 2017	Pro forma Year ended 31 December 2016	Restated Year ended 6 months 31 December 2016
Discontinued - (loss)/earnings per share (cents)			
- basic (loss)/earnings per share	(51)	(24)	4
- headline (loss)/earnings per share	(51)	(24)	4
- adjusted headline (loss)/earnings per share	(48)	(23)	4
- diluted basic (loss)/earnings per share	(51)	(24)	4
- diluted headline (loss)/earnings per share	(51)	(24)	4
- diluted adjusted headline (loss)/earnings per share	(48)	(25)	4
TAX RATE RECONCILIATION			
Profit before tax	535	542	521
Share of associates' profits	(2)	14	(1)
Adjusted profit before tax	533	556	520
	%	%	%
Effective tax rate (excluding Time Square settlements)	93	86	49
Preference share dividends	(5)	(7)	(4)
Prior year over/(under) provisions	3	(1)	1
Withholding taxes	1	1	-
Foreign tax rate variation	-	3	1
Exempt income	2	(2)	15
Exempt income - capital gains	2	28	-
Foreign monetary adjustments and government incentives	1	(24)	1
Monticello purchase price adjustment	-	(14)	-
Reversal of deferred tax assets	-	(4)	(20)
Capital and disallowed expenditure	(69)	(38)	(15)
	28	28	28
KEY METRICS			
EBITDA to interest (times)	3.3	3.9	3.6
Borrowings to EBITDA (times)	3.7	4.1	3.8
Net asset value per share (Rand)	18.86	21.45	21.45
Capital expenditure	2 591	3 747	2 218
Capital commitments	1 036	7 789	3 385

* Items identified above are included as headline and adjusted headline adjustments impacting operating profit in 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 FLOW

R million	Reviewed Year ended 31 December 2017	Restated Year ended 6 months 31 December 2016
Cash generated by operations before:	3 733	1 780
Vacation Club timeshare sales	158	83
Working capital changes	(136)	509
Cash generated by operations	3 755	2 372
Tax paid	(769)	(139)
Cash generated by operating activities	2 986	2 233
Purchase of property, plant and equipment	(2 558)	(2 185)
Purchase of intangible assets	(43)	(52)
Proceeds on disposal of PPE and intangibles	33	33
Proceeds on disposal of investment in joint venture	121	-
Loan and investment income	35	20
Net cash outflows from investing activities	(2 412)	(2 184)
Purchase of treasury shares and share options	(11)	(36)
Purchase of additional shareholding in subsidiaries	-	(262)
Dividends paid	(330)	(321)
Interest paid	(1 204)	(508)
Movement in other non-current liabilities	93	-
Movement in borrowings	487	994
Net cash outflow from financing activities	(965)	(133)
Effect of exchange rates upon cash and cash equivalents	(34)	(91)
Decrease in cash and cash equivalents	(425)	(175)
Cash and cash equivalents at beginning of the period	1 134	1 309
Cash and cash equivalents at end of the period	709	1 134
Assets held for sale	(13)	(11)
Cash and cash equivalents at end of the year excluding non-current assets held for sale	696	1 123

COMMENTARY

INTRODUCTION

Over the past few years, the Sun International group (group) has made significant investments including, developing the Ocean Sun Casino and the Sun Nao Casino in Latin America (Latam), refurbishing Sun City, developing Time Square and acquiring a 70% interest in Sun Slots. While the refurbishment of Sun City and the acquisition of Sun Slots have produced pleasing results, the other developments have fallen well short, increasing the group's debt levels and debt ratios significantly. Over this period, economic growth in South Africa and Latam has slowed, political uncertainty has increased and social challenges, particularly in South Africa, are at an all-time high. Together, this has pressured consumer discretionary spending and slowed gaming revenue growth.

Given the challenging environment and high debt levels, we have shifted our focus, realigned our strategy and are committed to getting the basics right and operating as efficiently and optimally as possible. At the same time, we are increasing our efforts to deliver outstanding service and creating lasting memories for our guests. Despite difficult trading conditions, our business has remained resilient, cash generative and is adapting to the ever-changing environment.

In this regard, we have taken action on loss making operations including the closure of the Fish River, Sun Nao Casino in Colombia and the International VIP Businesses in both South Africa and Panama, as well as downscaled the Ocean Sun Casino by closing the 66th floor casino and significantly reducing staff. We have applied to the Eastern Cape Gaming Board to restructure the Boardwalk and are in the process of addressing the performances of the Carousel and Naledi.

With the focus on getting back to basics and reducing costs, we have seen a significantly improved comparative operating result in South Africa in the second half of 2017. During this period, revenue and EBITDA for comparable operations were up 2% and 15% respectively on the prior year period following the first half decline of 1% and 9% in revenue and EBITDA respectively. Trading at our new property Time Square, that opened in April 2017, remains well below expectations.

