Sun International

INTEGRATED ANNUAL REPORT 2014

OUR integrated REPORT

We are pleased to present Sun International Group's Integrated Annual Report for the year ended 30 June 2014. This report is aimed primarily at our shareholders who are the providers of financial capital. However, we believe that it is of value to all our stakeholders given that their needs and interests inform the five strategic priorities that form the basis of the Management review set out on pages 12 to 49. The process of defining our strategic priorities and the initiatives and objectives within them is broadly consultative, both with internal and external stakeholders. The strategic priorities thus reflect the most material short- and medium-term initiatives and objectives that will enable the Group to achieve its vision and strategic intent, in its pursuit of long-term value creation for all stakeholders.

Strategic priorities

Our five strategic priorities form the integrated strategic narrative structure of the Management report, and are the product of our efforts to embed integrated thinking throughout our business. The board reviews, and if necessary amends and approves the Group strategy annually, which then forms the basis for measuring the performance and reward of the Chief Executive. The Chief Executive delegates responsibility for specific objectives under each priority down into the organisation. The performance contract of each member of the executive and senior management team is aligned to these delegated responsibilities.

In making this Integrated Annual Report more focused and concise, we have confined its content to issues that are deemed most material to an assessment of our value creation ability. Our online platform, which can be accessed at ir.suninternational.com, includes the content of this report with additional statutory and other reports, including our annual financial statements, governance and risk reporting, and additional sustainability content. For a full list of information available online, see the contents page opposite.

Scope and reporting frameworks applied

The scope of this report includes all of Sun International's subsidiaries and operating units. We have continued to embed management, sustainability and governance-related reporting systems and processes in our operations. The lessons we learn in implementing these systems are applied to our new operations as we continue to expand our operational footprint internationally, which will contribute to improving our internal and external reporting over time.

The International Integrated Reporting Council released the International Integrated Reporting (<IR>) Framework in December 2013. We have taken into consideration the <IR> Framework's guiding principles in the preparation of our 2014 Integrated Annual Report, and have made a start in applying the content elements set out in the <IR> Framework. We will continue to apply the <IR> Framework and other local and international best reporting practice in the preparation of future reports.

The Integrated Annual Report is prepared in accordance with the JSE Limited Listings Requirements and the South African Companies Act, No. 71 of 2008. A register of our application of the King III governance principles is available online. The Group and Company annual financial statements follow International Financial Reporting Standards (IFRS).

As an international leisure group, we contribute directly to the economies of the countries in which we operate. This contribution includes investments and the paying of rates, taxes, levies and fees, as well as salaries, wages and local procurement. We also contribute at a local level through training and development programmes for our employees, and provide benefits that positively impact their families and communities. Our awareness of our responsibilities to all our stakeholders finds expression not only in our business performance and the application of our business ethics but also in our efforts to help create sustainable societies around us.

Forward looking statements

In applying the guiding principle of strategic focus and future orientation in our reporting, this report contains forward looking information that reflects the Group's assumptions, ambitions and expectations going forward. As these are subject to change in accordance with macroeconomic, strategic or operational developments, investors are cautioned not to place undue reliance on forward looking statements contained in this report.

Independent assurance

The Group's 2014 Integrated Annual Report satisfies the requirements of the Global Reporting Initiative (GRI) G3 guidelines at a B+ level.

We welcome stakeholders' feedback on our reporting, which can be sent to investor.relations@suninternational.com

Integrated annual report contents

Reports and information available online

Governance and sustainability

SIL directors and Company Secretary CVs

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Operational statistics

Our online platform which includes the Integrated Annual Report and the information indexed here can be accessed at **http://ir.suninternational.com**

vision

To be an internationally recognised and respected gaming and hospitality group delivering superior returns for our shareholders, being an employer of choice for our employees and providing memorable experiences for our guests.

our strategic intent

Sun International develops, invests in and manages properties in the gaming and hospitality industry.

We are specifically focused on South Africa, Latin America and other international markets where we have a competitive advantage.

Our objective is to remain relevant and competitive in our existing operations and to actively grow and diversify the business into new geographies and products in order to deliver sustainable earnings growth to enhance long-term value creation for shareholders and create value for all stakeholders.

mission statement

We will be recognised internationally as a successful leisure group offering superior gaming, hotel and entertainment experiences which exceed our guests' expectations.

We will create an environment in which all employees are well-trained, motivated and take pride in working for the Group.

Innovation, fun and an obsession with service excellence and efficiency will make Sun International a formidable competitor and provide our shareholders with superior returns.

We will at all times remain mindful of our responsibilities towards our stakeholders, including the communities we serve.

PALACE OF THE LOST CITY – SUN CITY

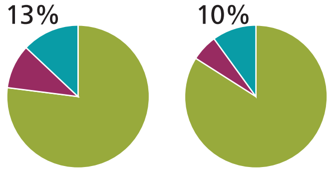
GROUP OVERVIEW

SUN INTERNATIONAL OWNS AND OPERATES CASINO, HOTEL AND RESORT PROPERTIES IN SOUTH AFRICA, OTHER AFRICAN COUNTRIES AND LATIN AMERICA. OUR CASINO OPERATIONS CONTRIBUTE THE LARGEST SHARE OF GROUP REVENUE. THE GROUP IS ACTIVELY EXPANDING ITS CASINO BUSINESS INTO GROWTH MARKETS, PARTICULARLY IN LATIN AMERICA, WHILE OPTIMISING ITS EXISTING PORTFOLIO IN SOUTH AFRICA AND OTHER AFRICAN COUNTRIES.

GROUP CONTRIBUTION

REVENUE 13% (2013: 15%)

EBITDA 10% (2013: 11%)



LATIN AMERICA

PROPERTIES 2

Casinos	1
Hotels	–
Casino and hotel	1

GAMING LICENCES 3

ROOMS 155

SLOTS 2 975

TABLES 130

ECONOMIC INTEREST

		SLOTS	TABLES	ROOMS
MONTICELLO[1]	**44%**	**2 155**	**82**	**155**
OCEAN SUN CASINO*	**100%**	**600**	**32**	**–**
COLOMBIA[#]	**100%**	**220**	**16**	**–**

* *Opened 12 September 2014.*
\# *To open in the second half of the 2015 financial year.*
1 *Increasing up to 99% in terms of a transaction currently being completed.*

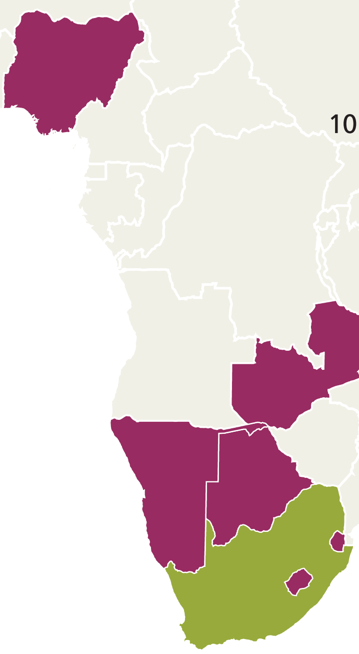
For a detailed breakdown per region/province of gaming licences, as well as gaming market, see our online platform.

For a breakdown of revenue and EBITDA by unit refer to the segmental report on page 56.

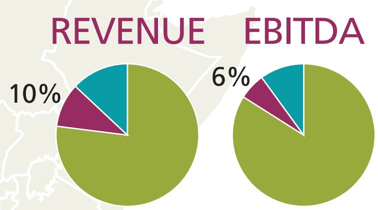
OTHER AFRICA

ECONOMIC INTEREST

		SLOTS	TABLES	ROOMS
GABORONE SUN	80%	321	10	196
LESOTHO AND MASERU SUN	47%	150	9	263
KALAHARI SANDS	100%	130	10	173
ROYAL SWAZI AND EZULWINI SUN	51%	153	11	351
THE ROYAL LIVINGSTONE AND ZAMBEZI SUN	100%	–	–	385
FEDERAL PALACE	49%	147	10	146



GROUP CONTRIBUTION



(2013: 9%) (2013: 6%)

PROPERTIES

12

Casinos	3
Hotels	4
Casino and hotel	5

GAMING LICENCES 8

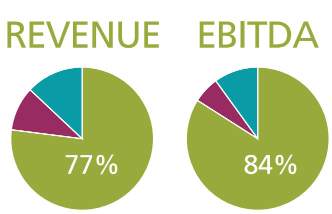
ROOMS 1 514

SLOTS 901

TABLES 50

SOUTH AFRICA

GROUP CONTRIBUTION



(2013: 76%) (2013: 83%)

PROPERTIES

16

Casinos	3
Hotels	3
Casino and hotel	10

GAMING LICENCES (OF 40) 13

ROOMS 3 118

SLOTS 10 156

TABLES 338

ECONOMIC INTEREST

		SLOTS	TABLES	ROOMS
GAUTENG				
Carnival City	91%	1 765	55	105
Morula	100%	510	12	73
Maslow	100%	–	–	281
WESTERN CAPE				
GrandWest	72%	2 563	76	39
Table Bay	72%	–	–	329
Worcester	71%	220	6	98
SunBet	100%	–	–	–
KWAZULU NATAL				
Sibaya	62%	1 216	48	154
LIMPOPO				
Meropa	68%	409	17	–
NORTH WEST				
Sun City	100%	563	36	1 297
Carousel	100%	697	19	94
NORTHERN CAPE				
Flamingo	71%	288	11	–
EASTERN CAPE				
Boardwalk	82%	972	24	140
Fish River	82%	–	–	82
Wild Coast Sun	70%	450	16	396
FREE STATE				
Windmill	70%	353	18	–
Naledi Sun	100%	150	–	30
Management activities (excluding intergroup)				
Sun International Management Limited	100%	–	–	–
Manco	50% – 83%	–	–	–

The economic interests exclude the interests held by the Sun International Employee Share Trust.

OUR BUSINESS MODEL

INPUTS

FINANCIAL CAPITAL

The Group's primary sources of financial capital are shareholder equity, internally generated cash flows and debt. These sources of funding have been more than sufficient to maintain our properties, fund expansion and pay dividends to shareholders in the past. The Group first looks to fund expansion through internally generated funds and debt.

HUMAN CAPITAL

Sun International has a highly skilled and experienced international management team, which brings together industry knowledge and global perspectives from South Africa, Australia and Latin America. This team helps ensure that the Group makes appropriate investment decisions and operates according to global best practice. Our employees at our properties are the primary interface with our guests, which means that they are essentially the custodians of delivering the memorable experience we strive to offer. We invest in our people to ensure they have the appropriate skills to deliver on our strategic priorities and we actively align management performance to strategy.

INTELLECTUAL CAPITAL

As a gaming, leisure and entertainment group, our brand is one of our most valuable assets together with our casino licences. Our wealth of management expertise and experience is contracted to the casinos and properties in our portfolio ensuring aligned operations with the ability to meet set targets and standards. Our intellectual capital is the foundation of our entry into new jurisdictions. We also invest in technology, systems and processes to improve how we work and provide an excellent guest experience.

MANUFACTURED CAPITAL

The bricks and mortar of our properties forms the tangible assets of the business, and we invest in building unique casino, hotel and entertainment venues. The uniqueness of our properties is a key differentiator for our business, and we focus on protecting, leveraging and growing our asset base. We constantly review our asset base and its offerings to ensure they retain relevance and are optimally utilised.

SOCIAL AND RELATIONSHIP CAPITAL

We actively manage the stakeholder relationships on which our business depends, including with communities, business partners, governments and regulators. Our casino licences – which are essentially our regulated licences to operate – are critical to our business and require that we comply with various licensing conditions. Compliance is supported by building on our stakeholder engagements. Also, our track record of being an ethical operator and good corporate citizen supports the growth of the business into new markets and is based on a belief that doing good is more than a requirement, it is about creating shared value. Our guests are probably the single most significant and important stakeholder in our business. We strive to not just meet but exceed their expectations.

NATURAL CAPITAL

We are a medium impact user of natural resources, and our business activities depend on natural capital inputs such as water and energy. Many of our properties are located in pristine environments rich in biodiversity, which are a key aspect of their appeal to our guests.

BUSINESS ACTIVITIES

WE OFFER GAMING, HOSPITALITY AND ENTERTAINMENT TO OUR GUESTS THROUGH OUR CASINO, HOTEL AND RESORT PROPERTIES. WE ARE LEVERAGING OUR CORE EXISTING BUSINESS AND UTILISING OUR TRACK RECORD AND MANAGEMENT SKILLS TO TAKE ADVANTAGE OF GROWTH OPPORTUNITIES IN EMERGING MARKETS.

OUR **GAMING LICENCES** ARE THE SINGLE MOST **CRITICAL ENABLER** OF OUR ABILITY TO OPERATE. GAMING CONTRIBUTES **78%** OF GROUP REVENUE. WE CONTINUOUSLY EVALUATE OUR LICENCES TO ENSURE THEY REMAIN RELEVANT AND ARE OPTIMALLY UTILISED.

OUTPUT

DELIVERING A MEMORABLE guest experience

THE **UNIQUENESS OF OUR PROPERTIES** AND **CUSTOMER SERVICE SKILLS** OF OUR PEOPLE ARE KEY DIFFERENTIATORS TO OFFERING AN **UNFORGETTABLE EXPERIENCE** FOR OUR GUESTS, WHICH KEEPS THEM CHOOSING SUN INTERNATIONAL.

OUTCOMES

FINANCIAL CAPITAL

In the 2014 financial year the Group generated R2.6 billion in internally generated cash flows and increased its debt funding by R633 million. This funding was primarily used for:

- Replacement and maintenance capex – R1 212 million
- Expansionary capex – R672 million
- Acquisition of minorities interests – R126 million
- Interest payment to debt funders – R540 million
- Dividend payments to minority and Company shareholders – R489 million.

Our value added statement, on page 61 gives further details on the use of our financial capital.

HUMAN CAPITAL

Sun International employs 10 417 people with 6 805 in South Africa, 2 101 in the rest of Africa, 1 493 in Chile and 18 in Panama (331 as of October 2014). In 2014, we paid R2 159 million in salaries and benefits to our employees.

In Africa, 8 412 of our non-management employees partake in the Sun International Employee Share Trust which has investments valued at R790 million. These employees benefit from Trust distributions, with R244 million distributed in total to employees since inception.

INTELLECTUAL CAPITAL

In the past year we secured new casino licences in Panama and Colombia; the Panama casino opened on 12 September 2014 and the Colombia casino is due to open in the second half of the 2015 financial year. To improve our business operations we have invested significantly in IT, with R647 million spent on our enterprise gaming system and implementation having commenced on an enterprise resource planning system.

MANUFACTURED CAPITAL

Over the past year we invested R179 million refurbishing the Sun City phase one Vacation Club units and R672 million on the Ocean Sun Casino in Panama. We also applied and received approval to amend Morula casino's licence condition which will permit us to relocate to Menlyn Maine in Eastern Pretoria where we plan to develop a R3 billion casino and entertainment complex. This outcome is however subject to legal proceedings initiated by a competitor.

SOCIAL AND RELATIONSHIP CAPITAL

As a casino operator, we are acutely aware of the negative outcomes that gambling can have within communities. We actively partner with responsible gambling initiatives to help reduce the incidence of problem gambling. We also invest extensively in promoting tourism and supporting communities, creating shared value by aligning initiatives with our core business. The reputational benefit of these initiatives is crucial to accessing new markets. Over the past year we spent R30 million on CSI, socioeconomic development and enterprise development initiatives. Our focused stakeholder engagements continue to enhance our corporate reputation, which in turn has facilitated our entry into new jurisdictions and the securing of casino licences.

NATURAL CAPITAL

Through our environmental initiatives and with dedicated expertise, we are reducing our impact, use of scarce natural resources and minimising waste. Besides improving environmental performance, there is an added benefit in lower operational costs. We are sensitive to the natural environments in which we operate, and our presence in these areas helps create value for other role-players who protect these environments, such as game reserves and natural heritage organisations.

CHAIRMAN'S REPORT

a new era
FOR SUN INTERNATIONAL

SUN INTERNATIONAL IS BECOMING A LEANER AND MORE EFFICIENT ORGANISATION, AND SO CREATING A BASIS FOR BETTER PERFORMANCE AND A FOUNDATION FOR INTERNATIONAL GROWTH.

MV (VALLI) MOOSA

It has been a year of significant change for Sun International. I am pleased to report that the management team has made significant progress in delivering against the strategy and objectives set in the prior year.

Sun International had reached a plateau around 2010. It was in need of a step change in approach and a new vision to meet the demands of a challenging environment. The board made significant management changes and the new team was given the mandate to critically evaluate the Group's strategic focus, its portfolio of properties and how it operates. This was not only to respond to the environment but to position the Group for the future.

With the strategy formulated, the Company started to build a senior management team with the necessary competencies to take up the challenge of revitalising the business. Sun International today has a highly skilled and highly experienced international management team, which brings together industry knowledge and global perspectives from South Africa, Australia and Latin America.

Restructuring and rightsizing the organisation to achieve operational efficiencies extended to a review of our business processes and our staffing structures, in terms of flexibility and headcount. This led to a significant restructure in Chile and South Africa. After extended engagement with employees, unions and regulators, I am satisfied that the Group has followed due and fair process and has genuinely consulted with all stakeholders to identify an optimal solution to achieving an agile business without compromising our guest experience.

As this integrated report demonstrates, the Group is becoming leaner and more efficient. The management team has risen to the challenge of taking Sun International into a new era, and is injecting new energy and vitality across its operations. This is already evident in greater strategic alignment across our operations and pleasing results, especially in the second half of the year.

We still have work to do, given that our strategy is focused on building a sustainable foundation for growth over the longer term. With this in mind, the Group is taking a cautious and considered approach in growing the business and implementing change – we are assessing the resultant impact at every stage and will continue to adapt to lessons learnt and changes in our operating environment.

Material developments

The South African economy remained under pressure throughout the year, and there is broad consensus that this will continue for the foreseeable future. However our task is not just to run a company that does well during good economic periods, but to build a sustainable business that can also weather tough times. Our objective is to produce more-than-acceptable results for shareholders, despite the prevailing economic climate.

The Group has concluded a number of significant transactions over the past year. In South Africa, the Group will acquire a 70% interest in GPI Slots over a two-year period, thereby becoming a significant player in the fast growing limited payout machine market. To facilitate the exit of our Western Cape partner Grand Parade Investments Limited (GPI) out of SunWest and Worcester, we disposed of a 15% interest in these companies to Tsogo which together with its acquisition of the GPI shareholding will result in Tsogo holding a 40% interest in SunWest and Worcester. We retain the majority shareholding as well as the management contract over these two companies. We are extremely proud of our partnership with GPI and the success it has brought both our groups and we wish GPI well in its new endeavours.

Our approved application to amend the Morula casino licence to permit the relocation to Menlyn Maine in Tshwane's eastern suburbs will see the Group develop a R3 billion integrated casino resort called Time Square at Menlyn Maine. This will become a flagship property for the Group in Gauteng.

Post year end the Group disposed of 80% of its interests in those of its African assets located in Botswana, Lesotho, Namibia and Swaziland, and a 50% interest in its Royal Livingstone and Zambezi Sun operations situated in Zambia to the Minor Group Pcl. (Minor), a reputable Asian hospitality group. A good relationship has been cultivated with Minor over the last year and there is strong alignment between the cultures of the groups, management and strategy. Minor are focused on hotels, which is complementary to our focus on casino-led opportunities. This partnership may lead to broader prospects as we seek other opportunities together in Africa and Asia.

In Latin America, we are acquiring a further 55% stake in Monticello, increasing our interest to 99%. It is a significant investment for Sun International that reflects our commitment to Chile and the region. On 12 September 2014, we opened our newest casino, the Ocean Sun Casino in Panama. Developed at a cost of US$105 million, the property sets a new standard in Panama. We have also secured a casino licence in Cartagena, Colombia, where we will develop a casino at a cost of US$30 million.

Governance

Sun International's governance has always been solid and robust and we have achieved a reputation for being at the forefront of applying governance principles in all that we do including our expansion and development in new territories. This is facilitated by ensuring that no matter what we do or where we operate our business remains underpinned by the pillars of fairness, transparency, accountability and responsibility to all stakeholders. These pillars preserve the Group's long-term sustainability.

The Group operates in highly-regulated environments, and compliance with the conditions of our casino licences is a fundamental part of our business practice.

The board is satisfied that it complies with applicable governance and regulatory requirements and recognises that sound governance has a positive impact on long-term value creation. We will therefore continue to review and enhance our governance process to ensure ongoing compliance with legislation, regulation and governance codes.

We choose to invest only in markets that are well-regulated and supported by functional compliance structures. More specifically, we encourage proper regulation and enforcement in the best interests of our guests, employees, communities and the sector, and we cooperate with the regulators in all jurisdictions where we operate. The board's stance in this domain is non-negotiable.

Corporate responsibility

As a leading South African corporate, we take our responsibility to society seriously. We continue to contribute to the wellbeing of communities, especially those in the vicinity of our operations. Again this is more than just compliance as it arises from our objective to be a responsible corporate citizen because we believe business is an integral partner in addressing societal ills.