BASIS FOR ACCOUNTING AND DISCLOSURE

Shareholders are reminded that in terms of announcements released by the company on SENS on 22 August 2016 and 24 February 2017, Sun International has changed its financial year end from 30 June to 31 December, in order to align with its Latam operations. Accordingly, the earnings per share ranges for the year ended 31 December 2017 are compared against the pro forma results for the prior corresponding year ended 31 December 2016. The group pro forma income statement was derived by deducting the unaudited, published results for the six months ended 31 December 2015 from the audited results for the year ended 30 June 2016, to get to the six months ended 30 June 2016 figures. The audited six months ended 31 December 2016 results were added to the six months ended 30 June 2016 to derive the pro forma results for the year ended 31 December 2016. Where information reported in published results for the six months ended 31 December 2015 was not appropriately disaggregated, the pro forma comparative information for the six months ended 30 June 2016, included in the published results for the six months ended 30 June 2017, was utilised as the results for the six months ended 30 June 2016. An assurance report issued in respect of the pro forma financial information by the group's external auditor, is available at the registered office of the company.

FINANCIAL OVERVIEW

The income statement below includes adjusted headline earnings adjustments.

R million	Year ended 31 December 2017	% movement	Pro forma 12 months 31 December 2016
Revenue	15 609	12	13 884
EBITDA	4 031	13	3 582
Adjusted operating profit	2 475	7	2 315
Foreign exchange loss	(82)	(332)	(19)
Net interest	(1 039)	(21)	(856)
Profit before tax	1 354	(6)	1 440
Tax	(597)	(28)	(468)
Profit after tax	757	(22)	972
Minorities	(397)	6	(423)
Attributable profit	360	(34)	549
Share of associates	2	(87)	15
Continued adjusted headline earnings	362	(36)	564
Discontinued operations	(52)	(30)	(40)
Adjusted headline earnings	310	(41)	524

For the year, group revenue increased by 12% to R15.6 billion, with the growth attributable to the inclusion of the results of Sun Dreams (from 1 June 2016), Sun Slots (from 1 April 2016) and Time Square (from 1 April 2017).

Revenue generated by the comparable South African operations (excluding alternative gaming, International VIP Business, Time Square and Morula) was flat when compared to the prior year. Sibaya, Sun City, Sun Slots and Table Bay produced encouraging results with growth in revenue and EBITDA.

The performance of the Latam operations has remained subdued. The Chilean operations, and in particular Monticello, were impacted by the shooting incident at half-year. Due to the continued underperformance of the Ocean Sun Casino, its operations have been scaled down and the International VIP Business closed while the Sun Nao Casino in Colombia, which has continued to incur losses, was closed in December 2017.

Group EBITDA increased by 13% from R3.6 billion to R4.0 billion. Through a focus on costs and efficiency, EBITDA generated on a comparable basis by the South African operations increased by 3%. Interest charges were well up on the prior year due to the inclusion of Sun Dreams for the full year and the borrowings relating to Time Square. Minorities' share of earnings has increased with the disposal of the 10% interest in SunWest and Golden Valley in April 2016 and the consolidation of Sun Dreams for the full year.

Adjusted headline earnings of R310 million are 41% below the prior year, with adjusted headline earnings per share down 41% to 298 cents.

HEADLINE AND ADJUSTED HEADLINE EARNINGS ADJUSTMENTS

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

Headline earnings adjustments include the following:
- profit on disposals of shares in subsidiaries of R27 million;
- impairment of assets of R92 million; and
- fair value adjustment on a held for sale investment of R43 million.

Adjusted headline earnings adjustments include the following:
- an onerous lease contract provision in Colombia of R50 million relating to the Sun Nao Casino;
- bid and transaction costs of R43 million relating to the Latam operations' municipal bids and Sun Dreams merger;
- restructuring costs of R43 million relating to Sun Nao Casino, Morula and Fish River closures;
- expensing of the remaining bid commitment of R20 million relating to the Fish River ;
- foreign exchange loss on intercompany loans of R27 million;
- pre-opening expenses of R48 million;
- interest of R22 million incurred up to the opening of the Time Square casino which related to the payment made to Peermont;
- the straightlining of the Maslow and head office building lease expense of R20 million;
- amortisation of R149 million of the Sun Dreams intangible assets raised as part of a purchase price adjustment;
- an increase in the value of the Sun Dreams and Tsogo put options of R223 million;
- tax on the above items of R102 million; and minorities' interest on the above items of R147 million.

DIVIDEND

Given the need to reduce the high debt levels, the board has decided not to declare a dividend for the year ended 31 December 2017.