We continue to improve our performance in our environmental practices, across water and energy usage and waste management. As a key priority for the Group, sustainable environmental and social practices are an integral part of the performance targets for leadership and management.

We consider our employees to be partners in the business and an important stakeholder. The past year has been a difficult environment for all employees due to the section 189A restructuring process. I am, however, pleased that management led from the front and worked closely with employees and unions throughout the process. I look forward to the next phase where we start to rebuild the morale and culture of a great organisation.

Board changes and appreciation

The board is pleased to announce the appointment of Mr Enrique Cibie as an independent non-executive director with effect from 22 August 2014. Enrique is a Chilean national and currently serves as a non-executive director on various boards in Chile, having previously served as the chief executive of various Chilean and multinational companies. With the Group's increasing exposure to Latin America, Enrique's experiences and in-depth knowledge of business in Latin America will be of significant value to the Group. We look forward to his contribution to Sun International as we internationalise the business.

I extend my thanks to the board for their sage advice and involvement over a particularly challenging year for the Group. To Graeme and his executive management team, thank you for the new energy and direction you are bringing to the Group. I am particularly pleased with the high degree of synergy between the board and management as we work together to take Sun International into a new era. Finally, to the employees across the Group who are the custodians of the Sun International brand, you can be justifiably proud of delivering a solid set of results in the midst of great change. Thank you for your focus and dedication.

MV (VALLI) MOOSA
Chairman

CONFIDENT BUT CAUTIOUS IN ENSURING THE sustainability of change

WITH CHANGES TO THE BUSINESS STARTING TO SHOW POSITIVE RESULTS, WE ARE CONFIDENTLY MOVING AHEAD.

GE (GRAEME) STEPHENS
Chief Executive

CHIEF EXECUTIVE AND MANAGEMENT REPORT

Introduction

When I think back on the past year, words that come to mind are "change", "delivery", "stress", "uncertainty", "success", "relief", "excitement", "caution" – in that order. The 2014 financial year was really about driving the implementation of the medium-term strategy we determined in early 2013. I am pleased to report that we have made significant progress against many of the key objectives and initiatives we set out in last year's report.

The various measures we undertook to restructure our business, which focused specifically on growing revenue and cutting costs, are already resulting in an improved operational performance. We have also concluded a number of strategic initiatives to better leverage our existing assets and to grow into new products and geographic areas.

As a general assessment, I'd say we are about half way through this process of change. Given the scale of some of the operational initiatives being implemented, it's important to acknowledge that it will take time before they gain traction and the benefits are fully realised. The results are, however, already positive, and the emphasis for the year ahead will be to conclude the restructuring and ensure that the various changes are properly bedded down and deliver the sustainable improvement they are intended to.

In addition to the process to restructure our business, we announced a number of strategic transactions over the past year which are all now in the process of being implemented. We are investing significant time and effort in ensuring that these transactions are executed properly, while at the same time maintaining our focus on the pipeline of new opportunities (of which there are a number), to ensure that these are not neglected.

We continually evaluate our medium-term strategy and are comfortable that it currently remains relevant, without the need for any significant change. We have a really great platform in the existing business and the changes that we have been making are designed to realise its full potential. The risk or concern, if any, has been that in our efforts to improve, we could damage something that was working reasonably well to start with. The recent improvements in performance are very encouraging and certainly show that we are on the right track.

Our Chief Financial Officer, Anthony Leeming, will cover the results for the 2014 financial year in his financial review, which follows. We then go on to discuss our performance against the objectives and focus areas of each of our five strategic priorities in more detail.

Financial overview

REVENUE UP +5.4%	First half	+3.6%
	Second half	+7.4%
EBITDA UP +4.5%	First half	-5.2%
	Second half	+15.8%
ADJUSTED HEPS DOWN -7.3%	First half	-18.5%
	Second half	+8.1%

GROSS CASH DIVIDEND OF *245 cents* PER SHARE FOR THE YEAR

Operationally, we started the year dealing with the significantly negative impact of the anti-smoking legislation in Chile, combined with a very flat performance in our core but mature South African businesses which were battling to grow in a persistently sluggish economy. The slower performance in South Africa had in previous years been masked by the growth of Monticello in Chile. Not so in the first half of this year – Monticello lost 22% of its revenue and 45% of its EBITDA and with South Africa only growing at 0.8%, we recorded a 5% decline in EBITDA for the first six months.

In Chile we focused aggressively on a restructure of our cost base and on building new health-compliant smoking terraces to regain lost revenues. These and other initiatives have resulted in a strong recovery in the second half, with revenues returning back to pre-smoking ban levels and a strong improvement in profit margins. In South Africa we also embarked on a significant restructure of our cost base while simultaneously implementing a number of measures to enhance revenue. These measures, which we started implementing in the first half, took a few months to gain traction and only during the second half did we start to see the benefits materialise with revenue growth of 7.4% and EBITDA growth of 15.8%.

Despite the improvement in the second half resulting in full-year EBITDA being 4.5% above the prior year, at an earnings per share level it was not sufficient to offset the poor first half, and consequently diluted adjusted headline earnings per share was 7% down on last year at 655 cents. Taking cognisance of the number of expansion projects under consideration, the dividend pay-out of 37% of diluted adjusted headline earnings was maintained.

AM (ANTHONY) LEEMING
Chief Financial Officer

Despite debt increasing due to expenditure on the Ocean Sun Casino in Panama, debt levels remain comfortably within our covenants with debt to EBITDA increasing from 2.2 to 2.3 times. Looking ahead, the Group has a significant number of expansion projects and acquisitions under consideration, part of which will be funded by proceeds from the SunWest/Worcester and Minor transactions, with the balance to be debt funded as explained later in this report.

Review of the year

The income statements below include headline earnings adjustments to reflect a comparable position with the prior year.

	Six months ended 31 December			Six months ended 30 June			Year ended 30 June		
R million	2013	% change	2012	2014	% change	2013	**2014**	**% change**	**2013**
Revenue	5 407	3.6%	5 221	5 418	7.4%	5 046	**10 825**	**5.4%**	**10 267**
Casino	4 221	0.3%	4 208	4 248	6.5%	3 987	**8 469**	**3.3%**	**8 195**
Rooms	558	25.7%	444	556	8.4%	513	**1 114**	**16.4%**	**957**
Food, beverage and other	628	10.4%	569	614	12.5%	546	**1 242**	**11.4%**	**1 115**
Direct costs	(2 426)	(4.7%)	(2 317)	(2 403)	(5.0%)	(2 288)	**(4 829)**	**(4.9%)**	**(4 605)**
Casino	(1 700)	(0.4%)	(1 694)	(1 681)	(3.7%)	(1 621)	**(3 381)**	**(2.0%)**	**(3 315)**
Rooms	(174)	(26.1%)	(138)	(185)	(11.4%)	(166)	**(359)**	**(18.1%)**	**(304)**
Food, beverage and other	(552)	(13.8%)	(485)	(537)	(7.2%)	(501)	**(1 089)**	**(10.4%)**	**(986)**
Gross profit	2 981	2.7%	2 904	3 015	9.3%	2 758	**5 996**	**5.9%**	**5 662**
Indirect costs	(1 492)	(11.8%)	(1 334)	(1 452)	(3.1%)	(1 408)	**(2 944)**	**(7.4%)**	**(2 742)**
EBITDA	1 489	(5.2%)	1 570	1 563	15.8%	1 350	**3 052**	**4.5%**	**2 920**
Depreciation and amortisation	(464)	(12.6%)	(412)	(494)	(12.5%)	(439)	**(958)**	**(12.6%)**	**(851)**
Property and equipment rentals	(73)	(102.8%)	(36)	(75)	(10.3%)	(68)	**(148)**	**(42.3%)**	**(104)**
Profit from operations	952	(15.2%)	1 122	994	17.9%	843	**1 946**	**(1.0%)**	**1 965**
Foreign exchange profits	–	(100.0%)	8	(1)	(110.0%)	10	**(1)**	**(105.6%)**	**18**
Net interest paid	(239)	(4.8%)	(228)	(241)	(17.6%)	(205)	**(480)**	**(10.9%)**	**(433)**
Profit before tax	713	(21.0%)	902	752	16.0%	648	**1 465**	**(5.5%)**	**1 550**
Tax	(255)	15.6%	(302)	(224)	(29.5%)	(173)	**(479)**	**(0.8%)**	**(475)**
Minorities	(110)	37.9%	(177)	(193)	(14.9%)	(168)	**(303)**	**12.2%**	**(345)**
Adjusted headline earnings	348	(17.7%)	423	335	9.1%	307	**683**	**(6.4%)**	**730**

Indirect costs, which included a full year's trading of both the Maslow and Boardwalk hotels, increased by 7.4%. Depreciation and amortisation increased by 12.6% due to additional depreciation charges from the new property openings (Boardwalk and Maslow hotels) and the implementation of the Group's Enterprise Gaming System (EGS). Property and equipment rentals increased due to higher variable rentals on the Maslow and Table Bay properties.

The Group incurred a R1 million foreign exchange loss compared to a gain of R18 million in the prior year. Net interest paid of R480 million was 10.9% ahead of last year due to no longer capitalising interest on the Boardwalk and Maslow developments, higher average debt as a result of these developments and higher local interest rates.

The tax charge of R479 million was marginally up on last year largely due to a one-off foreign tax credit in the prior year relating to investment allowances in Nigeria and the reversal of an overprovision. The effective tax rate, excluding non-deductible preference share dividends and withholding taxes, was 32% (2013: 30%).

ADJUSTED HEADLINE EARNINGS ADJUSTMENTS

The Group incurred a number of expense and income items that have been classified as headline earnings and adjusted headline earnings adjustments, the most significant of which are as follows:

- **Restructure costs – R165 million:**
  During the current financial year, the Group embarked on a significant restructure of its labour force in Chile and South Africa. A provision of R112 million has been raised for employees who had accepted voluntary retrenchment and early retirement as at 30 June 2014 and an additional R53 million was incurred and paid on retrenchments during the course of the financial year.
- **Impairment of Maslow assets – R39 million:**
  Based on the current trading of The Maslow and the future lease payments, the assets have been impaired as it is unlikely that their book value will be realised.
- **Pre-opening expenses – R36 million:**
  These expenses primarily relate to the pre-opening phase of the Ocean Sun Casino in Panama and the pre-launch costs of the Vacation Club.

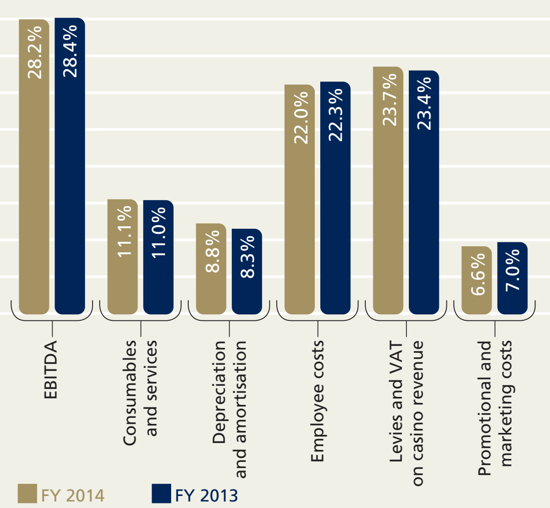
EXPENSES BY NATURE

To give investors a better understanding of the costs included in the statutory statement of comprehensive income, the table below sets out the costs including adjusted headline earnings adjustments, split between the first and second half:

	Six months ended 31 December			Six months ended 30 June			**Year ended 30 June**		
R million	2013	% change	2012	2014	% change	2013	**2014**	**% change**	**2013**
Consumables and services	604	9.6%	551	601	3.8%	579	**1 205**	**6.6%**	**1 130**
Depreciation and amortisation	464	12.6%	412	494	12.5%	439	**958**	**12.6%**	**851**
Employee costs	1 206	9.6%	1 100	1 171	(1.3%)	1 187	**2 377**	**3.9%**	**2 287**
Levies and VAT on casino revenue	992	0.3%	989	1 011	8.9%	928	**2 003**	**4.5%**	**1 917**
Promotional and marketing costs	391	0.5%	389	326	(0.6%)	328	**717**	**–**	**717**
Property and equipment rentals	73	108.6%	35	75	8.7%	69	**148**	**42.3%**	**104**
Property costs	291	11.5%	261	286	2.1%	280	**577**	**6.7%**	**541**
Other operational costs	434	19.9%	362	460	17.0%	393	**894**	**18.4%**	**755**
Total expenses	4 455	8.7%	4 099	4 424	5.3%	4 203	**8 879**	**7.0%**	**8 302**

The focus on cost containment is clearly highlighted in the previous table, in particular employee costs which were down 1.3% in the second half and promotional and marketing costs which were kept in line with the prior year. The increase in other operating costs is attributable to higher IT costs (relating to the implementation of the Group's EGS and software licence increases due to the weaker Rand), significant increases in rates and taxes, increased corporate social investment and socioeconomic development contributions and a full year's trading at both the Boardwalk and Maslow hotels.

EBITDA AND OPERATING EXPENDITURE AS A PERCENTAGE OF REVENUE



SEGMENTAL ANALYSIS

SEGMENTAL ANALYSIS BY REGION

	Revenue			EBITDA			EBITDA margin	
R million	**2014**	% change	2013	**2014**	% change	2013	**2014**	2013
South Africa	**8 266**	6.1%	7 788	**2 334**	6.0%	2 201	**28.2%**	28.3%
Other Africa	**1 071**	13.0%	948	**195**	12.7%	173	**18.2%**	18.2%
Monticello	**1 443**	(3.7%)	1 498	**303**	(5.0%)	318	**21.0%**	21.2%
Management activities	**612**	6.3%	610	**248**	1.2%	245	**40.5%**	40.2%
Total operating segments	**11 392**	5.1%	10 844	**3 080**	4.8%	2 937	**27.0%**	27.1%
Central office and other eliminations	**(567)**	1.7%	(577)	**(28)**	(54.7%)	(17)	**4.9%**	2.9%
	10 825	5.4%	10 267	**3 052**	4.5%	2 920	**28.2%**	28.4%

MASLOW GAUTENG

The Maslow is the ultimate business hotel situated in the heart of Sandton's commercial district.

The South African performance is heavily distorted by Sun City, which is a high revenue/low margin operation. Excluding Sun City from the South African numbers, the EBITDA margin for the rest of the South African business increases to 31.4% and including the management company the margin increases to above 34%. Margins in Chile are impacted by the higher levels of gaming taxes/levies, which are around 11% higher than in South Africa.

SEGMENTAL ANALYSIS BY NATURE

Revenue by region and nature is set out below:

	Gaming			Rooms			F & B and other			Total		
R million	2014	% change	2013	2014	% change	2013	2014	% change	2013	2014	% change	2013
South Africa*	**6 738**	4%	6 457	**764**	17%	652	**809**	14%	712	**8 311**	6%	7 821
First half	**3 371**	3%	3 286	**379**	30%	292	**406**	13%	360	**4 156**	6%	3 938
Second half	**3 367**	6%	3 171	**385**	7%	360	**403**	14%	352	**4 155**	7%	3 883
Other African	**428**	11%	385	**342**	13%	303	**301**	16%	260	**1 071**	13%	948
First half	**222**	15%	193	**175**	15%	152	**152**	16%	131	**549**	15%	476
Second half	**206**	7%	192	**167**	11%	151	**149**	16%	129	**522**	11%	472
Monticello	**1 303**	(4%)	1 353	**8**	300%	2	**132**	(8%)	143	**1 443**	(4%)	1 498
First half	**628**	(14%)	729	**4**	–	–	**70**	(10%)	78	**702**	(13%)	807
Second half	**675**	8%	624	**4**	100%	2	**62**	(5%)	65	**741**	7%	691
	8 469	3%	8 195	**1 114**	16%	957	**1 242**	11%	1 115	**10 825**	5%	10 267

* *Includes management activities and central office and other eliminations.*

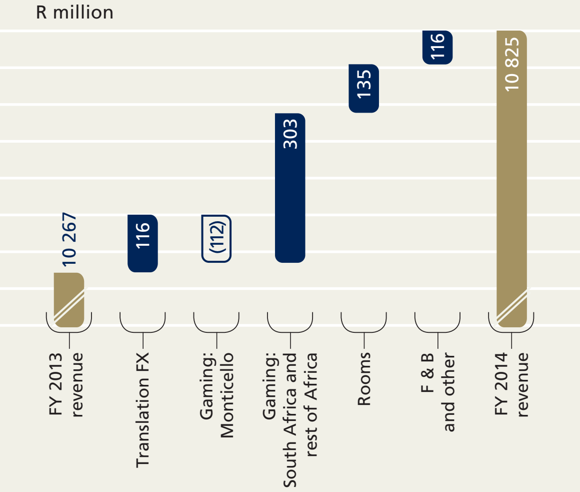
The improvement in gaming revenue growth in the second half of the year in South Africa and Monticello is clearly demonstrated in the table above. Monticello has continued to recover from the smoking ban instituted in March 2013 and on a like-for-like basis (March to June) gaming revenues in Chilean Pesos are up 23% on last year and 2.4% below revenue levels in the pre-smoking ban era.

Rooms' revenue grew strongly, with the first half assisted by the opening of the Boardwalk and Maslow hotels in December 2012 and January 2013 respectively. On a comparative basis rooms' revenue was up 10% for the year. Key properties' occupancies and average daily rates (ADRs) are set out below:

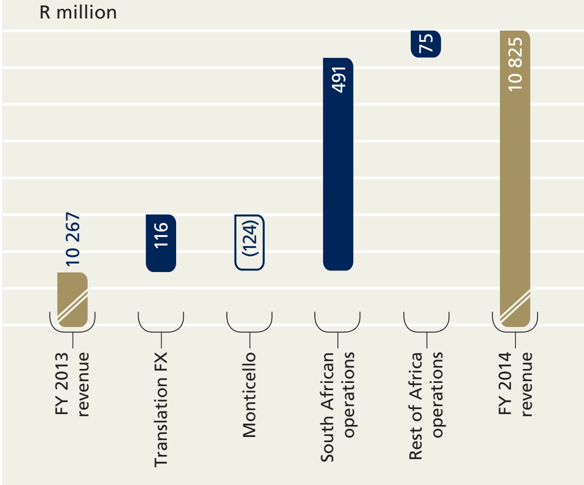
	Occupancy		ADR	
	2014	2013	2014	2013
Sun City	**64.3%**	63.6%	**R1 639**	R1 616
Wild Coast Sun*	**80.6%**	78.3%	**R445**	R647
The Table Bay Hotel	**68.3%**	53.0%	**R2 121**	R2 086
The Maslow	**56.0%**	36.3%	**R1 098**	R1 130
Royal Livingstone and Zambezi Sun	**43.1%**	39.8%	**R1 965**	R1 827
Gaborone Sun	**71.6%**	77.4%	**R889**	R792
The Federal Palace	**63.8%**	67.6%	**R2 486**	R2 142

* *The Wild Coast ADR is well below last year due to a significant increase in discounted gaming room nights.*

GROWTH IN GROUP REVENUE BY NATURE (IN CONSTANT CURRENCY)
R million



GROWTH IN GROUP REVENUE BY REGION (IN CONSTANT CURRENCY)
R million



OPERATIONAL REVIEW

SOUTH AFRICAN PROPERTIES

GrandWest revenue was 8% ahead of last year at R2 020 million. EBITDA however increased by only 6% due to a 2% increase (an additional R26 million) in gaming levies with effect from 1 September 2013, which were increased in lieu of GrandWest's ongoing exclusivity. Cost savings helped offset the increase in levies and as a result the EBITDA margin only declined 1.0% to 41.2%.

Sun City revenue at R1 403 million and EBITDA at R176 million were up 9% on last year. The current year included R12 million sales costs relating to the refurbished phase 1 Vacation Club units. If excluded, EBITDA would have been up 16%. Although costs are recognised when incurred, the revenue from the sale of Vacation Club units (R105 million achieved to date) is deferred and will be recognised over the ten year contract period. The casino has shown a strong improvement with revenue up 16% to R519 million. Rooms' revenue was only up 1% at R434 million due to weak local demand.

Sibaya revenue was 5% up at R1 095 million and through excellent cost containment EBITDA increased by 10% to R398 million, despite an increase in gaming levies in November 2012 which resulted in an additional cost of R4.1 million. The EBITDA margin improved by 1.6% to 36.3%. Sibaya's 35.9% share of the KwaZulu Natal gaming market was 0.6% higher than last year.

Carnival City revenue declined 2% for the year to R1 042 million. While Carnival City continues to be impacted by increased competition from electronic bingo terminals (EBTs) and limited payout machines (LPMs) it has refocused its marketing efforts and is starting to gain market share which in the second half of the year increased 1% to 15.0%. EBITDA was down 1% for the year, despite a strong second half in which revenues increased by 3% and, due to cost savings, EBITDA for the second half of the year improved by 10%.

Boardwalk revenue increased 12% to R554 million, with casino revenue up 8% to R512 million. The property is starting to benefit from the new hotel but its gaming business is going to face competition in the future from EBT operations that have opened and will be opening in its catchment area. Through excellent cost control the Boardwalk increased EBITDA 18% and the EBITDA margin 1.7% to 30.3%.

In the Group's hotel operations, **The Table Bay** hotel achieved excellent revenue growth with revenues up 29% to R233 million driven by a 40% increase in international room nights sold which accounted for 73% of rooms' revenue. EBITDA was up 127% to R50 million (2013: R22 million) with the EBITDA margin improving 9.3% to 21.5%.

The recently opened **Maslow** has established itself in the Johannesburg corporate market and managed to achieve a profit before rentals and depreciation. The high rental charge due to straight lining accounting over the period of the lease results in an operating loss.

AFRICAN PROPERTIES

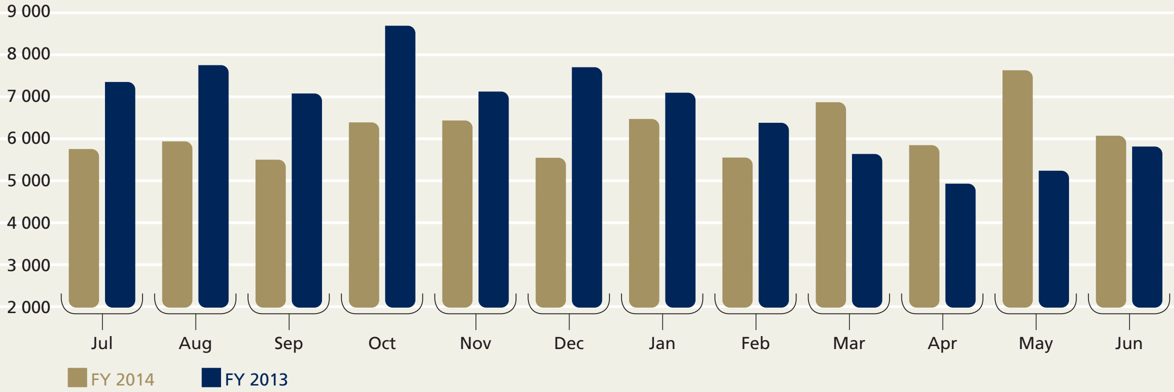
The Royal Livingstone and **Zambezi Sun's** revenue in local currency was up 15% with EBITDA up 21%. In Rand, revenue at R222 million and EBITDA at R52 million were up 22% and 27% respectively. The improvement in revenue is due to an increase in conferences and events hosted at the properties.

The Federal Palace experienced a decline in hospitality revenues due to the opening of two 180 room five star hotels in Lagos and the continued turmoil in the country. Gaming revenue was maintained in line with the prior year in local currency. EBITDA declined 40% in local currency to NGN421 million (R28 million). The outbreak of the Ebola virus in West Africa is likely to impact trading at the Federal Palace in the year ahead.

LATIN AMERICA

Monticello has been dealing with the severely negative impact of anti-smoking legislation which caused revenue at the half year to be down 22%. Due to corrective action taken, casino revenue was up 10% in the second half. This recovery in revenue is partly due to customers getting used to the new laws but primarily due to the construction and opening of four new smoking decks in September and October 2013. Overall revenue for the year was down 8% on the previous year at CLP74.2 billion

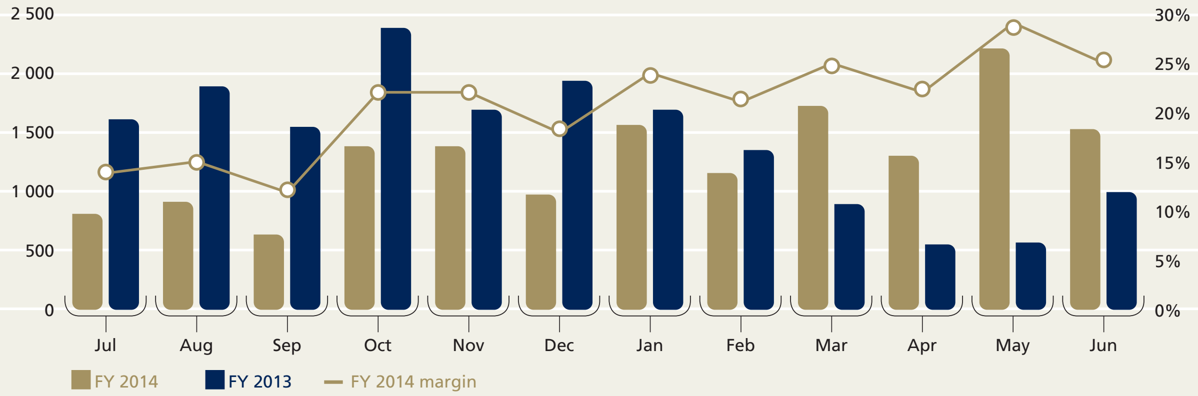
MONTICELLO REVENUE: MONTH ON MONTH ANALYSIS
CLP million



MONTICELLO CHILE

Chile's largest integrated casino resort.

MONTICELLO EBITDA: MONTH ON MONTH ANALYSIS
CLP million



but despite the significant drop in revenue the reduction in EBITDA for the year was contained to 8.8% (CLP15.7 billion). The recovery in revenues in recent months and a comprehensive restructure of the business resulted in EBITDA in the second half of the year increasing by 56% to CLP9.5 billion on the previous year at an EBITDA margin of 24.8%, which bodes well for the year ahead.

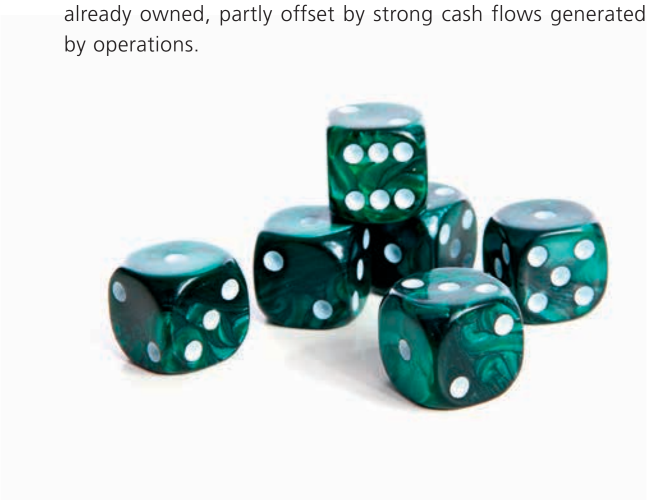
MANAGEMENT ACTIVITIES

R million	2014	% change	2013
Revenue			
Sun International Management Limited (SIML)	**573**	5%	547
Management fees and licence fees	**568**		536
Project fees	**5**		11
Manco	**39**	(38%)	63
	612	0%	610
EBITDA			
SIML	**218**	11%	196
Manco	**30**	(39%)	49
	248	1%	245

Management fees and related income at R612 million were in line with last year, with EBITDA up 1% at R248 million. Non-recurring project fees for 2013 included R7 million at Boardwalk. Manco revenue and EBITDA in the prior year included R24 million of revenue and R19 million of EBITDA relating to the Afrisun Gauteng and Teemane Manco contracts which were cancelled in the prior year as part of an initiative to simplify the Group structure.

FINANCIAL POSITION AND CAPITAL FUNDING

The Group's borrowings at 30 June 2014 of R7.6 billion are R663 million above last year. The increase is primarily due to the Ocean Sun Casino development in Panama (R719 million) as well as the raising of R120 million preference funding to acquire the remaining 23.2% interest in Afrisun Leisure not already owned, partly offset by strong cash flows generated by operations.



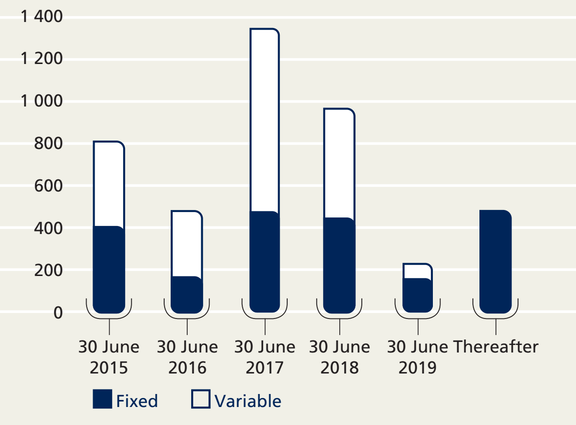
Set out in the next table is a summary of the Group's net debt position and debt covenants:

	2014	2013
Long-term debt	**3 772**	3 753
Short-term debt	**3 810**	3 166
Less Dinokana debt	**(511)**	(488)
Less cash (excluding cash floats)	**(834)**	(841)
Net debt	**6 237**	5 590

	Debt covenant	2014	2013
Debt ratios			
Debt to EBITDA	<3.0	**2.3**	2.2
Net debt to EBITDA		**2.0**	1.9
EBITDA to interest	>3.0	**6.1**	6.4
Additional debt capacity		**2 085**	2 329

The marginal increase in debt ratios is due to the funding of the Ocean Sun Casino in Panama which only opened on 12 September 2014 and consequently generated no EBITDA in the period under review. The debt ratios remain well within the debt covenant ratios agreed with the banks. At the 3 times debt to EBITDA cover level we have R2.1 billion in additional debt capacity based on 2014 EBITDA.

TERM DEBT PROFILE AND FIXED VS VARIABLE FUNDING
R million



The Group has announced a number of transactions and developments over the past year including the acquisition of a further 54.7% interest in Monticello and a 25% interest in GPI Slots, the US$105 million investment in its Ocean Sun Casino in Panama and the soon-to-commence development of a casino in Cartagena, Colombia at a cost of US$30 million. The transactions and developments will be funded out of new debt facilities, cash on hand and the proceeds from the Minor and SunWest/Worcester transactions (described in further detail on pages 33 to 35).

The net funding requirement is set out below:

	Rm
Completion of Ocean Sun Casino	**463**
Colombia	**315**
Monticello (net of cash)	**1 381**
GPI Slots	**280**
	2 439
SunWest and Worcester 14.9% disposal	**(635)**
Minor transaction	**(664)**
	1 140

The net funding is well within the Group's current debt capacity. The funding of the Menlyn Maine development (discussed further on page 34) will only likely ramp up to any significant levels in the 2017 financial year and consequently will be considered nearer the time.

Given the strong cash generation of the Group, we are comfortable with the current and anticipated financial gearing and at the current debt to EBITDA levels the Group has sufficient capacity to fund the projects under consideration.

CAPITAL EXPENDITURE INCURRED DURING THE YEAR

	Rm
Expansionary	
Ocean Sun Casino	672
	672
Refurbishment	
Sun City	179
Zambia (Royal Livingstone)	14
Table Bay	9
	202
Ongoing asset replacement	878
IT	126
Slots	325
Other	427
Enterprise Gaming System	268
Enterprise Resource Planning	63
Total capital expenditure	**2 083**

FORECAST CAPITAL EXPENDITURE

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

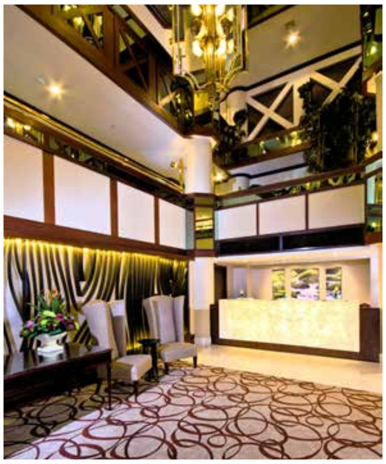
			Forecast	
R million	Total	Spend to date	30 June 2015	30 June 2016
Ocean Sun Casino	1 135	672	463	–
Colombia	317	–	317	–
Sun City Vacation Club	300	179	121	–
Sun City Casino	50	–	50	–
Sun City Cabanas	100	–	40	60
Table Bay	9	9	–	–
Zambia	147	14	133	–
	2 058	**874**	**1 124**	**60**
Other minor refurbishments	185	–	185	–
Enterprise Gaming System	647	501	146	–
Enterprise Resource Planning System	157	67	63	27
	3 047	**1 442**	**1 518**	**87**

Ongoing asset replacement forecast for 2015:

IT	157
Slots	202
Other	444
	803

SUN CITY NORTH WEST

Sun International's Sun City Resort is undergoing major refurbishments over the next few years to ensure it stays relevant.



FREE CASH FLOW

Free cash flow generated by the Group was as follows:

R million	2014	%	2013
Cash retained from operating activities	**2 555**		2 462
Interest paid	**(480)**		(433)
Replacement of PPE and computer software	**(1 390)**		(743)
	685	(47%)	1 286
Dividends paid			
Minorities	**(249)**		(273)
Shareholders	**(240)**		(252)
	196		761

Although cash retained from operations was up on last year, free cash flow declined to R196 million as a result of an increase in maintenance expenditure, Sun City Vacation Club refurbishment and the implementation of EGS and the Enterprise Resource Planning (ERP) system. The increased capital expenditure was in line with indications given to shareholders in 2013.

OUR APPROACH TO OUR BUSINESS

TO ACHIEVE OUR STRATEGY WE HAVE SET OURSELVES SHORT- AND MEDIUM-TERM OBJECTIVES AND INITIATIVES WHICH ARE REVIEWED AND UPDATED ON A YEARLY BASIS. THESE INITIATIVES AND OBJECTIVES ADDRESS OUR KEY RISKS, KEY STAKEHOLDER CONCERNS AND OUR STRATEGIC GROWTH ASPIRATIONS.

The strategic focus areas set in the prior year have remained largely unchanged and are the basis for measuring management's performance, starting with the Chief Executive then cascaded to direct reports, and in turn, throughout the organisation. These form our roadmap for the foreseeable future, with our progress in the past year and objectives ahead for each of the following five strategic pillars forming the basis for the rest of this management report:

IMPROVE OUR EXISTING OPERATIONS AND GUEST EXPERIENCE

In challenging the assumption that the markets in which we operate in are relatively mature, we are actively relooking how our business is structured and how we operate to maximise the value we can create and to improve the guest experience. Ensuring that existing and new guests keep choosing Sun International properties as their destination of choice – through offering a great experience – is core to this focus area.

P26

PROTECT AND LEVERAGE OUR EXISTING ASSET PORTFOLIO

We have a diverse portfolio of assets including world class five star hotels, modern and well located casinos, some of the world's premier resorts and some older legacy assets that for various reasons may not be positioned favourably any more. In evaluating our portfolio we have identified those properties that can be better leveraged, those that need protection and those that may no longer be core to our strategy.

P32

GROW OUR BUSINESS INTO NEW AREAS AND PRODUCTS

While we believe there is still latent growth to be had from our existing assets, to effectively grow our business we are considering other geographic areas that offer attractive opportunities for casinos. In particular we are focusing on Latin America. We are also looking at the alternative gaming market which continues to experience strong growth.

P36

OUR PEOPLE

Our people are the enabler of the Group's ability to achieve its strategic objectives. Given the highly competitive service-oriented industry we operate in, our people's motivation and competence to perform and provide a memorable guest experience are key determinants of the Group's ongoing success and sustainability.

P40

GOVERNANCE AND SUSTAINABILITY

As a responsible corporate citizen, the Group has developed a credible track record that underlies our corporate reputation. Governance and sustainability are fundamental to Sun International's operations and are interwoven into our strategy and decision-making process, from board and management level to our operations.

P44

01

Improve our existing operations and guest experience

CARNIVAL CITY

We restructured the senior operational management team during 2013, recruiting international expertise to assist in bringing our operations up to global best practice. We have also worked to improve the management approach by creating a wider management team that meets informally quarterly to deliberate on our operations and strategy. The benefit of this more inclusive group is being felt in greater participation in setting and understanding objectives, with strategic alignment starting to permeate throughout the business.

We also collapsed the historic divisional structure where gaming was managed separately from hotels/resorts. Gaming represents around 80% of our total business and it was our belief that we could improve our gaming revenues by removing the "silos" and giving our gaming customers better access to our unique hotels and resorts, in particular Sun City. Under the new structure it has been very pleasing to see Sun City's gaming revenues grow 16% – significantly better growth than prior years due to more frequent visits by our existing customers as well as new gaming customers.

Key initiatives currently underway to improve our operational performance include:

- Simplifying operational structures to achieve cost savings and efficiencies
- Restructuring the sales and marketing approach for gaming, hotels and our website
- Developing and launching our new brand
- Developing and launching our new loyalty programme
- Insourcing food and beverage and other services

Update on operational restructure

Following the restructure of the management team, we focused next on the organisational structures of the rest of the business, in particular to try and achieve better operational efficiencies. In Chile this could be achieved rapidly and was successfully implemented in September 2013, leading to a significant improvement in margins without negatively impacting on guest experience. In South Africa, this process, implemented in terms of section 189 of the Labour Relations Act, has involved a thorough and lengthy consultation process with unions and other stakeholders such as provincial gambling boards. We offered a voluntary retrenchment/early retirement programme which was accepted by approximately 700 of our 6 800 employees in South Africa. The cost associated with this programme (and other performance-related retrenchments) amounted to R165 million and this was provided for at 30 June 2014 (with the affected employees leaving then or shortly thereafter). A further 500 to 700 employees are likely to be retrenched following an extensive assessment. These employees have been identified and will leave the organisation by end October 2014, with associated costs of approximately R100 million. The anticipated benefits of the more efficient operational structure will start to flow through in the 2015 financial year.

As can be expected, it has been a very difficult time for all employees across the Group, exacerbated by the protracted time frame necessitated by the extensive consultation process. The improvement in operating results in recent months has been achieved in a very uneasy environment with staff morale at an all-time low and we would like to thank and commend everyone, including those no longer with us, for the immense effort in very trying conditions.

Q&A

Mervyn Naidoo

DIVISIONAL DIRECTOR: WESTERN AND EASTERN CAPE REGIONS

Q THERE HAVE BEEN SIGNIFICANT OPERATIONAL CHANGES OVER THE PAST YEAR. HOW HAS THIS IMPACTED YOU AS THE DIRECTOR OF THE WESTERN AND EASTERN CAPE REGION?

A Considering the lifespan of Sun International, it can be easy to get set in your ways and stop seeing problems or challenges for what they are – in truth, some complacency had crept in. I think a strong wake-up call came in positioning the Group for growth, considering our efforts in Latin America and aspirations in Asia. So we have had to get our house in order, in terms of revenue generation, costs, processes and efficiencies, and using technology to be smarter in our operations. We had to get the foundation right in our existing operations to win back our status as the leading gaming company in Africa. With the foundation in place we can focus on growth.

It has been a tough process, but I have found it reassuring that my team was ready for the challenge. In many ways, the previous structure, processes and policies were holding us back. With the change in operating philosophy in line with our new strategy, it is great to see the team playing in the same space without competing internally, taking up the focus on casinos, and taking on the challenge of the strategy. I say this cautiously, but it has been a smooth transition.

We are hard at work developing synergies and cross-marketing opportunities across casinos, hotels and resorts.

Q WE ARE MAKING FUNDAMENTAL CHANGES TO OUR MARKETING APPROACH. HOW IS THAT TAKING SHAPE IN YOUR PORTFOLIO?

A For one, we weren't using our biggest asset – our database – to full advantage. More than 80% of our spend is now on direct marketing. We are targeting specific segments, such as high-spend, low-frequency customers, with specific interventions to promote extra visits and higher spend. It is part of the shift from marketing in tiers to marketing to behaviours. In tiers, you are locked into artificial levels, but we are now getting to understand the real drivers of customer behaviour – from proximity to a casino and drive time, to their preferences in entertainment. In particular, leveraging our recent significant investment in technology, we can track behaviour before and after an offer, and thereafter with incremental earnings potential and spend.

We are working with the centralised marketing team to identify what media will have the most impact in terms of brand, casinos and hotels. The strategic focus on gaming is shifting our marketing from a space where it felt like we were masquerading as something else, to being proud of who we are and what we do. It is important not to create misconceptions in the market about what we offer.

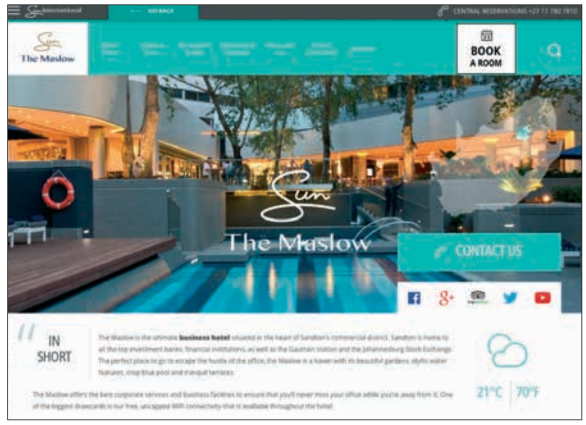
Cross-marketing is improving rapidly. We are running a shuttle between The Table Bay Hotel and GrandWest Casino, and are placing visible marketing collateral to cross-market gaming at GrandWest and the events and entertainment taking place at The Table Bay.

Besides ongoing work on our monthly property and Group events calendar, we have staffed our customer relationship management team and set monthly targets and budgets. They are already building and strengthening relationships – and after all, in our business, it all comes down to relationships.

Q ARE YOU SEEING A SHIFT IN THE CULTURE OF YOUR TEAM?