REVENUE BY NATURE AND GEOGRAPHICAL SEGMENT

	South Africa		Latam		Nigeria		Group	
R million	2017	2016	2017	2016	2017	2016	2017	2016
Casinos	7 411	6 918	3 983	3 277	57	80	11 451	10 275
LPM	1 060	753	-	-	-	-	1 060	753
SunBet	49	40	-	-	-	-	49	40
Rooms	976	921	224	131	41	39	1 241	1 091
Food and Beverage	921	828	368	404	41	38	1 330	1 270
Other	465	434	9	15	4	6	478	455
Total operating segments	10 882	9 894	4 584	3 827	143	163	15 609	13 884
International VIP Business	4	135	-	-	-	-	4	135
Group operations	10 886	10 029	4 584	3 827	143	163	15 613	14 019

South Africa continues to contribute the majority of group revenue at 70%, with Latam contributing 29% and Nigeria 1%. Gaming is the primary contributor to group revenue at 73%, alternate gaming contributes 7%, food and beverage 9%, rooms 8% and other revenues 3%.

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

	Revenue		EBITDA		Operating profit	
R million	2017	2016	2017	2016	2017	2016
South Africa	10 882	9 894	2 926	2 622	1 926	1 784
Sun International comparable operations	8 908	8 888	2 495	2 411	1 739	1 630
Time Square (consolidated from 1 April 2017)	827	-	184	-	26	-
Sun Slots (consolidated from 1 April 2016)	1 060	753	249	182	166	123
Morula	38	213	(4)	29	(5)	34
SunBet	49	40	2	-	-	(3)
Latam	4 584	3 827	1 097	964	571	574
Nigeria	143	163	8	(4)	(22)	(43)
Total operating segments	15 609	13 884	4 031	3 582	2 475	2 315
Headline and adjusted headline earnings adjustments impacting operating profit	-	-	-	-	(544)	(547)
Unadjusted group operating profit	15 609	13 884	4 031	3 582	1 931	1 768

SEGMENTAL REVIEW

The implementation of strategic initiatives makes the current period difficult to analyse and therefore a segmental review with the full comparable trading of Sun Dreams and Sun Slots is provided. The review is based on actual historic performance as if the acquisitions had been implemented with effect from 1 January 2016. The segmental review throughout includes all headline and adjusted headline earnings adjustments.
The table below sets out the operating performance of the group's geographic segments

	South Africa		Latam		Nigeria		Group	
R million	2017	2016	2017	2016	2017	2016	2017	2016
Revenue	10 882	9 894	4 584	4 794	143	163	15 609	14 851
EBITDA	2 926	2 622	1 097	1 271	8	(4)	4 031	3 889
Adjusted operating profit	1 926	1 784	590	837	(19)	(38)	2 497	2 583
PPA adjustment	-	-	(19)	(14)	(3)	(5)	(22)	(19)
Operating profit after PPA	1 926	1 784	571	823	(22)	(43)	2 475	2 564

South Africa

On a comparable basis, revenue for the first half of 2017 decreased by 1% while revenue grew by 2% in the second half, resulting in revenue remaining flat for the year. Comparable EBITDA for the first half of the year was down 9%. However, through a focus on costs and efficiencies, EBITDA in the second half of the year was up 15%, resulting in an increase in EBITDA of 3% for the year.

The group's core casino operations continued to be impacted by the current economic climate in South Africa, with comparable casino revenue down 1% while the hospitality operations performed well with 6% growth in rooms revenue and food and beverage revenue improving by 4%.

The International VIP Business struggled to achieve the required volumes to mitigate against volatility and we experienced legal challenges in collecting outstanding debts. Consequently, we suspended the International VIP Business operations in April 2017.

South African segment review set out below

	Revenue			EBITDA			Operating profit		
R million	2017	%	2016	2017	%	2016	2017	%	2016
GrandWest	2 155	-	2 154	850	(2)	866	721	(2)	733
Sun City	1 831	7	1 708	318	58	201	115	>100	12
Vacation Club adjustment	(100)	26	(136)	(81)	28	(112)	(89)	25	(118)
Sibaya	1 269	10	1 157	439	16	378	385	22	315
Carnival City	980	(9)	1 074	254	(19)	314	162	(31)	235
Boardwalk	552	(6)	585	95	(14)	110	27	4	26
Wild Coast	481	2	473	93	4	89	46	28	36
Meropa	302	(7)	325	96	(18)	117	75	(22)	96
Windmill	255	(9)	279	79	(18)	96	57	(24)	75
Flamingo	172	(4)	180	47	(11)	53	33	(13)	38
Golden Valley	176	5	167	39	11	35	23	35	17
Carousel	246	(22)	315	28	(53)	60	10	(69)	32
Table Bay	354	6	333	89	19	75	70	19	59
The Maslow	148	1	147	(22)	(16)	(19)	(40)	7	(43)
Naledi	21	(13)	24	(7)	<(100)	(3)	(8)	(100)	(4)
Fish River	21	(19)	26	(21)	5	(22)	(23)	4	(24)
	8 863	1	8 811	2 296	3	2 238	1 564	5	1 485
Sun Slots	1 060	41	753	249	37	182	166	35	123
Time Square	827	100	-	184	100	-	26	100	-
Morula	38	(82)	213	(4)	<(100)	29	(5)	<(100)	34
SunBet	49	23	40	2	100	-	-	100	(3)
Management companies	593	3	578	199	15	173	175	21	145
Inter-company management fees	(548)	(9)	(501)	-	-	-	-	-	-
	10 882	10	9 894	2 926	12	2 622	1 926	8	1 784