A With broadening the top management team, I believe the level of communication from a strategic perspective has increased dramatically. And with more direct access to the very top executives, I see a sense of accountability and ownership taking hold. The change in management style is more hands-on, with senior management prepared to set the tone and be held to that.

We are also being cautious in our approach to ensure that improvements are not "just a flash in the pan". Although we delivered a strong performance in the last six months, we are implementing strategy and assessing progress on a monthly basis.



Sun International | Sun Bet | Sun Rewards | Sun Touch | Sun Cares | Sun City

Sun Monticello | Sun Sibaya | Sun The Table Bay | Sun GrandWest | Sun Carnival City | Sun The Maslow

Revitalising our brand

In line with our efforts to improve all aspects of our operations, we have also revitalised our brand strategy. We have interrogated our business, our market position and our values, and used these inputs to formulate a new brand. In developing a new brand proposition, we considered feedback from external stakeholders (including our most valued guests, provincial and national gambling boards, the media and investment analysts) and internal findings (such as the culture survey reported on last year). With the organisational restructure almost complete, the next phase is to develop and entrench new values and a performance-based culture which is a key focus for the year ahead. In the interim we have launched our new logo.

Our new brand identity

We understand the power of our brand. It is the promise that we make when we take ourselves to market. But we also know that we do not own our brand – it is owned by our employees, customers and other stakeholders. Our best brand ambassadors remain our employees, and our customers typically feel and experience the brand through them.

Sun International's new brand will be more than the colours and lines of a corporate identity; it is in essence a new positioning and business intervention that, like our revised strategy, is a critical foundation for taking the Group into a new era.

Over the years Sun International has developed a collection of different brands – each property individually named without any strong pull towards the mother brand. Our new brand architecture is based on a monolithic logo to unite these elements, and build the credibility of the overarching brand. It retains a strong connection to our established brand – "Sun" – and carries forward the nostalgia and value built up over our proud history of being a premier leisure and entertainment group.

The increasingly digital environment favours the simple and short; the new logo is instantly recognisable at any scale, and the brand architecture will follow in, for example, Sun City, SunBet, Sun Rewards, Sun Touch and Sun Cares.

In our shift to being a customer-focused marketing-driven company, our brand is "Sun", and our name and logo is "Sun". It is imbued with life, energy and consistency.

Improving our marketing and sales capability

The new branding strategy is just one component of the significant effort being put in by our marketing team, and in this regard we have strengthened our marketing and sales capability with the appointment of Rob Collins in January, as our Chief Marketing and Strategy Officer. Rob has a significant amount of experience in the hospitality, leisure and gaming industry and has already made an impact in this critical part of the business.

We have made good progress towards improving our marketing and sales capability – we have brought in new talent and centralised the team, grown sponsorships through higher-visibility partnerships, and have a major emphasis on digital. The real benefit of this should be seen in the year ahead where we expect that brand awareness will greatly improve.

Our review of the sales and distribution channels has resulted in significant change. To align with our strategy, we have closed the overseas marketing offices, which included offices in London and many countries in Europe. In light of the weakened Rand, closing this fixed- and high-cost network has also had a significant cost saving benefit. We are now marketing internationally through a fully integrated commission-based representation model in our core and growth markets. We have also concluded the disposal of Sun International Travel (Pty) Ltd (Dreams), our in-house tour operator.

Q&A

Rob Collins

CHIEF MARKETING AND STRATEGY OFFICER

Q ROB, YOU HAVE BEEN WITH SUN INTERNATIONAL FOR SIX MONTHS NOW AND YOU BRING CONSIDERABLE MARKETING AND OPERATIONAL EXPERIENCE TO THE GROUP. WHAT ARE YOUR KEY INSIGHTS FOR MARKETING SUN INTERNATIONAL?

A In all our core competencies – casinos, hotels, entertainment, food and beverage – marketing has come to play a critical role. In an increasingly competitive world we must have an attractive offering as consumers are blessed with more choice than ever in all aspects of gaming, entertainment, restaurants, television, internet – we have to be at the cutting edge.

Although Sun International has an attractive offering we have to understand that there is no annuity, contracted or subscription income – and consumers have no obligation to visit our properties. That means that we have to be a customer-centric business which differentiates and de-commoditises itself against the run of the mill. We have to offer a special service and experience to lure people to come to us.

Winning licences is capital intensive, and significant investment is made in building casinos, hotels, restaurants, bars, and conference venues. Once the bricks and mortar are complete, the trick in staying relevant is to grow business through increasing frequency of visitation and monetary spend per visit. Especially for repeat customers, we need to keep the offering fresh and relevant to win people's time and discretionary spend.

Q YOU HAVE SPOKEN ABOUT YOUR OBSESSION WITH "CONTENT" AT OUR PROPERTIES. HOW DOES THIS PLAY INTO MARKETING THE GROUP?

A For Sun International, although we have geographic exclusivity at many of our properties it is crucial that we remain customer-centric and marketing focused, we must be relevant to our community.

We can (and must) differentiate our business with mind and mood – bringing in acts, entertainment and events to make sure that the built environment offers a fresh experience with each visit. We need to maintain relevance, presence, coolness, and an "X factor". My view is that when the tide comes into the harbour, all ships rise – if we can drive footfall to the properties in general it will ultimately migrate onto the casino floor.

The digital age represents a massive change and opportunity for us. It gives us the ability to talk directly to the thousands of customers who frequent our properties – from a banner that gives updates on events or Sun Rewards, to an online booking engine that includes all concessions on our properties. We are rich in data but need to become content obsessive – to provide fresh and varied content that entertains and markets us – from CSI initiatives to events.

Q IN TERMS OF OUR APPROACH TO DIGITAL MARKETING, ARE WE STAYING ABREAST OF THIS FAST-CHANGING MEDIUM?

A We have overhauled our digital strategy, focusing on delivering immersive digital content across every channel, including web, mobile and social media. Importantly, this feeds into the changes we are making to upgrade our website and content management system. The website has a vital role beyond appeal – the online booking engine functionality is being improved so it becomes easier to transact with the Group, to book rooms, events and activities, check points and see the breadth of our offering internationally. Content will help drive traffic to the site, so it becomes a platform for the whole business.

We have completed a restructure of our sales approach in South Africa, which is improving the sales culture, conversion, workflow and administration.

In addition to managing our extensive distribution partner network of over 5 000 travel trade partners, we continue to leverage our affiliate partnerships and ventures to grow our direct exposure to corporates and consortia.

When it comes to creating general brand awareness, our two flagship events have received a lot of attention over the past year. The Nedbank Golf Challenge has entered a new era, with the event being co-sanctioned by both the Sunshine and European Tours, a change in format to 30 players and an increased prize fund of US$6.5 million. We also have made substantial changes to the 2014 Miss South Africa Pageant, with a new television and production format, and a total rebrand. This has attracted Cell C as the title sponsor. Both events were extremely well received by the media and public and generated significant media coverage for the Group across all platforms.

We view "Casino Marketing" as being distinct from the general marketing/brand awareness initiatives and this area has gone through a complete transformation over the past year. We have built an entirely new team that is focused on driving gaming customer revenue growth – our core business. We are utilising advanced customer analytics, consistent retail messaging and retail promotions across our casinos, as well as customer bonusing by harnessing the recently installed Bally gaming and customer relationship management systems.

The new casino marketing team now reports to the COO through the following focus areas:

- Casino marketing – managing property promotions, customer relationship management and direct mail, customer analytics, analysis, insight and research, loyalty programmes, and marketing services that focus on cost efficiency.
- VIP gaming – targeting South African VIP players to drive higher spend from our existing top players and attract new high-end players, identifying and attracting VIP customers from Africa and Asia, and attracting VIP customers to our Latin American properties (with a focus on Panama).
- Business intelligence – product development, price optimisation and the retail environment.

To keep our offering fresh we are launching an entirely new loyalty programme – Sun Rewards – that will replace the current MVG programme. It leverages the improvements we have made in our IT systems to extend beyond gaming to include hotels, restaurants and entertainment across the Group. It stands as an excellent example of the synthesis of brand, gaming and resorts, and aligns with the new brand architecture.

We are already seeing the benefit of a more focused approach to casino marketing, with the significant second half improvement in gaming revenue standing testimony to the hard work that has gone into this area. In the year ahead we hope to get a bit more traction in the VIP initiative which is still being developed.

Initiatives to insource key services

We have evaluated the possibility of insourcing key services that serve as key touch points in delivering a differentiated customer experience as well as other areas of the business as we seek to minimise the use of contractors and consultants and bring key contractor skills in-house. Where skills should logically be outsourced to consultants we are exploring options to improve aspects of their contracts including rewards or penalties based on performance.

In the food and beverage space, we have appointed specialist expertise, including a Group General Manager for food and beverage. He has engaged with key properties and developed a broad strategy for enhancing food and beverage to ensure consistency and excellence across our properties. In the year ahead we will be renovating and upgrading certain of our restaurants and anticipate that we will take ownership of a number of outlets.

We have made some progress in insourcing cleaning and housekeeping at The Table Bay Hotel, The Maslow and some smaller units in South Africa, and at The Royal Livingstone and Zambezi Sun in Zambia.

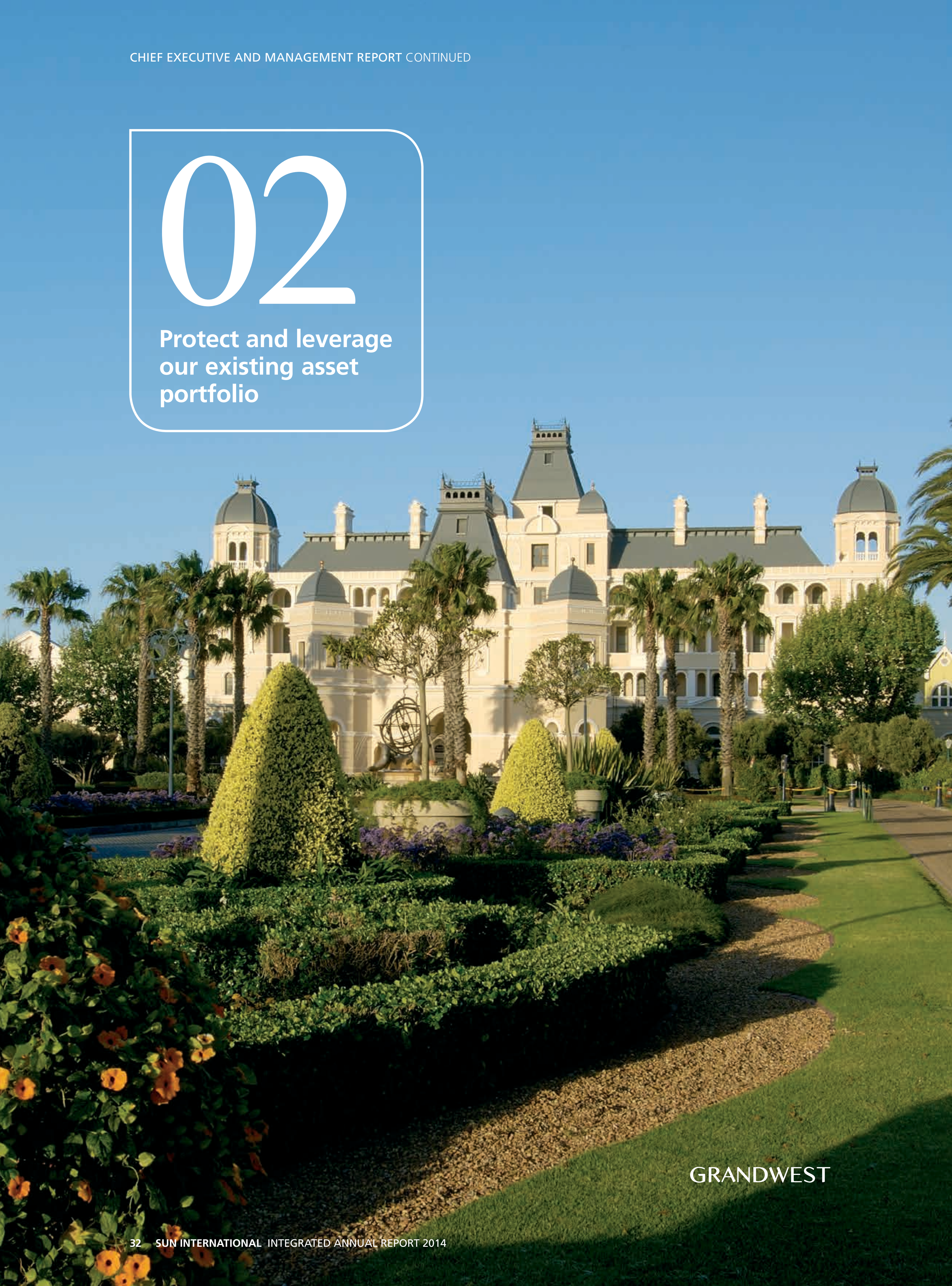
Update on IT initiatives

The implementation of EGS was concluded ahead of time and below budget. The focus is now on utilising its features to benefit from the significant investment made – and as reported above the recent increase in casino revenues can in part be attributed to this.

An important ongoing project for the IT team is the implementation of the ERP system. The analysis and design phases have been completed, identifying additional requirements and clarifying scope items. The change management team is ramping up and working closely with the pilot properties. We expect that implementation will be well advanced by the end of the 2015 financial year.

02

Protect and leverage our existing asset portfolio



During the past year we spent a significant amount of time strategically analysing our existing assets and have announced certain transactions and developments which we believe will assist in maximising the potential of our portfolio. The transactions concluded and announced are in various stages of implementation. Shareholder approval, where required, has been obtained and it is largely regulatory approvals that are outstanding. While our primary focus is on executing the transactions already announced, we continue to evaluate other opportunities to better leverage our assets and believe there are a number which will hopefully come to fruition in the year ahead.

GrandWest

There have been no further developments in the amendment of regional licence allocation policy and legislation to allow for the relocation of a licence in the Cape Metropole region. We still believe that there is no potential for significant additional gaming revenue to be had in the region to justify establishing another large casino in the catchment area of the city.

On 13 May 2014, the Group announced that it had concluded a transaction which will see GPI exit its investments in SunWest and Worcester. Tsogo will acquire a 40% shareholding in both properties including the acquisition from Sun International of a 14.9% interest in each of SunWest and Worcester for a combined cash consideration of R635 million. GPI has, since inception, been the primary BEE stakeholder in SunWest and Worcester and wishes to monetise its stake in these assets to pursue other interests. Tsogo has limited exposure to the Western Cape metropolitan markets and wishes to increase its presence in this market.

Sun International and GPI are of the considered view that Tsogo is the only party that can provide similar BEE ownership credentials to that of GPI, and furthermore, Tsogo has the financial capability to implement a transaction of this magnitude.

Sun International and its employee share trust will own 60% of SunWest and Worcester and will continue to control and consolidate these assets. Tsogo will have representation on the board of directors of SunWest and Worcester with typical minority shareholder protections. All operations will continue to be managed by Sun International Management Limited under each of its existing management contracts.

The proposed transaction is subject to competition commission and gambling board approval and the relevant submissions have been made. Shareholders voted in favour of the transaction at the general meeting held on 22 August 2014.

We believe that this deal is in the best long-term interest of SunWest and Worcester. The R635 million proceeds to be received will be useful in funding the Group's expansion plans and from an empowerment perspective, we are especially pleased with the R2.2 billion value created for GPI.

Monticello

As announced on SENS on 2 July 2014, Sun International reached agreement to acquire a further 54.7% interest in Monticello for approximately US$114 million on 30 June 2014. This gives the Group an effective 98.9% interest. In addition, Sun International will acquire shareholder loans and cash of approximately US$32 million.

The transaction provides the opportunity for Sun International to acquire an increased economic interest in, and gain strategic control over, what is regarded as one of Latin America's best casinos. The transaction acts as a catalyst for establishing a portfolio of premier assets in the region as well as providing the platform for further growth and consolidation of Sun International's strategic position in the casino industry.

Shareholder approval was received on 29 September 2014 and the purchase is now subject only to Chilean Gambling Board approval, for which the relevant submission has been made.

An accrual of R1 687 million has been raised in non current liabilities for the purchase consideration.

From an operational point of view we have had to take some swift and significant action during the year to mitigate the negative impact of the smoking ban introduced early in 2013. We downsized the work force to match the lower levels of revenue and four smoking decks with slot machines have been constructed allowing natural airflow and complying with the anti-smoking legislation. Our approach was to create an environment of comparable quality and experience with the non-smoking areas of the casino and this has been well-received by the Santiago market.

Since the opening of these decks, coupled with improved marketing focus, revenues have improved steadily. In March to June 2014, gaming revenue was up 23% on the prior year (the first four months subject to the smoking ban).

We are pleased to report that our market share in Santiago has climbed from 65% to over 70% over the course of 2014, a pleasing result for an asset that is critical to our Latin American strategy.

Sun City

The R300 million refurbishment of the Sun City phase 1 Vacation Club is well under way with R179 million spent and an expected completion date of November 2014. Sales of Vacation Club units of R105 million were achieved by 30 June 2014. With the completed units we now have the ability to offer "try and buy" options which should expedite sales and we have secured retail financing for prospective clients.

Sales and marketing teams for the Vacation Club have been established as well as marketing offices in Johannesburg and on-site at Sun City.

A long overdue R100 million refurbishment of the popular Cabanas hotel will also commence shortly and will be phased over the next two financial years. Further plans for the resort, in particular the convention and conferencing aspects of the business, are under consideration. Capacity not sold in the Vacation Club will be utilised by Cabana clients helping offset any loss of revenue during the refurbishment.

THE ORIGINAL SUN CITY VACATION CLUB UNITS ARE UNDERGOING A R300 MILLION REFURBISHMENT TO BRING THEM TO A WORLD CLASS STANDARD.

With encouraging growth in casino revenue we have commenced the refurbishment of the main casino at an estimated cost of R50 million. The refurbishment includes a significant modernisation of the casino floor and the development of food and beverage outlets in and around the casino to improve the gaming and entertainment experience. The refurbishment will be completed in time for the 2014 Nedbank Golf Challenge.

Morula relocation to Menlyn Maine

During April 2014, public hearings were held in relation to the Group's application to amend its Morula licence to allow the relocation to Menlyn Maine on the east side of Pretoria. On 31 July 2014, the Gauteng Gambling Board (GGB) announced that the Group's application had been approved thereby permitting the relocation of the casino from Mabopane to Menlyn. The approval is subject to conditions that are reflective of the commitments made in the application.

Detailed planning of the R3 billion development will now commence in conjunction with further engagement with the GGB to conclude detailed agreements for the amendment of the Morula licence conditions.

Notification has been received of certain legal objections to the proposed relocation and development and these are being addressed. Once the amendments to the Morula licence are issued by the GGB and in the absence of any legal impediment the detailed planning and construction of the casino is anticipated to take approximately 30 months.

Rest of Africa

We indicated in last year's report that Africa did not present many opportunities for the development of sizeable casinos and against this background we have been evaluating our existing presence on the continent. As announced on SENS on 18 August 2014, Sun International has now entered into agreements with Minor, whereby Sun International will dispose of a significant portion of its African portfolio to Minor. The interests Sun International will dispose of and its shareholding pre and post the transaction are set out in the table below:

SUN INTERNATIONAL'S EFFECTIVE OWNERSHIP

	Before the transaction	% disposed	After the transaction
Gaborone Sun – Botswana	80%	80%	16%
Kalahari Sands – Namibia	100%	80%	20%
Lesotho Sun and Maseru Sun – Lesotho	47%	80%	9%
Royal Swazi and Ezulwini Sun – Swaziland	51%	80%	10%
Royal Livingstone and Zambezi Sun – Zambia	100%	50%	50%

On conclusion of the transaction, the Royal Livingstone and Zambezi Sun will be accounted for as a joint venture, Gaborone Sun and Kalahari Sands as associates and Lesotho Sun, Maseru Sun, Royal Swazi and Ezulwini Sun as available-for-sale assets. The collective purchase consideration amounts to R664 million plus the face value of any shareholder loans.

Sun International will continue to manage the casino operations situated at each of the assets and Minor will assume day-to-day management responsibility for the hotel operations other than in Zambia, which will be jointly managed. The agreements reached cater for a sharing of management fees, the marketing of the properties, and the provision by Sun International of support services.

In parallel with our discussions with Minor, and with their approval, we have finalised the scope of the Zambezi Sun refurbishment, which is budgeted at R130 million and commenced in June 2014. In Nigeria, we have created a master plan for the development of the real estate and the Towers hotel. We continue to try and resolve certain shareholder disputes and regulatory issues before we can progress further with the development. The Minor group has expressed an interest in participating in Nigeria and investing into the property and these discussions are being fleshed out. The environment in Nigeria is however extremely challenging and the recent outbreak of Ebola will negatively impact the performance of the property in the 2015 year.

WHY CHOOSE MINOR INTERNATIONAL PCL AS A STRATEGIC PARTNER IN AFRICA?

From its founding in 1978 with a single beachfront resort in Pattaya, Minor is today one of the largest hospitality and leisure companies in the Asia Pacific region. With over 100 hotels and resorts, 1 500 restaurants and 250 retail trading outlets, Minor meets the growing needs of consumers in Thailand and in 25 markets from Africa to Australia.