GrandWest's revenue remained flat at R2.2 billion while EBITDA decreased by 2%. Strong growth in tables' revenue was achieved while slots revenue came under pressure with a slowdown in top end play. Overall footfall was up, however average spend was down.

Despite tough trading conditions, Sun City had an exceptional year benefiting from the extensive refurbishments completed in prior periods. Casino revenue increased by 11%, rooms revenue by 11% and food and beverage by 3%. Hotel occupancy increased from 68% to 72% assisted by the refurbished conference facility. The average room rate increased by 4%. EBITDAR (pre the vacation club adjustment) increased by 22% reflecting the focus on controlling costs. EBITDA (pre the vacation club adjustment) however increased by 58% as the temporary conference facility rental in 2016 of R57.8 million was no longer incurred.

Sibaya delivered pleasing results with revenue up 10% and EBITDA up 16%. The property continues to show growth in market share, which for the year was at 35.1%, up 1.6% on the prior year. The food and beverage offering and Prive will be upgraded in 2018.

Following a soft opening of the casino to the public on 1 April 2017, Time Square achieved total revenue of R827 million for the nine months of trading with R744 million derived from casino revenue and EBITDA of R184 million. The loss after tax and interest incurred was R345.2 million of which R296.0 million was attributable to the group.

The Gauteng gaming market grew strongly in the second half of the year and achieved growth of 4.4% for the year. Time Square captured approximately 13% share of the Gauteng market, which is below initial expectations. Recent trading has reflected growth in activity and visitation following the opening of the arena in November 2017 but unfortunately, due to a lower win ratio, the growth has not translated into revenue. With the opening of the hotel in March, we anticipate growth in gaming revenue.

Carnival City continued to deliver disappointing results with revenue and EBITDA down 9% and 19% respectively. However, the second half of the year showed a marked improvement compared to the first half with revenue down by 3% compared to the 14% decline in the first half. The improvement can partly be attributed to a refresh of the retail as well as food and beverage offering, walk ways and restrooms. Carnival City continues to focus on driving footfall through events and entertainment to counter the effects of lower average spend.

Boardwalk's overall revenue decreased by 6% with casino revenue down by 5%. With the drop in revenue, EBITDA decreased by 14% from R110 million to R95 million. Of further concern is the opening of an EBT outlet in Uitenhage in September 2017, which will likely impact the Boardwalk's revenues further. An application to restructure the Boardwalk has been submitted to the Eastern Cape Gaming Board. The shopping mall development is progressing, having received gaming board approval and we have secured an anchor tenant for the premises. The Boardwalk's sole contribution to the development will be the inclusion of the existing retail and land in return for a 50% equity interest in a joint venture.

Wild Coast revenue and EBITDA increased by 2% and 4% respectively while maintaining the EBITDA margin. The casino licence expires in 2019 and the Eastern Cape Gambling and Betting Board has issued a request for proposal (RFP), which the company has responded to. We now await the final RFP to be issued.

The Table Bay continues to perform well with revenue up 6% and EBITDA up 19%. Occupancy was down two percent to 75% while the average room rate increased by 9% resulting in a REVPAR growth of 7%. Our international mix increased by one percent to 82% of room revenue.

The Maslow Hotel increased revenue by 1% due to higher occupancy, which was up from 70% to 72%. With the increased competition and a slowdown in business travel, the room rate was in line with the prior year.

The other small urban casinos which include Meropa (Limpopo), Windmill (Free State), Flamingo (Northern Cape), Carousel (North West) and Golden Valley (Western Cape) were impacted by depressed trading conditions with aggregated revenue down 9% and aggregated EBITDA down 20%. A new 60 room hotel was opened at Meropa in July 2017.

Sun Slots revenue exceeded R1 billion for the first time with an increase of 8% on the comparable prior year.

Management fees and related income of R593 million, was 3% higher than the prior year. EBITDA increased 15% to R199 million.

Nigeria

The trading conditions in Nigeria have not improved during the last six months and as a result revenue decreased by 12%. However an EBITDA of R10 million was achieved partly due to provision reversals.

Latam

Sun International's Latam operations have been successfully integrated with those of Dreams. The table below includes the historic trading of Sun Dreams for the year ended 31 December 2016, with the conversion at the average exchange rate for the year ended 31 December 2017, to enable comparison in Rands.