Through its hotel operations, Minor has a portfolio of over 14 000 rooms under the Anantara, AVANI, Per AQUUM, Oaks, Elewana, Four Seasons, Marriott, St. Regis and Minor International brands. Its restaurants division is one of Asia's largest casual dining and quick-service restaurant companies, operating in 20 countries under The Pizza Company, Thai Express, The Coffee Club, Ribs and Rumps, Riverside, Swensen's, Sizzler, Dairy Queen and Burger King.

It is also one of Thailand's largest distributors of lifestyle brands with over 250 points of sale focusing primarily on fashion and cosmetics.

The deal with Sun International gives Minor greater access to hotel opportunities in southern Africa. With Minor's balance sheet strength and Sun International's existing relationships and understanding of these markets, we see the deal as an ideal opportunity to service and improve the offerings in these countries while rightsizing our interest in these African assets to align with our strategy.

There is strong rapport between the management and chairmen of the two groups, with the relationship built up over the course of the year. We look forward to working closely with Minor. Starting with the existing African assets, it is the intention of the alliance to explore other hotel and gaming opportunities that may arise, particularly in Africa and Asia.

03

Grow our business into new areas and products

MONTICELLO GRAND CASINO

We are pleased to report that we have made significant progress in growing our business in line with our strategy.

Expansion into new geographic areas

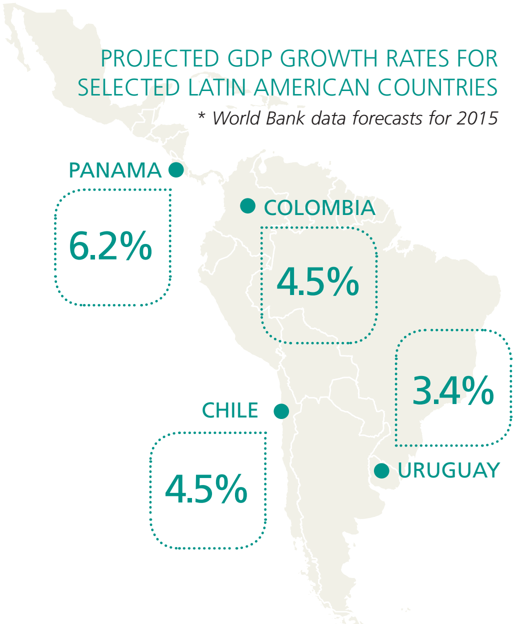
Given the subdued economic outlook for our core business in South Africa, a focused offshore strategy on higher-growth economies is clearly to our benefit.

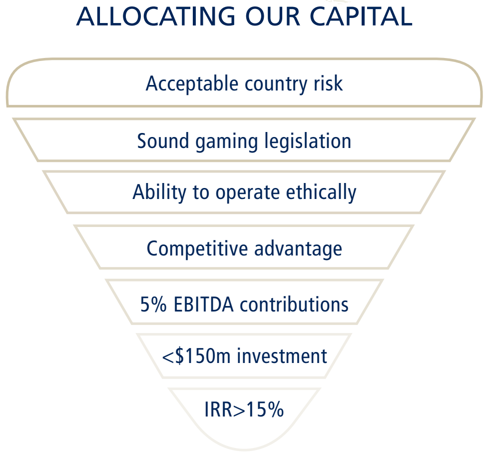
Latin America has been a particular area of focus and, in addition to increasing our shareholding to gain control of Monticello, we have also developed and recently opened our casino in Panama and gained approval to proceed with our first project in Colombia. We expect to make further progress in establishing a meaningful presence on the continent in the year ahead. With critical mass starting to develop in Latin America we also hope to appoint a corporate management team in that part of the world which will then free up the South African-based executives to focus on providing strategic input and developing new opportunities – both in Latin America and possibly in Asia, which remains a region in which we would like to gain a presence.

With every new offshore development, we are growing brand recognition which leads to further opportunities being presented. We analyse these against our strategic intent to focus on emerging markets where we are able to compete – either on the basis of risk profile, balance sheet or expertise.

Panama

The development of the casino and apartments in the Trump Ocean Club International Hotel and Tower in Panama City, Panama was completed shortly after our year end. The Ocean Sun Casino opened its doors for business on 12 September 2014 and will have its grand opening on 24 October 2014.





The casino has 600 slot machines and 32 tables allocated between the main casino on the ground floor and the "Panaveira" Privé situated on the top floor overlooking the Panama Canal and the city. Both facilities have entertainment and food and beverage offerings.

The development was completed on schedule and within budget.

While we watch every opening with great interest, Panama represents a new market where we do not have the same levels of geographic exclusivity as we do in South Africa and Chile. With this in mind, Panama was structured as a low-risk entry into the market, focusing on the casino component only. Given the great location, excellent product and strong brand association – with Trump International – we are excited by this offering that is without doubt the best casino product in the area.

We wish the new management and employees every success in this exciting new offering for Sun International.

Colombia

The Group's application for a casino licence in Cartagena was approved by the Colombian gaming regulator on 28 July 2014. This paves the way for our proposed casino, which forms part of a mixed use development in Cartagena, including a 284-room five star Intercontinental hotel. The casino will be developed at a cost of US$30 million, with 220 slot machines and 16 tables. The Group will lease the casino component of the development, which includes the hotel, convention centre, shops, theatres, apartments and offices.

While relatively small, this opportunity, like Panama, is focused on the casino component only and is a low-risk entry into the very attractive Colombian market. We expect the casino to open towards the end of our 2015 financial year.

Expansion into new product lines

As indicated in last year's report, the proliferation of EBTs in South Africa continues despite objections from land-based casino operators. In effect, EBTs are operated in bingo halls which are mini casinos. We certainly support growing overall gaming revenue, but given that the rollout of EBTs to date has focused on existing catchment areas for land-based casino operators, they do prejudice our existing operations.

As the vast majority of the land-based casinos were invested in and developed on the basis of geographical exclusivity, Sun International and the other casino operators, through the Casino Association of South Africa (CASA), made calls to national government for a national framework to be put in place to regulate EBTs but certain provinces are moving ahead regardless. For example, at the Boardwalk in the Eastern Cape, where we have recently invested almost R1 billion as part of our licence renewal, the gaming board has gone ahead with allowing EBT operators into our catchment area. This new, and unforeseen, commercial challenge makes it harder for us to grow in this market, however we believe that while we undoubtedly will lose some revenue, ultimately the majority of our existing and new players will choose the far superior experience offered at our properties.

To mitigate the risk of EBTs and LPMs in a constrained local economy with a limited pool of players, the Group has taken a defensive stance and has concluded the acquisition of an interest in GPI Slots as detailed below. This gives us the opportunity to participate in this segment, which is growing faster than our existing casinos, while operating within the spirit and framework of local regulations.

GPI Slots acquisition

As announced on SENS on 13 May 2014, Sun International will acquire up to a 70% interest in GPI Slots, the holding company of GPI's limited payout gaming operations that own and operate LPMs. GPI Slots presents an excellent vehicle for future growth in LPMs and potentially EBTs. Shareholders voted in favour of the transaction at the general meeting held on 22 August 2014.

The acquisition will be made in three tranches, with an initial acquisition of a 25.1% interest in GPI Slots for a cash consideration of R225 million plus 25.1% of the face value of shareholder loans. The Group has options to acquire a further 25% interest in one year's time and an additional 20% one year thereafter.

The relevant submissions to the Competition Commission and gambling boards have been made. While the regulatory process may still take some time we expect all approvals to be received by November 2014.

We have developed a broader strategy for EBTs and LPMs, with other opportunities being investigated and pursued.

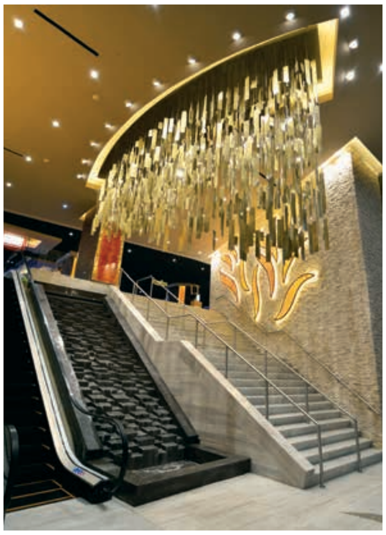
Online sports betting

The acquisition of Powerbet Gaming Proprietary Limited was concluded on 31 October 2013. To align with our brand architecture, it was rebranded as SunBet and the new site was launched. While still small, business levels have grown strongly within this fast-growing industry, with turnover of R13 million over the period 1 November 2013 to 30 June 2014 and showing good potential for growth.

Strategically, SunBet provides an entry for the Group to internet-based gaming in anticipation of online gaming being legalised, with draft legislation reportedly to be announced in the new financial year. Through SunBet, the Group has launched a brand in the market, giving us the opportunity to develop the expertise and offering as legislation evolves. The strategy to drive the sports betting business is being refined and will be implemented in the new financial year.

PANAMA SOUTH AMERICA

The Ocean Sun Casino opened its doors for business on 12 September 2014.



04

Our people

PALACE OF THE LOST CITY – SUN CITY

Key achievements in 2014

- Critical skill gaps closed:
  - Appointed Chief Marketing and Strategy Officer
  - Appointed new head of food and beverage
  - Set up VIP team
  - Gaming marketing team established
- Aligned performance contracts to Group strategic objectives
- Implemented new short- and long-term incentive schemes with a portion of the award based on personal key performance indicators
- Commenced operational restructure
- Ocean Sun Casino (Panama) staffed and trained with 331 employed
- Restructure of Monticello completed in September 2013

FOCUS FOR 2015

- IMPROVE ORGANISATIONAL CULTURE FOLLOWING SECTION 189 RESTRUCTURE
- DEVELOP AND SUBMIT THREE YEAR EMPLOYMENT EQUITY PLAN
- INCREASE UNION ENGAGEMENT AND ADDRESS STAFF ISSUES AND CHALLENGES
- EMBED HUMAN RESOURCES PRACTICES AND CONTINUE TO DEVELOP A HIGH-PERFORMANCE CULTURE
- IMPLEMENT INSOURCING WHERE APPROPRIATE

As we enter into a new era for Sun International it is imperative that we have the necessary local and international competencies to achieve our strategic objectives and that we provide an environment for all employees to thrive in their personal capacities. To achieve this we need to have an appropriately experienced, highly competent and engaged workforce that takes accountability for its actions and creates a high-performance culture throughout the Group. Without this we have little chance of creating sustainable and meaningful growth for all stakeholders.

In the past year we have largely addressed the critical skills shortage and as mentioned previously have embarked on a section 189 restructure process to address outdated management structures and to rightsize our operations. This process has been an enormously challenging time for all employees and we are mindful of the negative impact the process has had on employee morale and culture within the Group.

Now that the section 189 process is almost complete, we are placing significant focus on developing new shared values and an organisational culture to reintegrate and reinvigorate our people to support our strategy and ambitions. Talent management, succession planning, transformation and learning and development will underpin the desired Group culture and values. We have made significant progress in these areas but there is still a lot to be done; in the year ahead we expect to make further progress in all areas of human capital management.

Improving organisational culture

We are making good progress in improving the Group culture. This includes promoting regular and improved communication at all levels such as regular conference calls to the Group's senior managers (some 250 people) to update them on strategy and progress. We have also improved frequent and informative email written communication to all employees – in particular explaining the progress on the restructure and other strategic initiatives that have been announced. Simultaneously with any SENS announcement to the JSE, we release an internal explanation so that employees hear the news from us first. We have also included general managers of our larger properties on the Group executive management team to ensure Group and unit initiatives and strategic direction are aligned.

More responsibility and accountability has been placed on senior head office and unit general managers through setting appropriate levels of authority and empowering managers to make and take responsibility for decisions. While it has not been measured directly, we can see levels of improved accountability and cooperation.

The organisational development and change management competency established last year has been crucial in supporting (and where required, driving) Group initiatives. Change management workshops have been building the capability of leaders to manage change and support their teams.

A new performance management methodology was introduced to cultivate and enhance performance as a key building block for the future of the Group. The performance requirements of employees are now directly linked to business objectives through key performance indicators (KPIs). The performance scorecard includes areas on managing and developing our people and transformation, demonstrating the importance and strategic value we place on these vital areas of the business.

As part of the section 189 process, individual performance contracts will include minimum requirements and standards per role. Employees will be expected to perform against these standards, to improve the performance and productivity of the business, as well as to realise the benefits of the restructure. This is key to managing effective and efficient operations and improving guest experience.

We have linked performance more directly to reward, at a Group, team and, importantly, an individual level. To support this, the performance feedback discussions include reviews and undertakings on development needs, talent and career management discussions.

It signals a shift in culture and approach, driven by robust discussions and direct rewards for good individual performance. Conversely, performance that does not meet required standards will also be covered in these conversations. We are dealing decisively with under-performers through the KPI process. This commenced at executive level, where around half of the executive team has been replaced over the past 18 months.

The shift in our strategic focus has made it imperative to review capabilities at a senior level through a structured talent management framework. The internal talent pipeline has been reviewed against strategic business objectives, with all Group executives and employees forming part of the business unit executive operations committee evaluated. Career and development discussions have been completed across this layer.

We identified senior employees for further accelerated development, redeployment and performance coaching. As part of that process, we also identified employees for exiting.

To grow talent from within the Group, a SIML talent review confirmation session will be held after the restructure is completed to assess the talent pool and talent decisions that were made during the previous review. During the year ahead, the talent management process will be introduced at a unit level to develop leadership talent across the Group, and support early identification of internal talent for leadership roles in future. Acknowledging internal high performers and achievers not only keeps our leadership pipeline strong, but promotes a culture of performance and builds on our employee value proposition of offering opportunities to grow within Sun International.

Learning and development

The restructuring of Group Learning and Development and the resourcing of the function to deliver against the agreed mandate was a key priority for the year. A new learning design methodology was introduced to ensure a standardised approach to programme design and delivery.

To build capability after the restructure, the team will continue with the programme to strengthen casino, hospitality and functional skills and competencies across the units. We are particularly focusing on leadership at all management levels in the Group. We believe that this is a key skill that is lacking in our business and through strengthening our leadership we will create an empowered organisation with an engaged workforce.

In our application for the relocation of the Morula casino licence we committed, if successful, to establish a gaming and hospitality training academy at the Morula premises. The intention is to partner with other learning institutions to establish accredited courses for not only our employees but also for anyone aspiring to enter the gaming and hospitality industries in South Africa.

BOARDWALK EASTERN CAPE

The Boardwalk is the most exciting leisure attraction in the Eastern Cape, offering 24-hour entertainment and superior conference space.

Transformation

We have made good progress with our transformation targets over the past few years. Our approach to transformation moving forward will not be a short-term solution but will be to achieve meaningful transformation over the medium term through the setting of realistic and achievable transformation targets that will be aligned to our strategic objectives. We will closely align our initiatives and strategies to address transformation to our agreed targets and these will be included in management's performance contracts and will from part of our consolidated employment equity (EE) plan.

We will be submitting a comprehensive three year EE plan shortly that will consider all transformation strategies across talent management, succession planning, talent attraction, career progression, retention and importantly the Group's strategic objectives. Our plan will also take into account the demographics of the provinces in which we operate.

Management is also assessing the impact of the revised BEE codes on the Group and has reconstituted the broad-based black economic empowerment (B-BBEE) committee which reports to the social and ethics committee. The B-BBEE committee has accountability for ensuring that the Group successfully achieves its targets. This has brought discipline to the way we approach transformation, and being composed of members of the senior and executive team, it is demonstrating our commitment to the spirit of transformation.

In broadening the management team, we are pleased that our EE profile has improved at management level. Through our efforts in succession planning, we have identified a diverse pool of potential future executives and will continue to support and develop their progress to executive level.

As the Group continues to expand internationally while simultaneously striving to meet and maintain international benchmarks for best practice, it is inevitable that we will employ international expertise. We welcome this input to the way we do business and our South African employee base will benefit and learn from it.

05

Governance and sustainability

ROYAL LIVINGSTONE

Key achievements in 2014

- Appointed a Latin American non-executive director as the Group's expansion gains momentum
- Integrated governance, legal, compliance and socioeconomic development (SED) into one department
- Re-launched our SED strategy under the banner of Sun Touch
- Significant improvements made in environmental management with reduced energy and water usage targets achieved
- Improved engagements with key stakeholders including gaming regulators and certain provincial governments
- Retained inclusion in the JSE's 2013 SRI index

FOCUS FOR 2015

- FINALISE CARBON FOOTPRINT STRATEGY
- IMPROVE GROUP COMPLIANCE FUNCTION
- BUILD ON SED AND ENTERPRISE DEVELOPMENT INITIATIVES AND ENSURE REAL AND SUSTAINABLE VALUE DELIVERY
- CONTINUE TO BUILD RELATIONSHIPS WITH GAMING BOARDS

Sun International has long been at the forefront of governance, being an early adopter of King III and having well established processes that interweave our governance and sustainability principles into our strategy and decision-making processes. Our credible track record that underlies our corporate reputation protects our current business and supports our expansion into new territories, given the focus of governments and regulators on operators who understand and deliver on their responsibilities as responsible corporate citizens.

Given the strategic importance of attaining a solid corporate reputation, the challenge for the Group this year was to move beyond the realm of just compliance and to build an integrated platform to support the Group's strategic objectives. The many good initiatives that have previously been undertaken by the Group, were at times driven in isolation and hence we were achieving good but fragmented results in the sustainability domain. We found that as we started to consider the elements of governance and sustainability as one, a process which we reported on last year, the more naturally certain elements and processes lent themselves to a way of integrated thinking and doing.

At the heart of this integrated thinking is the premise that the development, operation and management of our hotels, resorts and gaming operations have ethical, environmental and social implications on the communities within which we operate. Not only do we have a responsibility to these communities, we are also aware that our corporate behaviour within these communities, tells a story that forms the perceptions of our many stakeholders and informs our reputation as we seek to expand into new territories.

Our legal licence to operate is informed by our social licence and hence our approach to governance and sustainability will always remain an imperative to the Group. Evolving our integrated approach has already demonstrated the benefits that make this objective well worth pursuing.

We have commenced by entrenching our governance and sustainability principles within the Group's corporate sustainability strategy (CSS) which reflects Sun International's commitment to integrated sustainable development and is underpinned by the following key tenets:

- Maintaining an ethical climate throughout our operations
- Engaging with stakeholders at all levels
- Touching our communities positively by creating shared value for our business and communities
- Implementing environmental management systems that are aligned with international best practice
- Promoting environmental and social responsibility among guests, employees, suppliers, contractors and concessionaires
- Applying social and environmental criteria to the sourcing of goods and services wherever practical
- Demonstrating environmentally and socially responsible behaviour
- Practicing good corporate governance

Corporate responsibility

The Group was again included in the JSE's 2013 SRI Index. Only 73 of the publically listed companies on the JSE qualified for inclusion in 2013. Given that the SRI Index is globally recognised as an indicator of high levels of governance, our continued inclusion in the SRI Index remains a strategic imperative.

ABOUT THE SRI INDEX

THE JSE'S SRI INDEX OFFERS AN ASPIRATIONAL BENCHMARK AND MEASURES COMPANIES' POLICIES, PERFORMANCE AND REPORTING IN RELATION TO ENVIRONMENTAL, SOCIAL AND ECONOMIC SUSTAINABILITY, AS WELL AS CORPORATE GOVERNANCE PRACTICES, BASED ON PUBLIC DISCLOSURE.

Environmental management

While the Group is not the heaviest user of natural resources nor does it have the biggest impact on the environment, we nevertheless believe that we need to play our part in protecting the environment and preserving the natural capital that forms part of the attraction of our unique property destinations. In doing so, we are also able to achieve meaningful financial savings and further reinforce our commitment as a responsible operator to our varied stakeholders. There is a growing market segment that appreciates and supports green companies and we will continue to ensure that these guests have reason to support our properties.

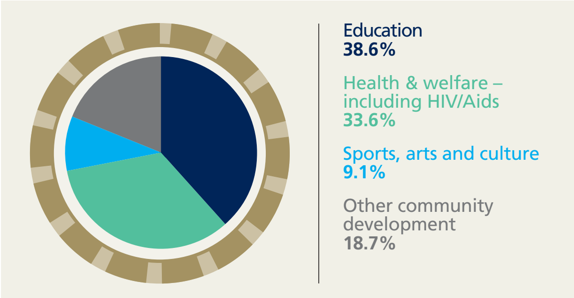
A comprehensive energy management strategy that actively targets certain energy initiatives and savings was approved and rolled out to all South African properties during the year. Properties outside South Africa will be targeted during the next financial year as we learn from our local implementation. The National Business Initiative (NBI), a sustainability partner of Sun International, has in support of our efforts also contributed financially towards conducting energy audits that form part of the Group's energy strategy.

Over the past year we have improved the accuracy and reliability of our data collection which is key to understanding our energy usage and impact on the environment. We have implemented a monthly monitoring process to ensure data reported is accurate and consistent throughout the Group. This will be augmented by incorporating environmental requirements into the functionality of our ERP system, which will also meet the requirements across all pillars of ISO14001 compliance and data required for GRI and SRI reporting.

As part of our focus on environmental management, we have appointed a Group Environmental Manager who is making great progress in taking Sun International forward on these initiatives.

Socioeconomic development (SED)

In the year under review, the Group's total SED spend amounted to R21.3 million with the funds spent as follows:



Further to our aim to integrate our governance and sustainability platforms, SED has been moved to corporate services as part of an overall sustainability offering. A comprehensive review of the Group's SED initiatives and spend has since been undertaken and we have appointed a Group SED Manager to focus our various SED initiatives and assist in implementing a revised SED strategy.

Our revised SED strategy is housed under the banner of "Sun Touch" and is underpinned by the concept of shared value creation, which we have customised according to Sun International's environment. To create shared value, we start with considering the business need and then find a societal concern that addresses the business need thereby creating value for both business and our stakeholders.

An example in brief:

- The business need: a shortage of qualified and experienced chefs in the Group (indeed in South Africa)
- The societal need: education and employment
- Creating shared value: Sun International has launched the hospitality and cooking school classroom project across eight provinces and will provide the facilities for high school learners to go through an approved curriculum that involves learning culinary skills. We will also train the relevant educators by giving them exposure to our kitchens. The top graduating learners will be offered bursaries with tertiary hospitality institutions and will serve their internships with the Group which in turn will lead to employment within the Group.

Both the community and our business would have benefitted from the creation of shared value.

Leading the creation of our shared value principles, is the Group's newly appointed SED Manager, Ms Nancy Ncube.

ENTERPRISE DEVELOPMENT (ED)

With the changes to the B-BBEE codes, we are making a significant shift in direction and effort. The Chief Financial Officer, Commercial Manager and procurement team have been tasked to reformulate the Group's strategy for ED and supplier development, which will give intent to the spirit of the new B-BBEE codes. While the Group has already been active in the ED space and facilitated the creation of new, albeit smaller businesses, we are ambitiously targeting bigger projects in the year ahead.

As one example, we are supporting the development of local manufacture and assembly of slot machines in South Africa by encouraging international machine suppliers to support our supplier development initiatives. Our intention is to drive local skills development and create much-needed employment in South Africa.

Developing and influencing our supply chain will be an area of focus in the new financial year.

STAKEHOLDER ENGAGEMENT

We have made good progress in advancing our stakeholder engagement strategy, most notably with the following key stakeholders:

Unions: Relationships have evolved with the Chief Executive and Chief Financial Officer having met with the South African Commercial, Catering and Allied Workers Union (SACCAWU) national executives on a number of occasions. The Group has stayed true to its commitment to interact only with SACCAWU, our official union, unless they request the involvement of Congress of South African Trade Unions (COSATU).

While the restructuring process has at times been stressful, we are pleased that discussions have been robust and we thank SACCAWU for the constructive engagement and spirit throughout the consultation process. There is evidence of a growing level of understanding of the business as we engage with this important stakeholder. We will continue building productive relationships that are in the best interests of the business and unionised employees.

National and provincial gambling boards and government: A Group Compliance Manager has been appointed within the corporate services department. Together with the executive team, in particular Khati Mokhobo (Director: Special Projects), management have been tasked to build relationships with each of the relevant provincial gambling boards and to significantly improve compliance throughout the Group. The Chief Executive is also focused on building these relationships on a strategic level.

We have had constructive and robust engagement with the gaming boards during the restructure. It required great effort on their part with helping to refine the structure, ensure compliance and arrive at a satisfactory result.

We have also engaged with government at national and provincial level who played their part during industrial action, to ensure that engagements with unions and staff were conducted appropriately and fairly.

It is evident that building good stakeholder relationships across the Group is imperative. We have found in the year under review that our regulators appreciate the management time, effort and energy in engaging proactively on matters of substance.

Analysts and shareholders: The executive team has focused on engaging with analysts and shareholders to ensure that strategy is understood and regular updates are provided. Key relationships have been developed and the feedback and responses from these stakeholders has been positive in terms of openness and transparency. The Group's results presentations have evolved in terms of content and detail and we are seeing support for the clear strategic objectives that we have set for the Group.

Q&A

Mandy Clifton-Smith

GROUP ENVIRONMENTAL MANAGER

Q YOU HAVE COME UP TO JOHANNESBURG FROM THE WILD COAST SUN, WHERE YOU HAD A REAL PASSION FOR ENVIRONMENTAL ISSUES. WHAT HAS BEEN THE CHALLENGE TO TAKE THIS ON AT A GROUP LEVEL?

A Sun International has traditionally had a strong focus on the environment. We have a number of remarkable properties in pristine areas – for instance, Sun City in the Pilanesberg, the Wild Coast Sun on a protected marine environment, the Fish River Sun and our properties in Zambia. I have also been exposed to small initiatives that show real commitment, such as the owl breeding programme to control snakes at Golden Valley. We really manage biodiversity well. But two issues come to mind – we are not as good at communicating these stories and our data is inconsistent across the Group.

In respect of telling these stories – of our commitment and successes in managing environmental risks – I am pleased that we are seeing greater collaboration with the marketing team. We have great content to share with our guests, communities and the market.

We will be utilising our soon to be implemented ERP system to collect environmental data which will go a long way to standardise collection as well as reduce a good deal of manual inputting and paper use.

Q WHAT IS SUSTAINABILITY REALLY ABOUT IN OUR BUSINESS?

A It is about creating shared value between business, environment and people. We all have to take ownership of those elements, irrespective of our roles. With the Group's strategic focus on sustainability, I can already see a shift in mind set – it is becoming the way we do business, in that the distinction between profit and purpose is no longer in opposition. For instance, at our new head office, the environmental impact was considered from the beginning – with the added benefit of lower energy and water costs. And in working through the supply chain, we can make a real impact by choosing, for instance, fish from sustainable sources.

It is about understanding the risks and working together as responsible individuals and corporate citizens.

Q&A

Nancy Ncube

GROUP SOCIOECONOMIC DEVELOPMENT MANAGER

Q WHERE DO YOU SEE IMPROVEMENTS TO OUR APPROACH?

A We have always spent more than the prescribed amount required for SED, but while we have passionate people doing great work, a coordinated approach is vital for the greatest impact. A focus for me is to align the passion we have to our core business. Our approach is focused on growth and empowerment, rather than charity.

Partnerships with other organisations are also gaining ground. It is becoming less about owning a SED initiative, but about more effective spend by combining resources and skills. This requires input from all players across the private sector, government and communities.

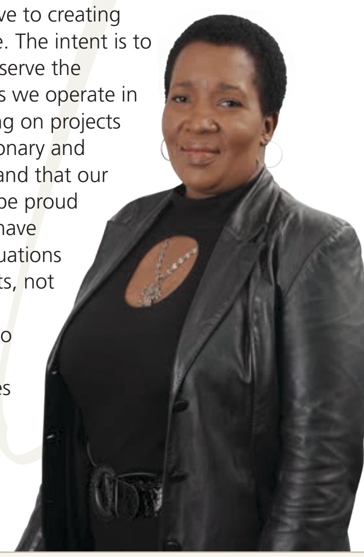
Q WHAT WILL THE RELATIONSHIP BE BETWEEN GROUP AND THE UNITS?

A There will be Group initiatives that require the involvement of all our properties. For instance, Mandela Day is celebrated internationally, and we have poverty alleviation initiatives across our international footprint. But the properties will also have resources to apply with discretion, to meet the specific needs of local communities and licence conditions.

In one example, a vegetable garden was established at a prison on Mandela Day in partnership with the Department of Correctional Services. Produce is being supplied to a local school. It not only supports the food scheme at the school, but gives inmates at the prison a greater sense of purpose. It is an excellent example of combining our core SED focus on education with the development of two communities.

Q WE ARE SHIFTING OUR CSI AND SED SPEND – WHERE ARE YOU HOPING TO SEE IT LEAD?

A We have developed a brand to carry our initiatives forward, called Sun Touch. It marks a move to creating shared value. The intent is to measurably serve the communities we operate in by embarking on projects that are visionary and innovative, and that our people can be proud of. We will have regular evaluations of all projects, not just to track spend, but to ensure that our initiatives are having a real impact.



THE TABLE BAY CAPE TOWN

The Table Bay Hotel is the ultimate in five star luxury accommodation.

Outlook

OVER THE PAST YEAR THERE HAS BEEN LITTLE CHANGE IN THE OPERATING ENVIRONMENT WHICH REMAINS SUBDUED, WITH MINIMAL IMPROVEMENT EXPECTED IN THE MEDIUM-TERM.

Despite the poor economic conditions, the second half of the financial year has reflected an encouraging improvement in both revenue and EBITDA as a result of the revenue enhancing and cost-cutting initiatives implemented during the year and the significantly improved trading of Monticello.

The benefit of these initiatives should continue to have a positive effect in the new financial year, in particular with the conclusion of the restructure in South Africa. As detailed above, these initiatives have brought about significant change in the Group and a key focus of management in the year ahead will be ensuring that the benefits achieved are sustainable.

On balance, the Group is confident that it will achieve growth in both EBITDA and adjusted headline earnings in the 2015 financial year.

We are excited by the prospects for our projects coming on stream in higher-growth economies, which we expect to build up in the year ahead. We expect to see the impact from 2016 onwards.

My thanks to the board for their support and advice during a year of change, and to the management team and the people of Sun International for their commitment and focus in the face of uncertainty. We can be proud of what we have achieved to date and I look forward to building a sustainable and truly international company with you.

GE (GRAEME) STEPHENS
Chief Executive

ABRIDGED FINANCIAL INFORMATION

The complete set of Group and Company Annual Financial Statements can be found online.

SIBAYA

Highlights and salient features

R million	2014	2013	2012	2011	2010
TRADING					
Revenue	**10 825**	10 267	9 494	8 651	7 797
Gaming	**8 469**	8 195	7 645	6 981	6 212
Rooms	**1 114**	957	838	744	757
Food and beverage and other	**1 242**	1 115	1 011	926	828
Revenue (US$ million)	**1 023**	970	897	818	737
EBITDA	**3 052**	2 920	2 642	2 555	2 533
EBITDA (US$ million)	**288**	276	250	241	239
EBITDA margin (%)	**28.2%**	28.4%	27.8%	29.5%	32.5%
Non-South African share of EBITDA (%)	**16.3%**	16.8%	14.0%	11.0%	8.0%
Adjusted headline earnings	**683**	730	616	512	506
ORDINARY SHARE PERFORMANCE					
Diluted adjusted headline earnings per share (cents)	**655**	705	606	504	501
Dividends per share (cents)	**245**	265	240	200	100
Share price at 30 June (R)	**110.00**	95.61	89.35	91.60	82.50
Market capitalisation at 30 June	**11 438**	9 903	9 197	9 210	8 295
Market capitalisation at 30 June (US$ million)	**1 081**	936	869	871	784
CASH FLOW, BORROWINGS AND FINANCIAL RATIOS					
Free cash flow	**685**	1 286	1 147	990	672
Borrowings (excl. Dinokana)	**7 071**	6 431	6 449	5 695	6 065
Borrowings to EBITDA	**2.3**	2.2	2.5	2.2	2.4
EBITDA to interest	**6.1**	6.4	5.4	5.5	4.7
INVESTING ACTIVITIES					
Capital expenditure					
Expansion	**672**	557	586	201	354
Replacement	**1 212**	711	514	695	677
Acquisition of minority interests	**126**	73	817	–	34
New business acquisitions	**27**	–	–	–	56
TAXES PAID					
Levies and VAT on casino revenues	**2 003**	1 917	1 774	1 583	1 364
Corporate taxes	**503**	497	502	521	452
Employees' taxes	**332**	308	271	246	210
EMPLOYEES AND TRANSFORMATION					
Number of employees	**10 417**	11 049	10 866	10 897	10 738
Black employees (%)*	**87.0%**	86.0%	85.0%	84.2%	83.5%
Black employee representation in senior management (%)*	**47.7%**	43.4%	42.7%	42.5%	35.6%
Employee remuneration	**2 159**	1 902	1 799	1 522	1 387
B-BBEE score*	**91.0%**	88.8%	90.1%	84.5%	72.3%

US$ translated at the 30 June 2014 closing exchange rate of US$1: R10.58.
** In South Africa*

Group statements of comprehensive income

for the year ended 30 June

R million	2014	2013 Restated
Revenue	**10 825**	10 267
Casino	**8 469**	8 195
Rooms	**1 114**	957
Food, beverage and other revenue	**1 242**	1 115
Consumables and services	**(1 205)**	(1 130)
Depreciation and amortisation	**(958)**	(851)
Employee costs	**(2 544)**	(2 272)
Levies and VAT on casino revenue	**(2 003)**	(1 917)
Promotional and marketing costs	**(718)**	(717)
Property and equipment rentals	**(148)**	(128)
Property costs	**(580)**	(541)
Other operational costs	**(990)**	(831)
Operating profit	**1 679**	1 880
Foreign exchange profits	**12**	57
Interest income	**25**	31
Interest expense	**(550)**	(505)
Profit before tax	**1 166**	1 463
Tax	**(417)**	(473)
Profit for the year	**749**	990
Other comprehensive income:		
Items that will not be reclassified to profit or loss		
Remeasurements of post employment benefit obligations	**17**	16
Tax on remeasurements of post employment benefit obligations	**(5)**	(4)
Items that may be reclassified to profit or loss		
Net profit on cash flow hedges	**1**	3
Tax on net profit on cash flow hedges	**–**	(1)
Transfer of hedging reserve to statements of comprehensive income	**4**	2
Tax on transfer of hedging reserve to statements of comprehensive income	**(1)**	–
Currency translation reserve	**(45)**	550
Total comprehensive income for the year	**720**	1 556
Profit for the year attributable to:		
Minorities	**231**	293
Ordinary shareholders	**518**	697
	749	990
Total comprehensive income for the year attributable to:		
Minorities	**221**	592
Ordinary shareholders	**499**	964
	720	1 556
Earnings per share		
Basic (cents per share)	**555**	753
Basic diluted (cents per share)	**553**	749

Group statements of financial position

as at 30 June

R million	2014	2013 Restated	2012 Restated
ASSETS			
Non current assets			
Property, plant and equipment	**11 380**	10 594	9 595
Intangible assets	**721**	494	479
Available-for-sale investment	**48**	48	48
Loans and receivables	**10**	13	23
Pension fund asset	**45**	29	38
Deferred tax	**249**	214	148
	12 453	11 392	10 331
Current assets			
Loans and receivables	**4**	52	38
Inventory	**97**	81	70
Accounts receivable	**517**	476	473
Tax	**42**	41	57
Cash and cash equivalents	**958**	1 024	753
	1 618	1 674	1 391
Total assets	**14 071**	13 066	11 722
EQUITY AND LIABILITIES			
Capital and reserves			
Ordinary shareholders' equity	**1 497**	2 033	1 309
Minorities' interests	**491**	1 632	1 176
	1 988	3 665	2 485
Non current liabilities			
Deferred tax	**460**	501	423
Borrowings	**3 772**	3 753	4 496
Other non current liabilities	**2 316**	440	506
	6 548	4 694	5 425
Current liabilities			
Accounts payable and accruals	**1 516**	1 424	1 246
Provisions	**130**	48	43
Borrowings	**3 810**	3 166	2 422
Tax	**79**	69	101
	5 535	4 707	3 812
Total liabilities	**12 083**	9 401	9 237
Total equity and liabilities	**14 071**	13 066	11 722

Group statements of cash flows
for the year ended 30 June

R million	**2014**	2013 Restated	2012 Restated
Cash flows from operating activities			
Cash receipts from customers	**10 811**	10 223	9 742
Cash paid to suppliers, government and employees	**(7 722)**	(7 143)	(7 008)
Cash generated by operations	**3 089**	3 080	2 734
Tax paid	**(494)**	(498)	(531)
Cash generated by operating activities	**2 595**	2 582	2 203
Settlement of long service award obligation	**(40)**	(120)	–
Net cash inflow from operating activities	**2 555**	2 462	2 203
Cash flows from investing activities			
Purchase of property, plant and equipment			
Expansion	**(672)**	(557)	(586)
Replacement	**(1 212)**	(711)	(514)
Purchase of intangible assets	**(210)**	(32)	(60)
Proceeds on disposal of property, plant and equipment	**61**	13	4
Acquisition of subsidiary	**(27)**	–	–
Disposal of shares in subsidiaries	**4**	–	–
Disposal of subsidiary	**(10)**	–	–
Investment income	**25**	31	37
Other non current loans repaid/(raised)	**22**	31	(1)
Net cash outflow from investing activities	**(2 019)**	(1 225)	(1 120)
Cash flows from financing activities			
Minority share capital reduction	**(84)**	–	–
Purchase of shares in subsidiaries	**(126)**	(73)	(817)
Net increase/(decrease) in borrowings	**633**	(59)	589
Interest paid	**(532)**	(478)	(495)
Dividends paid	**(489)**	(525)	(506)
Deferred payment	**48**	–	–
Increase in minority funding	**–**	80	–
Increase in share capital	**–**	32	131
Purchase of treasury shares and share options	**(60)**	(8)	(32)
Net cash outflow from financing activities	**(610)**	(1 031)	(1 130)
Effects of exchange rate changes on cash and cash equivalents	**8**	65	57
Net (decrease)/increase in cash and cash equivalents	**(66)**	271	10
Cash and cash equivalents at beginning of year	**1 024**	753	743
Cash and cash equivalents at end of year	**958**	1 024	753

Group statements of changes in equity

for the year ended 30 June

R million	Share capital and premium	Treasury shares and share options	Foreign currency translation reserve	Share based payment reserve	Available for sale investment reserve	Reserve for non-controlling interests*	Hedging reserve	Retained earnings	Ordinary shareholders' equity	Minorities' interests	Total
Balance at 30 June 2012 (as previously reported)	277	(1 600)	228	161	4	(2 206)	(2)	4 634	1 496	1 227	2 723
Effect of changes in accounting policies	–	(187)	–	–	–	–	–	–	(187)	(51)	(238)
Balance at 30 June 2012 (restated)	**277**	**(1 787)**	**228**	**161**	**4**	**(2 206)**	**(2)**	**4 634**	**1 309**	**1 176**	**2 485**
Deemed treasury shares purchased		(3)							(3)		(3)
Treasury share options purchased		(34)							(34)		(34)
Treasury share options exercised		29							29		29
Shares issued	32								32		32
Vested share awards		14		(14)					–		–
Employee share based payments				46					46		46
Release of share based payment reserve				(32)				32	–		–
Release of SFIR equity option reserve				(75)				33	(42)	42	–
Delivery of share awards								(11)	(11)		(11)
Acquisition of minorities' interests						(13)		8	(5)	95	90
Profit for the year								697	697	293	990
Other comprehensive income			254				3	10	267	299	566
Dividends paid								(252)	(252)	(273)	(525)
Balance at 30 June 2013 (restated)	**309**	**(1 781)**	**482**	**86**	**4**	**(2 219)**	**1**	**5 151**	**2 033**	**1 632**	**3 665**
Deemed treasury shares purchased		**(41)**							**(41)**		**(41)**
Treasury share options purchased		**(29)**							**(29)**		**(29)**
Deemed treasury shares disposed		**9**							**9**		**9**
Vested share awards		**13**		**(13)**					**–**		**–**
Employee share based payments				**53**					**53**		**53**
Release of share based payment reserve				**(14)**				**14**	**–**		**–**
Monticello acquisition consideration						**(673)**			**(673)**	**(1 014)**	**(1 687)**
Minority share capital reduction									**–**	**(84)**	**(84)**
Delivery of share awards								**(7)**	**(7)**		**(7)**
Acquisition of minorities' interests						**(107)**			**(107)**	**(15)**	**(122)**
Profit for the year								**518**	**518**	**231**	**749**
Other comprehensive income			**(33)**				**2**	**12**	**(19)**	**(10)**	**(29)**
Dividends paid								**(240)**	**(240)**	**(249)**	**(489)**
Balance at 30 June 2014	**309**	**(1 829)**	**449**	**112**	**4**	**(2 999)**	**3**	**5 448**	**1 497**	**491**	**1 988**

* *Reserve for non-controlling interests relates to the premiums paid on purchases of minorities' interests and profits and losses on disposals of interests to minorities.*

Segmental report

R million	Revenue 2014	Revenue 2013	EBITDA 2014	EBITDA 2013	EBITDAM 2014	EBITDAM 2013	Depreciation and amortisation 2014	Depreciation and amortisation 2013
SEGMENTAL ANALYSIS								
South African operations	**8 266**	7 788	**2 334**	2 201	**2 816**	2 687	**664**	581
GrandWest	**2 020**	1 866	**833**	788	**934**	881	**104**	94
Sun City	**1 403**	1 291	**176**	162	**229**	211	**132**	118
Sibaya	**1 095**	1 040	**398**	361	**501**	456	**76**	64
Carnival City	**1 042**	1 061	**312**	315	**376**	403	**81**	73
Boardwalk	**554**	496	**168**	142	**208**	176	**79**	70
Wild Coast Sun	**400**	389	**70**	65	**93**	87	**47**	40
Carousel	**311**	322	**56**	64	**70**	79	**30**	25
Meropa	**278**	292	**106**	114	**133**	143	**19**	17
Windmill	**257**	255	**96**	93	**119**	116	**17**	15
Table Bay	**233**	181	**50**	22	**62**	31	**12**	11
Morula	**208**	230	**16**	26	**23**	35	**17**	16
Flamingo	**152**	152	**49**	44	**59**	56	**11**	11
Golden Valley	**144**	128	**27**	28	**35**	35	**13**	14
Maslow	**113**	41	**6**	(6)	**6**	(5)	**23**	11
Other operating segments	**56**	44	**(29)**	(17)	**(32)**	(17)	**3**	2
Other African operations	**1 071**	948	**195**	173	**242**	223	**108**	87
Zambia	**222**	182	**52**	41	**65**	52	**22**	18
Federal Palace	**216**	198	**28**	40	**30**	52	**49**	32
Botswana	**186**	178	**44**	50	**53**	59	**9**	8
Swaziland	**172**	161	**13**	8	**19**	14	**5**	6
Kalahari Sands	**148**	111	**39**	18	**49**	24	**10**	10
Lesotho	**127**	118	**19**	16	**26**	22	**13**	13
Latam operation	**1 443**	1 498	**303**	318	**377**	395	**166**	159
Monticello	**1 443**	1 498	**303**	318	**377**	395	**166**	159
Management activities	**612**	610	**248**	245	**248**	245	**19**	22
Total operating segments	**11 392**	10 844	**3 080**	2 937	**3 683**	3 550	**957**	849
Other	**(567)**	(577)	**(28)**	(17)	**(595)**	(594)	**1**	2
Central office and other			**(28)**	(17)	**(28)**	(17)	**1**	2
Elimination of intragroup	**(567)**	(577)			**(567)**	(577)		
Other income								
Other expenses								
Total	**10 825**	10 267	**3 052**	2 920	**3 088**	2 956	**958**	851
Other								
Net interest expense and foreign exchange profits								
Management fees paid to minorities					**(36)**	(36)		
Tax								
Minorities' interests								
	10 825	10 267	**3 052**	2 920	**3 052**	2 920	**958**	851

[#] *Adjusted headline earnings include adjustments made for certain items of income or expense. These adjustments include pre-opening expenses and material items considered to be outside the normal operating activities of the Group and/or of a non-recurring nature.*

EBITDA: Earnings before interest, tax, depreciation and amortisation. EBITDA is stated before property and equipment rentals and items adjusted for adjusted headline earnings. Property and equipment rentals are considered to be a form of funding and are therefore categorised after EBITDA with depreciation and interest.