Presentation of constant currency information and pre-acquisition adjustment

	Revenue		EBITDA		Operating profit	
R million	2017	2016	2017	2016	2017	2016
Monticello	1 674	1 861	417	562	265	427
Dreams SCJ licences	1 532	1 547	586	590	551	559
Dreams municipal licences	834	853	303	319	256	270
Sun Chile office	9	-	8	-	8	-
Central Office	-	-	(132)	(170)	(277)	(254)
Chile operations	4 049	4 261	1 182	1 301	803	1 002
Ocean Sun	223	231	(80)	(38)	(162)	(121)
Sun Nao	35	40	(38)	(37)	(67)	(62)
Peru	277	262	33	45	(3)	4
Latam total	4 584	4 794	1 097	1 271	571	823
Constant currency adjustment	-	113	-	31	-	19
Pre-acquisition adjustment	-	(1 081)	-	(338)	-	(268)
	4 584	3 827	1 097	964	571	574

The 31 December 2016 segmental comparative pro forma results set out in the segmental tables relating to our Latam businesses have been translated at the 31 December 2017 average exchange rate of 48.7 Chilean Pesos (CLP) to the Rand (47.6 for 31 December 2016). The adjustment has been disclosed as a constant currency adjustment. The presentation of financial information on a constant currency basis and in relation to the pre-acquisition adjustment falls into the category of non-application of a specific IFRS requirement and is therefore regarded as pro forma information, per the JSE Listings Requirements. The effective date of the merger with Dreams was 1 June 2016. In order to present a meaningful comparative, the pre-acquisition adjustment includes the 5 months prior to the merger. The pro forma information has been prepared for illustrative purposes only and because of its nature, it may not fairly present the group's financial position, changes in equity, results of operations or cash flow. The pro forma information has been extracted from management accounts. Shareholders are further advised that the above information has not been reviewed or reported on by our auditors.

Overall, revenue from Chile decreased by 5% to CLP197 billion (R4.1 billion) while EBITDA decreased by 9% to CLP57 billion (R1.2 billion). Iquique, which is located in a copper mining region was impacted by strikes early in the year, while Monticello's revenue was down 10% with gaming revenue down 6%. The property was negatively impacted by the relocation of the toll road in September 2016 and the unfortunate shooting incident that took place in July 2017. In June 2017, Monticello opened a new smoking deck, a 4 000-seat arena and a new bar. However, due to the arena start-up costs, additional security measures being put in place post the shooting incident and an increase in marketing spend to attract guests back to the casino, EBITDA was down 26%.

The performance of the Panama operation continues to disappoint. Revenue decreased by 4% from R231 million to R223 million while the EBITDA loss increased from R38 million to R80 million due to bad debts and high marketing, promotion and tournament costs which did not drive the expected revenues. With the closure of the International VIP Business and the 66th floor casino, the cost structure has been reduced significantly.

The Sun Nao Casino in Colombia continued to incur an EBITDAR loss and consequently the business was closed in December 2017. Some of the slot machines have been redeployed to smaller outlets in Cartagena with significantly less overhead costs and we are in negotiations to early exit the current property lease.

Revenue in Peru increased by 6% while EBITDA decreased from R45 million to R33 million due to higher promotional and marketing expenditure in the region.

GROUP BORROWINGS

Sun International's borrowings as at 31 December 2017 were R15.0 billion of which R11.4 billion can be attributable to the South African balance sheet. Group debt increased by approximately R480 million from 31 December 2016, due primarily to the capital expenditure at Time Square. The group's balance sheet remains resilient and the operations continue to generate strong cash flows. Following negotiations with the group's lenders, the debt covenant levels were adjusted and the group continues to trade within these levels.

The group has unutilised borrowing facilities of R730 million and available cash balances of R700 million.

R million	Total debt	Minorities share	Sun International
South Africa	11 424	1 373	10 051
SunWest	869	305	564
Afrisun Gauteng	580	31	549
Afrisun KZN	284	96	188
Emfuleni	610	91	519
Wild Coast	280	84	196
Meropa	131	38	93
Teemane	75	19	56
Windmill	102	27	75
Golden Valley	(11)	(4)	(7)
Sun Slots	70	21	49
Time Square	4 669	665	4 004
Management and corporate	3 765	-	3 765
Nigeria	493	250	243
Shareholder loans	761	386	375
Sun International inter-company	(268)	(136)	(132)
Latam	3 078	1 031	2 047
Sun Dreams	2 267	1 031	1 236
Sun Chile	811	-	811
31 December 2017	14 995	2 654	12 341
31 December 2016	14 517	3 134	11 383

Debt covenants

The bank debt covenants per the funding agreements in South Africa and Chile at 31 December 2017 are set out below.