EBITDAM: EBITDA before management fees.

Operating profit and segment results		Net Interest paid		Minorities interest		Tax		Adjusted headline earnings[#]	
2014	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013
1 562	1 568	**243**	213	**222**	224	**385**	386	**914**	967
723	690	**27**	21	**123**	128	**197**	179	**496**	490
38	39	**–**	–	**–**	–	**–**	–	**38**	39
318	292	**25**	20	**69**	67	**84**	81	**205**	190
217	231	**40**	32	**5**	7	**49**	61	**123**	139
87	71	**51**	35	**4**	3	**3**	2	**31**	29
22	24	**26**	28	**(3)**	(4)	**(3)**	6	**(4)**	(10)
24	37	**–**	1	**–**	–	**–**	–	**24**	37
86	96	**8**	7	**15**	19	**22**	26	**55**	64
77	77	**6**	6	**13**	14	**19**	20	**50**	51
23	2	**47**	48	**(6)**	(12)	**–**	–	**(24)**	(46)
(2)	10	**–**	1	**–**	–	**–**	–	**(1)**	10
37	33	**4**	5	**5**	5	**9**	8	**23**	20
13	14	**9**	9	**–**	–	**3**	3	**1**	2
(70)	(29)	**–**	–	**–**	–	**–**	–	**(70)**	(29)
(31)	(19)	**–**	–	**(3)**	(3)	**2**	–	**(33)**	(19)
68	68	**27**	26	**(17)**	11	**25**	18	**22**	28
30	23	**–**	–	**–**	–	**9**	32	**26**	(6)
(21)	8	**27**	23	**(25)**	4	**(1)**	(21)	**(46)**	8
31	39	**(3)**	(2)	**5**	6	**8**	9	**26**	28
8	2	**2**	2	**2**	1	**2**	(1)	**4**	2
15	(6)	**–**	1	**–**	–	**5**	(2)	**10**	(4)
5	2	**1**	2	**1**	–	**2**	1	**2**	–
126	149	**55**	116	**44**	35	**(40)**	(21)	**99**	60
126	149	**55**	116	**44**	35	**(40)**	(21)	**99**	60
216	197	**23**	–	**12**	18	**36**	66	**120**	119
1 972	1 982	**348**	355	**261**	288	**406**	449	**1 155**	1 174
(293)	(102)	**177**	119	**(30)**	5	**11**	24	**(169)**	(99)
(26)	(17)	**177**	119	**(30)**	5	**11**	24	**(169)**	(99)
–	21								
(267)	(106)								
1 679	1 880	**525**	474	**231**	293	**417**	473	**986**	1 075
(513)	(417)								
(417)	(473)								
(231)	(293)							**(303)**	(345)
518	697	**525**	474	**231**	293	**417**	473	**683**	730

R million	Casino 2014	Casino 2013	Tables 2014	Tables 2013	Slots 2014	Slots 2013
SEGMENTAL REVENUE ANALYSIS continued						
South African operations	**6 738**	6 457	**965**	879	**5 773**	5 578
GrandWest	**1 991**	1 834	**251**	226	**1 740**	1 608
Sun City	**519**	446	**120**	83	**399**	363
Sibaya	**1 070**	1 011	**224**	206	**846**	805
Carnival City	**1 014**	1 031	**160**	163	**854**	868
Boardwalk	**512**	476	**50**	41	**462**	435
Wild Coast Sun	**304**	294	**35**	35	**269**	259
Carousel	**297**	311	**26**	27	**271**	284
Meropa	**275**	289	**27**	31	**248**	258
Windmill	**257**	254	**39**	33	**218**	221
Table Bay	**–**	–	**–**	–	**–**	–
Morula	**196**	215	**15**	16	**181**	199
Flamingo	**150**	150	**11**	11	**139**	139
Golden Valley	**132**	125	**7**	7	**125**	118
Maslow	**–**	–	**–**	–	**–**	–
Other operating segments	**21**	21	**–**	–	**21**	21
Other African operations	**428**	385	**90**	78	**338**	307
Zambia	**–**	–	**–**	–	**–**	–
Federal Palace	**94**	80	**24**	18	**70**	62
Botswana	**109**	103	**16**	15	**93**	88
Swaziland	**80**	80	**20**	22	**60**	58
Kalahari Sands	**99**	75	**18**	11	**81**	64
Lesotho	**46**	47	**12**	12	**34**	35
Latam operation	**1 303**	1 353	**349**	369	**954**	984
Monticello	**1 303**	1 353	**349**	369	**954**	984
Management activities	**–**	–	**–**	–	**–**	–
Total operating segments	**8 469**	8 195	**1 404**	1 326	**7 065**	6 869
Other	**–**	–	**–**	–	**–**	–
Elimination of intragroup						
Total	**8 469**	8 195	**1 404**	1 326	**7 065**	6 869

Rooms		Food & Beverage		Other		Total	
2014	2013	**2014**	2013	**2014**	2013	**2014**	2013
764	652	**400**	336	**364**	343	**8 266**	7 788
2	1	**–**	–	**27**	31	**2 020**	1 866
434	430	**228**	210	**222**	205	**1 403**	1 291
11	12	**5**	7	**9**	10	**1 095**	1 040
3	3	**–**	–	**25**	27	**1 042**	1 061
29	10	**–**	–	**13**	10	**554**	496
29	24	**40**	37	**27**	34	**400**	389
5	4	**–**	–	**9**	7	**311**	322
–	–	**–**	–	**3**	3	**278**	292
–	–	**–**	–	**–**	1	**257**	255
174	133	**50**	42	**9**	6	**233**	181
2	3	**8**	9	**2**	3	**208**	230
–	–	**–**	–	**2**	2	**152**	152
3	2	**8**	–	**1**	1	**144**	128
63	20	**50**	20	**–**	1	**113**	41
9	10	**11**	11	**15**	2	**56**	44
342	303	**254**	219	**47**	41	**1 071**	948
119	102	**80**	60	**23**	20	**222**	182
76	69	**41**	44	**5**	5	**216**	198
46	44	**27**	29	**4**	2	**186**	178
39	36	**48**	39	**5**	6	**172**	161
27	21	**19**	14	**3**	1	**148**	111
35	31	**39**	33	**7**	7	**127**	118
8	2	**102**	103	**30**	40	**1 443**	1 498
8	2	**102**	103	**30**	40	**1 443**	1 498
				612	610	**612**	610
1 114	957	**756**	658	**1 053**	1 034	**11 392**	10 844
–	–	**–**	–	**(567)**	(577)	**(567)**	(577)
				(567)	(577)	**(567)**	(577)
1 114	957	**756**	658	**486**	457	**10 825**	10 267

R million	Assets 2014	Assets 2013	Borrowings 2014	Borrowings 2013	Liabilities 2014	Liabilities 2013	Capital expenditure 2014	Capital expenditure 2013
SEGMENTAL ANALYSIS								
South African operations	**7 539**	7 326	**3 160**	3 113	**1 570**	1 215	**1 087**	1 122
GrandWest	**1 295**	1 164	**430**	380	**201**	177	**263**	68
Sun City	**1 705**	1 583	**–**	–	**403**	303	**361**	152
Sibaya	**749**	713	**357**	318	**112**	136	**109**	61
Carnival City	**662**	673	**575**	539	**116**	207	**71**	130
Boardwalk	**1 093**	1 116	**657**	708	**92**	69	**59**	312
Wild Coast Sun	**538**	547	**337**	343	**111**	96	**48**	31
Carousel	**313**	349	**–**	–	**47**	62	**12**	57
Meropa	**173**	160	**118**	118	**22**	31	**21**	16
Windmill	**197**	239	**98**	162	**44**	26	**37**	14
Table Bay	**121**	102	**391**	344	**34**	31	**28**	12
Morula	**116**	126	**–**	–	**45**	37	**14**	33
Flamingo	**103**	89	**69**	66	**24**	15	**27**	7
Golden Valley	**187**	179	**128**	135	**28**	17	**26**	8
Maslow	**203**	259	**–**	–	**231**	8	**6**	217
Other operating segments	**84**	27	**–**	–	**60**	–	**5**	4
Other African operations	**1 569**	1 602	**380**	354	**257**	278	**75**	53
Zambia	**403**	443	**–**	–	**33**	38	**24**	26
Federal Palace	**717**	715	**362**	324	**84**	96	**22**	9
Botswana	**152**	146	**–**	2	**22**	25	**9**	5
Swaziland	**63**	69	**16**	23	**31**	33	**3**	2
Kalahari Sands	**128**	122	**–**	1	**59**	57	**10**	6
Lesotho	**106**	107	**2**	4	**28**	29	**7**	5
Latam operations	**3 387**	2 494	**1 275**	498	**263**	244	**826**	92
Monticello	**2 590**	2 494	**556**	498	**212**	244	**154**	92
Ocean Club Casino	**797**	–	**719**	–	**51**	–	**672**	–
Management activities	**477**	745	**356**	409	**299**	472	**95**	33
Total operating segments	**12 972**	12 167	**5 171**	4 374	**2 389**	2 209	**2 083**	1 300
Other	**808**	644	**2 411**	2 545	**1 573**	(297)	**–**	–
Central office and other	**808**	644	**1 900**	2 057	**1 984**	110	**–**	–
Dinokana	**–**	–	**511**	488	**–**	–	**–**	–
Elimination of intragroup	**–**	–	**–**	–	**(411)**	(407)	**–**	–
Total	**13 780**	12 811	**7 582**	6 919	**3 962**	1 912	**2 083**	1 300
Other								
Tax	**42**	41			**79**	69		
Deferred tax	**249**	214			**460**	501		
Borrowings					**7 582**	6 919		
	14 071	13 066	**7 582**	6 919	**12 083**	9 401	**2 083**	1 300

Value added statement

R million	2014	2013	% change
	GROUP		
CASH GENERATED			
Cash derived from revenue	**10 811**	10 223	
Income from investments	**25**	31	
Cash value generated	**10 836**	10 254	6
Paid to suppliers for materials and services	**(3 228)**	(3 016)	
Total cash value added	**7 608**	7 238	5
CASH DISTRIBUTED TO STAKEHOLDERS			
Employees	**(2 159)**	(1 918)	(13)
Government taxes	**(2 838)**	(2 722)	(4)
Shareholders	**(525)**	(534)	2
Lenders	**(532)**	(459)	(16)
	(6 054)	(5 633)	(7)
Cash retained in the business to fund replacement of assets, facilitate future growth and repay borrowings	**1 554**	1 605	(3)
RECONCILIATION WITH CASH GENERATION			
Total cash value added (above)	**7 608**	7 238	
Employee remuneration	**(2 159)**	(1 902)	
Employee tax	**(332)**	(308)	
Income from investments	**(25)**	(31)	
Levies and VAT on casino revenue	**(2 003)**	(1 917)	
Cash generated by operations (per Group cash flow statements)	**3 089**	3 080	–
GOVERNMENT TAXES SUMMARY			
Income tax	**(481)**	(471)	
PAYE	**(332)**	(308)	
Levies and VAT on casino revenue	**(2 003)**	(1 917)	
Other taxes	**(22)**	(26)	
	(2 838)	(2 722)	(4)

Notice of the Sun International ANNUAL GENERAL MEETING

Sun International Limited

Registration Number 1967/007528/06
Share Code: SUI
ISIN: ZAE000097580
("Sun International" or "the Company")

Notice is hereby given that the thirtieth annual general meeting of the shareholders of Sun International will be held on **Friday, 21 November 2014 at 09h00 Chilean time, (which is 14h00 South African time),** in the Conference Centre, Monticello Grand Casino, Panamericana Sur Km 57 San Fco. de Mostazal VI Región Chile, to among other things, consider, and if deemed fit, to pass (with or without modification) the ordinary and special resolutions set out below. A local dial-in facility will also be made available for shareholders who wish to participate via teleconference, at the Maslow Hotel, corner Grayston and Rivonia Drive, Sandton, South Africa at **14h00 (South African time).**

The record date for determining which shareholders are entitled to: **(i) receive notice of the annual general meeting is Friday, 17 October 2014; and (ii) participate in and vote at the annual general meeting is Friday, 14 November 2014,** in terms of section 62(3)(a), as read with section 59 of the Companies Act, 2008 as amended (Companies Act). Accordingly, the last day to trade in the Company's shares in order to be recorded on the securities register of Sun International in order to be able to participate, attend and vote at the annual general meeting is **Friday, 7 November 2014.**

Kindly take note that all participants who are in attendance will be required to provide reasonable, satisfactory identification in the form of a valid identity document, passport or drivers license, prior to being entitled to participate in the meeting.

PRESENTATION OF THE ANNUAL FINANCIAL STATEMENTS

To present the audited annual financial statements for the year ended 30 June 2014, together with the reports of: the directors; the external auditors; the audit committee; and the social and ethics committee of the Company as made available on the Company's website: **ir.suninternational.com**. A copy of the abridged set of annual financial statements is set out on pages 50 to 61 of this Integrated Annual Report.

Ordinary resolution numbers 1, 2 and 3 deal with the election and re-election of directors and the relevant directors' résumés can be accessed via the Company's website: ir.suninternational.com

ORDINARY RESOLUTION NUMBER 1: ELECTION OF NON-EXECUTIVE DIRECTOR

To elect by way of ordinary resolution Mr E Cibie as a non-executive director of the Company, who retires in accordance with the provisions of article 39.9 of the provisions of the Company's Memorandum of Incorporation, by virtue of his appointment being made pursuant to the last annual general meeting. Mr E Cibie being eligible for election as a non-executive director of the Company, offers himself for election to the board.

QUORUM FOR RESOLUTION

In order for this resolution to be adopted, the support of more than 50% of the voting rights exercised on the resolution by shareholders present or represented by proxy at the annual general meeting and entitled to exercise voting rights on the resolution is required.

ORDINARY RESOLUTION NUMBER 2: RE-ELECTION OF NON-EXECUTIVE DIRECTORS

To re-elect as directors by way of separate resolutions:

2.1 Ms B Modise
2.2 Mr MV Moosa
2.3 Mr GR Rosenthal

who retire by rotation at this annual general meeting, in accordance with the provisions of article 39.3 of the Company's Memorandum of Incorporation. The non-executive directors, each being eligible, offer themselves for re-election to the board.

QUORUM FOR RESOLUTION

In order for these resolutions to be adopted, the support of more than 50% of the voting rights exercised on the resolution by shareholders present or represented by proxy at the annual general meeting and entitled to exercise voting rights on the resolution is required.

ORDINARY RESOLUTION NUMBER 3: ELECTION OF AUDIT COMMITTEE MEMBERS

To elect, by way of separate resolutions, the following independent, non-executive directors, as members of the Company's audit committee and to hold such appointment as a member of the audit committee until the conclusion of the next annual general meeting:

3.1 Ms ZBM Bassa
3.2 Mr PL Campher
3.3 Ms B Modise*
3.4 Mr GR Rosenthal*

* *Subject to his/her re-election as a non-executive director pursuant to ordinary resolution number 2.*

QUORUM FOR RESOLUTION

In order for these resolutions to be adopted, the support of more than 50% of the voting rights exercised on the resolution by shareholders present or represented by proxy at the annual general meeting and entitled to exercise voting rights on the resolution is required.

ORDINARY RESOLUTION NUMBER 4: ENDORSEMENT OF THE REMUNERATION POLICY

To consider and endorse, by way of a non-binding advisory vote, the Company's remuneration policy as set out in the remuneration report available via: **ir.suninternational.com**

Ordinary resolution number 4 is of an advisory nature and is non-binding. The failure to pass this resolution will not have any legal consequences on the Company, however, the board will address any matters of concern that may be raised by shareholders.

QUORUM FOR RESOLUTION

In order for this resolution to be endorsed, the support of more than 50% of the voting rights exercised on the resolution by shareholders present or represented by proxy at the annual general meeting and entitled to exercise voting rights on the resolution is required.

ORDINARY RESOLUTION NUMBER 5: RE-APPOINTMENT OF THE INDEPENDENT EXTERNAL AUDITORS

To re-appoint PricewaterhouseCoopers Incorporated (PwC) as independent external auditors of the Company, to hold office until the conclusion of the next annual general meeting, in accordance with the audit committee's nomination. Mr ER Mackeown is the individual registered auditor and member of the aforegoing firm who undertakes the audit.

QUORUM FOR RESOLUTION

In order for this resolution to be adopted, the support of more than 50% of the voting rights exercised on the resolution by shareholders present or represented by proxy at the annual general meeting and entitled to exercise voting rights on the resolution is required.

Special Business – Special Resolutions

SPECIAL RESOLUTION NUMBER 1: APPROVAL OF INCREASE OF COMMITTEE FEES

1.1 APPROVAL OF INCREASE OF THE SOCIAL AND ETHICS COMMITTEE FEES

To consider and, if deemed fit, to pass, with or without modification, the following special resolution:

Resolved that in terms of section 66(9) of the Companies Act, the fees payable to the Chairperson and members of the social and ethics committee be increased as set out below:

	2013/2014^ financial year		**Proposed 2014/2015 financial year**	
	Base fee	Attendance fee	**Proposed base fee**	**Proposed attendance fee**
Social & Ethics Committee** – Chairperson	38 500	19 300	**42 600**	**24 500**
Social & Ethics Committee** – Members	19 300	9 700	**21 300**	**12 300**

*** Based on 3 meetings per year.*
^ The 2013/2014 fees as approved by shareholders appear for comparative purposes only.

REASON AND EFFECT FOR SPECIAL RESOLUTION 1.1

At the time of constituting the social and ethics committee in 2011, the fees for this committee were aligned to that of the nomination committee. The social and ethics committee fees have since increased by the same salary increment as the Group. The nature of the committee's work has grown more expansive and intensive and accordingly the fees have been aligned with the scope of the committee's mandate and in accordance with their statutory obligations. It is proposed that the social and ethics fees be increased in order to reflect the extent of the committee's duties.

1.2 APPROVAL OF THE INVESTMENT COMMITTEE FEES

To consider and, if deemed fit, to pass, with or without modification, the following special resolution:

Resolved that in terms of section 66(9) of the Companies Act, the fees payable to the Chairperson and members of the investment committee for meetings in person as set out below:

	Proposed for the 2014/2015 financial year**	
	Proposed base fee	**Proposed attendance fee**
Investment Committee – Chairperson	**42 600**	**24 500**
Investment Committee – Members	**21 300**	**12 300**

*** Based on 4 meetings per year.*

REASON AND EFFECT FOR SPECIAL RESOLUTION 1.2

The purpose of the investment committee is to consider and evaluate the viability of proposed investment opportunities, disposals and expansion projects for recommendation to the board for their consideration and approval. The investment committee meetings have been held via teleconference on a monthly basis and accordingly an hourly fee of R3 700 for the Chairman and R2 700 per member will be applicable, as previously approved by shareholders. The investment committee will now be convening quarterly committee meetings in person and as a result the investment committee meeting fees are proposed as set out above.