	South Africa		Chile	
	Covenant	Actual	Covenant	Actual
Debt to EBITDA	4.0x	3.7x	4.75x	2.8x
Interest cover	2.5x	3.3x		

RIGHTS OFFER

Due to difficult trading conditions and Time Square producing disappointing results, the group renegotiated its South African debt covenant levels for June 2017 and December 2017. Although trading has improved marginally at Time Square and the group met its debt covenants at 31 December 2017, the board has deemed it prudent to embark on a capital raise exercise to de-risk the balance sheet. Accordingly, the proceeds from the rights offer will be used to repay debt, thereby creating head room in relation to relevant debt covenants. A stronger balance sheet and capital structure will also afford management more operational freedom to focus on the back to basics strategy. In addition, the rights offer will reduce Sun International's interest charge as rates are based on Sun International's prevailing debt metrics.

CASH FLOW

The group continues to generate strong cash flow from operations, which has resulted in the group trading within the debt covenant levels.

CAPITAL EXPENDITURE

R million	Total
South African operations	
Expansionary	
Time Square	1 594
Meropa	50
Sun City	28
	1 672
Refurbishment and ongoing	
Sun City	71
GrandWest	128
Sibaya	81
Sun Slots	95
Other	127
	502
Total South African capital expenditure	2 174
Latam operations	
Expansionary	230
Refurbishment and ongoing	178
Total Latam capital expenditure	408
Nigerian operations	
Expansionary	10
Total Nigerian capital expenditure	10
Total Group capital expenditure	2 592

Project capital expenditure

Sun International has outstanding capital commitments of approximately R230 million to be incurred in 2018 to complete Time Square development.

UPDATE ON STRATEGIC INITIATIVES

The Time Square casino was completed and opened on 1 April 2017. The arena opened in November 2017 and the hotel will open in March. We believe that these facilities will have a significant impact on visitation to the property and an increase in casino revenue. To date, the cost of the development equals R4.2 billion.

The board of the Tourist Company of Nigeria (TCN) - Federal Palace has been reconstituted with the Securities Exchange Commission appointing two directors thereto. Deloitte has been mandated to investigate the shareholder disputes. Once the Deloitte investigation has been completed it will pave the way for Sun International to exit its investment in Nigeria.

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

Shareholders are referred to the announcements released by the company on SENS on 30 May 2017 and 15 November 2017 which provided details regarding Sun International's intention to increase its shareholding in Sun Dreams from approximately 55% to approximately 65%.

As part of the transaction, the put options previously exercisable by Nueva Inversiones Pacifico Sur Limitada and EDS on Sun International will fall away. The implementation of this transaction (which is now unconditional) is pending finalisation of an underwritten 10-year bond issue which is expected to be implemented by the end of March 2018, after which the put option liability and reserve will be derecognised from the balance sheet.

Chile municipal licence bidding process

The Superintendencia de Casinos de Juego (SCJ) opened the bidding process for the seven Chilean municipal licences in September 2017. Sun Dreams submitted bids for the two municipal licences that it currently holds and for an additional three licences. It is anticipated that the results of the process will be announced during or about June 2018.

Peru acquisition

Sun Dreams has finalised an acquisition in Peru of Thunderbird Resorts, which comprises of 4 gambling operations generating EBITDA of US$4.2 million. The purchase consideration is approximately US$27 million and includes premises valued at US$11 million. The acquisition presents an opportunity for Sun Dreams to strengthen its position in Peru and diversify its asset base in Latam. The proposed transaction is still awaiting the relevant gambling board approvals which are anticipated to be received in the near future.

SUNWEST EXCLUSIVITY

The Western Cape Government gazetted draft legislation on 28 February 2018 to establish 3 zones for casinos in the Cape Metropole and to allow for the relocation of casino licences proposed. The legislation includes changes to the gaming tax tables and conditions for relocation, which will entail additional taxes and fees, obligations to mitigate any negative impacts which relocating a casino may have on the area from where the casino relocates and provides for economic opportunities for designated groups that reside in the area to which the casino will relocate. We are still assessing the draft legislation and will respond at the appropriate time.

INCREASE IN VAT RATE

The 1% increase in the VAT rate in South Africa will result in a direct cost for the business as the increase cannot be passed on to our gaming customers. The additional cost will equate to an approximate 5% increase in the VAT currently payable on gaming revenue. Based on the 2017 gaming revenue, this would have amounted to approximately R54 million from which corporate tax will be deducted.

CHANGES TO THE BOARD OF DIRECTORS AND COMMITTEES

Shareholders are referred to the unaudited interim results announcement released by the company on SENS on 29 September 2017, when several changes to the board of directors and board committees were communicated.

In terms of the aforesaid announcement, shareholders were advised that Sun International's then lead independent director, Mr IN Matthews, would be retiring from the company's board on 31 December 2017 and would be succeeded by Mr PL Campher as the new lead independent director of the company and chairman of the remuneration committee, with effect from 1 January 2018.

Furthermore, Mr GR Rosenthal, the current chairman of the company's audit committee, will be retiring as a director of Sun International on 15 May 2018 and will be succeeded by Ms CM Henry as the new chairman of the audit committee. Dr NN Gwagwa was also appointed as a member of the company's nomination committee and Mr EAMMG Cibie as a member of the audit and remuneration committees, with effect from 13 June and 14 June 2017 respectively.

On 6 October 2017, Mr GW Dempster was appointed as an independent non-executive director of Sun International with immediate effect. Shareholders are further advised that with effect from 12 February 2018, Ms ZBM Bassa resigned as an independent non-executive director of Sun International and as a member of certain statutory and board committees of the company.

OUTLOOK

While the South African outlook has improved and the economy is showing signs of a recovery, we do not anticipate that it will be immediately felt in discretionary expenditure and in particular discretionary consumer spending on gaming. In response to disappointing revenue growth and the uncertain economic outlook, management has taken further steps to reduce the cost of doing business and continues to drive and implement its "back to basics" strategy across the group with a specific focus on improving operating efficiencies and margins and improving the guest experience.

The closure of loss making entities such as the Fish River, the International VIP Businesses (in South Africa and Panama) and the Sun Nao Casino will result in these losses no longer recurring. In addition, the interventions that have and are taking place in respect of the Ocean Sun Casino, the Boardwalk and the Carousel are expected to result in much improved performance from these operations.

The opening of the arena at Time Square in November 2017 and the hotel in March 2018 will increase footfall to the property with a commensurate increase in revenue and EBITDA. In addition, Sun City will continue to benefit from the significant refurbishment of the resort while The Table Bay Hotel is likely to come under some pressure from the stronger Rand and the water crisis facing the Western Cape, which is deterring tourists from visiting Cape Town.

The Chilean economy is showing signs of recovery, assisted by the recent change in government. Gaming revenues have stabilised and Monticello is starting to reflect revenue growth compared to the prior year. The addition of Thunderbird Resorts in Peru will contribute positively and we look forward to the outcome of the municipal licence bidding process, which could significantly change our position in Chile.

With the proceeds from the rights offer, we will settle debt and capitalise Time Square which will significantly reduce our interest cost.

ANNUAL GENERAL MEETING

Sun International's 34th annual general meeting will be held at The Maslow Hotel, corner of Grayston Drive and Rivonia Road, Sandton, Johannesburg, on Tuesday, 15 May 2018 at 09h00 (South African time). Further details of the company's annual general meeting will be contained in Sun International's annual statutory report to be posted to shareholders on or about Thursday, 29 March 2018.

DIRECTORS' RESPONSIBILITY STATEMENT

The pro forma financial information for the year ended 31 December 2017 as well as to account for the purchase price allocation adjustments and the constant currency adjustments, is the responsibility of the directors and has been prepared for illustrative purposes only to show what the results may have looked like had Sun International's previous reporting period been for the year ended 31 December 2016 and had the currency been the same in both periods. Accordingly, the pro forma information contained in this announcement may not fairly present Sun International's financial position, changes in equity, results of operations or cash flows.

For and on behalf of the board

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

Registered office:
6 Sandown Valley Crescent, Sandown, Sandton 2196

Sponsor:
Investec Bank Limited
Transfer secretaries:

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

The report was prepared under the supervision of the Chief Financial Officer, N Basthdaw; B Compt (Hons), CTA, CA(SA), M Com, HDip Company Law.

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

* Executive

Group Company Secretary
AG Johnston

16 March 2018

ANNEXURE

Pro forma Group statements of comprehensive income

	A	B	C=A-B	D	C+D	E	C+D+E
Rm	Audited 12 months ended 30 June 2016	Unaudited 6 months ended 31 December 2015	Pro forma 6 months ended 30 June 2016	Audited 6 months ended 31 December 2016	Pro forma 12 months ended 31 December 2016	International Business 12 months ended 31 December 2016	Pro forma 12 months ended 31 December 2016
Continuing operations							
Revenue	12 186	5 837	6 349	7 670	14 019	(135)	13 884
Other income	18	-	18	-	18	-	18
Consumables and services	(1 473)	(724)	(749)	(920)	(1 669)	-	(1 669)
Depreciation and amortisation	(1 131)	(531)	(600)	(788)	(1 388)	-	(1 388)
Employee costs	(2 464)	(1 226)	(1 238)	(1 474)	(2 712)	-	(2 712)
Impairment of assets	-	-	-	(269)	(269)	-	(269)
Levies and VAT on casino revenue	(2 388)	(1 121)	(1 267)	(1 446)	(2 713)	41	(2 672)
LPM site owners commission	(66)	-	(66)	(146)	(212)	-	(212)
Promotional and marketing costs	(723)	(355)	(368)	(485)	(853)	27	(826)
Property and equipment rentals	(202)	(80)	(122)	(117)	(239)	-	(239)
Property costs	(776)	(385)	(391)	(380)	(771)	-	(771)
Time Square settlements	(748)	(747)	(1)	-	(1)	-	(1)
Monticello purchase price differential	(243)	(195)	(48)	-	(48)	-	(48)
Other operational costs	(1 064)	(458)	(606)	(823)	(1 429)	102	(1 327)
Operating profit	926	15	911	822	1 733	35	1 768
Foreign exchange (losses)/profit	(227)	254	(481)	(82)	(563)	-	(563)
Interest income	33	20	13	20	33	-	33
Fair value adjustment to put liability	-	-	-	247	247	-	247
Interest expense	(756)	(349)	(407)	(542)	(949)	-	(949)
Share of equity accounted profits	18	13	5	1	6	-	6
Profit before tax	(6)	(47)	41	466	507	35	542
Tax	(533)	(303)	(230)	(256)	(486)	6	(480)
(Loss)/profit for the period from continuing operations	(539)	(350)	(189)	210	21	41	62
Profit for the period from discontinued operations	36	23	13	4	17	(41)	(24)
(Loss)/profit for the year	(503)	(327)	(176)	214	38	-	38
Other comprehensive income:							
Items that will not be reclassified to profit or loss			-	-	-	-	-
Remeasurements of post employment benefit obligations	4	-	4	-	4	-	4
Tax on remeasurements of post employment benefit obligations	(1)	-	(1)	-	(1)	-	(1)
Items that may be reclassified to profit or loss							
Gross loss on cash flow hedges	(21)	1	(22)	(50)	(72)	-	(72)
Fair value adjustment to put liability			-	-	-	-	-
Currency translation on the put liability			-	-	-	-	-
Currency translation reserve	220	205	15	(151)	(136)	-	(136)
Total comprehensive (loss)/profit for the period	(301)	(121)	(180)	13	(167)	-	(167)
Minorities	(89)	118	(207)	109	(98)	-	(98)
Ordinary shareholders	(414)	(445)	31	105	136	-	136
(Loss)/profit for the period attributable to	(503)	(327)	(176)	214	38	-	38
Minorities	(60)	147	(207)	(235)	(442)	-	(442)
Ordinary shareholders	(241)	(268)	27	248	275	-	275
Total comprehensive (loss)/profit for the period attributable to	(301)	(121)	(180)	13	(167)	-	(167)
Discontinued operations	36	23	13	4	17	(41)	(24)
Continuing operations	(277)	(291)	14	244	258	41	299
Total comprehensive profit attributable to ordinary shareholders	(241)	(268)	27	248	275	-	275

Rm	A Audited 12 months ended 30 June 2016	B Unaudited 6 months ended 31 December 2015	C=A-B Pro forma 6 months ended 30 June 2016	D Audited 6 months ended 31 December 2016	C+D Pro forma 12 months ended 31 December 2016	E Unaudited 6 months ended 31 December 2016	C+D+E Pro forma 12 months ended 31 December 2016
HEADLINE EARNINGS AND ADJUSTED HEADLINE EARNINGS RECONCILIATION							
Profit attributable to ordinary shareholders	(414)	(445)	31	105	136	-	136
Net (profit)/loss on disposal of property, plant and equipment	(3)	(24)	21	(9)	12	-	12
Profit on disposal of shares in subsidiaries	(18)	-	(18)	-	(18)	-	(18)
Impairment of assets	-	-	-	269	269	-	269
Tax (relief)/expense on the above items	57	4	53	(48)	5	-	5
Minorities' interests on the above items	(2)	-	(2)	(28)	(30)	-	(30)
Headline earnings	(380)	(465)	85	289	374	-	374
Straightline adjustment for rentals	27	16	11	10	21	-	21
Pre-opening expenses	28	13	15	4	19	-	19
Time Square settlements	748	747	1	-	1	-	1
Transaction costs	52	19	33	4	37	-	37
Monticello purchase price adjustment	243	195	48	-	48	-	48
Amortisation of Dreams intangible assets raised as part of the PPA	18	-	18	104	122	-	122
Foreign exchange losses/(profits) on intercompany and minority loans	233	(234)	467	80	547	-	547
Interest on Time Square Note	-	-	-	43	43	-	43
Discount on Tsogo settlement	-	-	-	20	20	-	20
Fair value adjustment on put options	-	-	-	(247)	(247)	-	(247)
Reversal of Employee Share Trust consolidation(i)	7	5	2	3	5	-	5
Other	18	1	17	(9)	8	-	8
Tax on the above items	13	65	(52)	42	(10)	-	(10)
Minorities' interests on the above items	(353)	-	(353)	(111)	(464)	-	(464)
Adjusted headline earnings	654	362	292	232	524	-	524

(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.