QUORUM FOR SPECIAL RESOLUTIONS 1.1 AND 1.2

In order for these resolutions to be adopted, the support of more than 75% of the voting rights exercised on the resolution by shareholders present or represented by proxy at the annual general meeting and entitled to exercise voting rights on the resolutions are required.

SPECIAL RESOLUTION NUMBER 2: APPROVAL OF NO MORE THAN 10% FOR NON-EXECUTIVE DIRECTOR AND COMMITTEE FEES

To consider and, if deemed fit, to pass, with or without modification, the following special resolution:

Resolved that in terms of section 66(9) of the Companies Act, the fees payable to non-executive directors as set out below may be increased by no more than 10% each year for the two year period for which this resolution remains valid unless revoked before the expiry of the two year period.

REASON AND EFFECT FOR SPECIAL RESOLUTION 2

As the approval for director fees is valid for a period of two years, it is recommended that shareholders approve a 10% increase for each of the two forthcoming years unless an alternative proposal is tabled at any general or annual general meeting before the expiry of two years. An increase of no more than 10% each year is not considered excessive and the Company has adopted this model since 2012.

In order to demonstrate the effect of a 10% increase on the current fees, should shareholders approve this resolution, the table below indicates the increased fee that will be applicable for the 2015/2016 financial year, should the maximum increase be applied. The 2014/2015 board and committee fees appear for comparative purposes only.

	2014 – 2015 financial year		**2015 – 2016 financial year**	
	Base fee	Attendance fee	**Base fee**	**Attendance fee**
Chairman's Fees^	770 200	44 900	**847 200**	**49 400**
Lead Independent Director's Fees^	295 300	25 700	**324 800**	**28 300**
Directors' Fees^	122 000	25 700	**134 200**	**28 300**
Audit Committee# – Chairman	102 700	28 900	**113 000**	**31 800**
Audit Committee# – Members	51 500	14 500	**56 700**	**16 000**
Risk Committee** – Chairman	56 600	30 900	**62 300**	**34 000**
Risk Committee** – Members	28 300	15 500	**31 100**	**17 100**
Remuneration Committee** – Chairman	46 300	28 300	**50 900**	**31 100**
Remuneration Committee** – Members	23 300	14 200	**25 600**	**15 600**
Social and Ethics Committee** – Chairman	42 600	24 500	**46 900**	**27 000**
Social and Ethics Committee** – Members	21 300	12 300	**23 400**	**13 500**
Investment Committee# – Chairman	42 600	~24 500 for physical meetings and R3 700 per hour for teleconferences	**46 900**	**27 000**
Investment Committee# – Members	21 300	~12 300 for physical meetings and R2 700 per hour for teleconferences	**23 400**	**13 500**
Nomination Committee** – Chairman	38 500	19 300	**42 400**	**21 200**
Nomination Committee** – Members	19 400	9 700	**21 300**	**10 700**

~ pursuant to the approval of special resolution 1.2 above.

Fees are paid as follows:

Base fee	Paid quarterly
Attendance fee	Paid at the end of the month following the relevant meetings. For indicative purposes the number of planned meetings for each category are set out below. The attendance fee will be applicable to any additional meetings convened during the year. # 4 scheduled meetings per year ** 3 scheduled meetings per year
Chairman, Director & Lead Independent Director's Fees	^ 5 scheduled meetings per year
Ad-hoc meetings	Will be paid at the attendance rate as set out for that relevant meeting

QUORUM FOR SPECIAL RESOLUTION 2

In order for this resolution to be adopted, the support of more than 75% of the voting rights exercised on the resolution by shareholders present or represented by proxy at the annual general meeting and entitled to exercise voting rights on the resolutions are required.

SPECIAL RESOLUTION NUMBER 3: GENERAL AUTHORITY TO REPURCHASE SHARES

To consider and, if deemed fit, to pass, with or without modification, the following special resolution:

Resolved that the directors be and are hereby authorised to approve and implement the acquisition by the Company or by a subsidiary of the Company up to a maximum of 10% (ten percent) of the number of issued ordinary shares of the Company as at the beginning of the financial year by way of a renewable general authority, which shall only be valid until the Company's next annual general meeting, provided that it shall not extend beyond 15 (fifteen) months from the date of the passing of the special resolution, whichever period is the shorter, in terms of the Companies Act and the JSE Listings Requirements which provide, inter alia, that the Company may only make a general repurchase of its ordinary shares subject to:

- the repurchase being implemented through the order book operated by the JSE trading system, without prior understanding or arrangement between the Company and the counterparty (reported trades are prohibited);
- the Company being authorised thereto by its Memorandum of Incorporation;
- repurchases not being made at a price greater than 10% (ten percent) above the weighted average of the market value of the ordinary shares for the 5 (five) business days immediately preceding the date on which the repurchase was effected; an announcement being published as soon as the Company has repurchased ordinary shares constituting, on a cumulative basis, 3% (three percent) of the initial number of ordinary shares, and for each 3% (three percent) in aggregate of the initial number of ordinary shares repurchased thereafter, containing full details of such repurchases;
- repurchases in any one financial year not exceeding 20% (twenty percent) in aggregate of the Company's issued ordinary share capital as at the beginning of the financial year;
- the passing of a resolution by the board of directors that it has authorised the repurchase, that the Company and its subsidiary/ies have passed the solvency and liquidity test and that, since the test was performed, there have been no material changes to the financial position of the Group;
- the Company and/or its subsidiaries not repurchasing ordinary shares during a prohibited period as defined in paragraph 3.67 of the JSE Listings Requirements, unless it has in place a repurchase programme where the dates and quantities of securities to be traded during the relevant period are fixed (not subject to any variation) and details thereof have been submitted to the JSE in writing. In this regard, the Company will instruct an independent third party, which makes its investment decisions in relation to the Company's securities independently of, and uninfluenced by, the Company, prior to the commencement of the prohibited period to execute the repurchase programme submitted to the JSE;
- the number of shares purchased and held by a subsidiary or subsidiaries of the Company shall not exceed 10% (ten percent) in the aggregate of the number of issued shares in the Company at the relevant times;
- any such general repurchases are subject to exchange control regulations and approval, if applicable, at that point in time; and
- the Company only appointing one agent to effect any repurchases on its behalf.

STATEMENT BY DIRECTORS PERTAINING TO THE SOLVENCY AND LIQUIDITY OF THE COMPANY

As at the date of this resolution, the Company's directors undertake that, having considered the effect of repurchasing the maximum number of shares (as contemplated above), they will not implement any such repurchase unless for a period of 12 months following the date of the general repurchase:

- the Company and the Group shall satisfy the solvency and liquidity test in the manner contemplated by the Companies Act;
- the Company and the Group will be able, in the ordinary course of business, to pay its debts;
- the working capital of the Company and the Group will be adequate for ordinary business purposes;
- the assets of the Company and the Group, fairly valued in accordance with generally accepted accounting practice, will exceed the liabilities of the Company and the Group; For this purpose the assets and liabilities will be recognised and measured in accordance with the accounting policies used in the latest audited financial statements which comply with the Companies Act; and
- the Company's and the Group's ordinary share capital and reserves will be adequate for ordinary business purposes.

For purposes of considering this special resolution and in compliance with paragraph 11.26 of the JSE Listings Requirements, information on the Company's share capital and major shareholders is available for inspection via the following link: **ir.suninternational.com**

DIRECTOR'S RESPONSIBILITY STATEMENT

The aforesaid directors of the Company, collectively and individually accept full responsibility for the accuracy of the information pertaining to this special resolution and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the special resolution contains all information required by law and the JSE Listings Requirements.

MATERIAL CHANGES

Other than the facts and developments reported on in this Integrated Annual Report together with the 2014 combined reporting available via: **ir.suninternational.com** there have been no material changes in the affairs or financial position of the Company and its subsidiaries since the date of signature of the external audit report and up to the date of this notice.

REASON FOR AND EFFECT OF SPECIAL RESOLUTION NUMBER 3:

The directors consider that such general authority should be put in place should an opportunity present itself for the Company or a subsidiary thereof to purchase any of its shares during the year, and which may be in the best interests of the Company and its shareholders. The directors of the Company have no specific intention to effect the provisions of special resolution number 3 but will however, continually review the Company's position, having regard to prevailing circumstances and market conditions, in considering whether to effect the provisions of this special resolution.

The reason for and effect of special resolution number 3 is to grant the directors of the Company a general authority in terms of the Companies Act and the JSE Listings Requirements for the repurchase by the Company (or by a subsidiary of the Company) of the Company's shares.

QUORUM FOR SPECIAL RESOLUTION 3

In order for this resolution to be adopted, the support of more than 75% of the voting rights exercised on the resolution by shareholders present or represented by proxy at the annual general meeting and entitled to exercise voting rights on the resolution is required.

ORDINARY RESOLUTION NUMBER 6: AUTHORITY FOR DIRECTORS OR COMPANY SECRETARY TO IMPLEMENT RESOLUTIONS

To consider, and if deemed fit to pass, with or without modification, the following ordinary resolution:

Resolved as an ordinary resolution that any director of the Company or the Company Secretary be and is hereby authorised to do all such things and sign all such documents as may be required to give effect to the ordinary and special resolutions.

QUORUM FOR RESOLUTION NUMBER 6

In order for this resolution to be adopted, the support of more than 50% of the voting rights exercised on the resolution by shareholders present or represented by proxy at the annual general meeting and entitled to exercise voting rights on the resolution is required.

STATEMENT IN TERMS OF SECTION 62(3)(e) OF THE COMPANIES ACT:

Sun International shareholders holding certificated shares and/or shares in dematerialised form in "own name":

a) may attend, participate in, speak and vote at the annual general meeting; alternatively;
b) may appoint an individual as a proxy, (who need not also be a shareholder of Sun International) to attend, participate in, speak and vote in your place at the annual general meeting by completing the attached form of proxy and returning it to the registered office of Sun International or to the transfer secretaries, by no later than **09h00 on 18 November 2014.**
c) Alternatively, the form of proxy may be handed to the Chairman of the annual general meeting at the meeting at any time prior to the commencement of the annual general meeting. Please note that your proxy may delegate his/her authority to act on your behalf to another person, subject to the restrictions set out in the attached form of proxy. Please also note that the attached form of proxy must be delivered to the registered office of Sun International or to the transfer secretaries or handed to the Chairman of the annual general meeting, before your proxy may exercise any of your rights as a Sun International shareholder at the annual general meeting. Please note that any shareholder of Sun International that is a juristic entity may authorise any person to act as its representative at the annual general meeting. Please also note that section 63(1) of the Companies Act, requires that persons wishing to participate in the annual general meeting (including the aforementioned representative) must provide satisfactory identification before they may so participate.

NOTICE TO OWNERS OF DEMATERIALISED SHARES:

Please note that if you are the owner of dematerialised shares held through a CSDP or broker (or their nominee) and are not registered as an "own name" dematerialised shareholder then you are not a registered Sun International shareholder, as your CSDP or broker (or their nominee) would be. Accordingly, in these circumstances, subject to the mandate between yourself and your CSDP or broker as the case may be:

a) if you wish to attend the annual general meeting you must contact your CSDP or broker, and obtain the relevant letter of representation from it; alternatively
b) if you are unable to attend the annual general meeting but wish to be represented at the meeting, you must contact your CSDP or broker, and furnish it with your voting instructions in respect of the annual general meeting and/or request it to appoint a proxy. You must not complete the attached form of proxy. The instructions must be provided in accordance with the mandate between yourself and your CSDP or broker, within the time period required by your CSDP or broker. CSDP's, brokers or their nominees, as the case may be, recorded in Sun International's sub-register as holders of dematerialised shares should, when authorised in terms of their mandate or instructed to do so by the owner on behalf of whom they hold dematerialised shares, vote by either appointing a duly authorised representative to attend and vote at the annual general meeting or by completing the attached form of proxy in accordance with the instructions thereon and returning it to the registered office of Sun International or to the transfer secretaries, by no later than **09h00 on 18 November 2014.** Alternatively, the form of proxy may be handed to the Chairman of the annual general meeting at any time prior to the commencement of the annual general meeting.

VOTING AT THE MEETING:

In order to more effectively record the votes and give effect to the intentions of shareholders, voting on all resolutions will be conducted by way of a poll. It being noted that ordinary shares held in treasury, by a share trust or scheme, and unlisted securities will not have their votes taken into account at the annual general meeting for the purposes of resolutions proposed in terms of the JSE Listings Requirements.

ELECTRONIC PARTICIPATION IN THE ANNUAL GENERAL MEETING:

Sun International intends to make provision for its shareholders, or their proxies, to participate in the annual general meeting by way of electronic communication in two forms. The first is by making available a facility at the Maslow Hotel in South Africa which will permit the dial-in to the annual general meeting venue in Chile. In the second instance, Sun International intends making a dial-in facility available to all shareholders that will be linked to the venue at which the annual general meeting will take place, on the date of, and from the time of commencement of, the annual general meeting. This dial-in facility will enable all persons to participate electronically in the annual general meeting and to communicate concurrently with each other without an intermediary, and to participate reasonably effectively in the annual general meeting.

Shareholders wishing to participate electronically in the annual general meeting are required to deliver the "Electronic Notice" which appears on page 71 of this Integrated Annual Report to Sun International's registered address at 6 Sandown Valley Crescent, Sandton, Gauteng, Republic of South Africa (marked for the attention of Ms CA Reddiar, Company Secretary) or email the Electronic Notice to **investor.relations@suninternational.com** by no later than **18 November 2014 at 09h00** indicating that they wish to participate via electronic communication in the annual general meeting.

In order for the Electronic Notice to be valid it must contain: (a) if the shareholder is an individual, a certified copy of his identity document and/or passport; (b) if the shareholder is not an individual, a certified copy of a resolution or letter of representation by the relevant entity and a certified copy of his/her identity documents or passports of the persons who passed the relevant resolution. The relevant resolution must set out the details of the person that is authorised to represent the entity at the annual general meeting via electronic communication; (c) a valid email address (the "Contact Details").

By no later than 24 (twenty four) hours before the annual general meeting, Sun International shall use its reasonable endeavours to notify a shareholder via the Contact Details provided in a valid Electronic Notice of the relevant details to participate via electronic communication. Should you wish to participate in the annual general meeting by way of electronic communication as aforesaid, you, or your proxy, will be required to dial-in on the date of the annual general meeting.

By order of the board

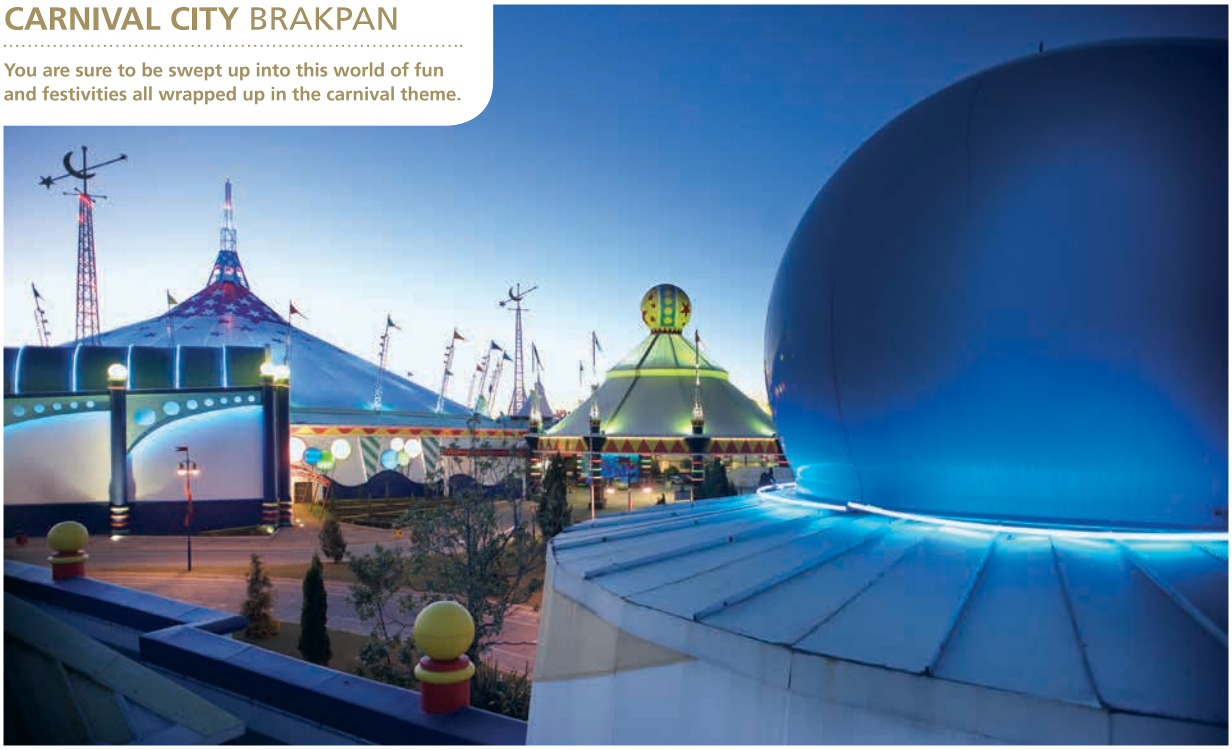
CA Reddiar
Company Secretary

16 October 2014

Delivery and postal address for Proxy or Electronic Notices
Computershare Investor Services Proprietary Limited
PO Box 61051, Marshalltown 2107
Gauteng, Republic of South Africa
investor.relations@suninternational.com

CARNIVAL CITY BRAKPAN

You are sure to be swept up into this world of fun and festivities all wrapped up in the carnival theme.



SUN INTERNATIONAL LIMITED

(INCORPORATED IN SOUTH AFRICA)
(Registration number 1967/007528/06)
Share code: SUI
ISIN: ZAE000097580
("Sun International" or "the Company")

FORM OF PROXY – SUN INTERNATIONAL LIMITED ANNUAL GENERAL MEETING

For use by certificated shareholders or own name dematerialised shareholders at the thirtieth annual general meeting of shareholders of Sun International to be held on **Friday, 21 November 2014 at 09h00 Chilean time (which is 14h00 South African time)**, in the Conference Centre, Monticello Grand Casino, Panamericana Sur Km 57 San Fco. de Mostazal VI Región Chile, to among other things, consider, and if deemed fit, to pass (with or without modification) the ordinary and special resolutions set out below. A local dial-in facility will also be made available for shareholders who wish to participate via teleconference, at the Maslow Hotel, Corner Grayston Drive and Rivonia Road, Sandton, South Africa at **14h00 (South African time).**

This form of proxy is not to be used by beneficial owners of shares who have dematerialised their shares ("dematerialised shares") through a Central Securities Depository Participant ("CSDP") or broker, as the case may be, unless you are recorded on the sub-register as an own name dematerialised shareholder. Generally, you will not be an own name dematerialised shareholder unless you have specifically requested your CSDP to record you as the holder of the shares in your own name in the Company's sub-register.

This form of proxy is only for use by certificated, own name dematerialised shareholders and CSDPs or brokers (or their nominees) registered in the Company's sub-register as the holder of dematerialised shares.

Each shareholder entitled to attend and vote at the annual general meeting is entitled to appoint a proxy (who need not also be a shareholder of the Company) to attend, participate in and speak and vote in place of that shareholder at the annual general meeting, and at any adjournment thereafter.

Please note the following:

- the appointment of your proxy may be suspended at any time to the extent that you choose to act directly and in person in the exercise of your rights as a shareholder at the annual general meeting;
- the appointment of the proxy is revocable; and
- you may revoke the proxy appointment by: (i) cancelling it in writing, or making a later inconsistent appointment of a proxy and (ii) delivering a copy of the revocation instrument to the proxy, and to the Company.

Any shareholder of the Company that itself is a company may authorise any person to act as its representative at the annual general meeting. Section 63(1) of the Companies Act requires that persons wishing to participate in the annual general meeting (including the aforementioned representative) must provide satisfactory identification before they may so participate.

Note that voting will be performed by way of a poll and, accordingly, any person who is present at the annual general meeting, whether as a shareholder or as proxy for a shareholder, shall have the number of votes determined in accordance with the voting rights associated with the Sun International Limited ordinary shares held by that shareholder.

I/We (full names of shareholder)

of (address)

Telephone: (work) (area code) Telephone: (home) (area code)

Fax: (area code) Cell number:

Email address:

Holding ordinary shares in the Company hereby appoint:

Name of Proxy OR Name: Identity Number:

Name of Proxy OR Name: Identity Number:

The Chairman of the annual general meeting

as my/our proxy to attend, participate in, speak and vote at the annual general meeting in my/our place and on my/our behalf at the Sun International annual general meeting which will be held for the purpose of considering and, if deemed fit, passing, with or without modification, the ordinary and special resolutions to be proposed thereat and at any adjournment thereof and to vote for or against such resolutions or to abstain from voting in respect of the shares in the issued capital of the Company registered in my/our name/s, in accordance with the instructions set out below (refer to note 2):

my/our proxy:

- may delegate to another person his/her authority to act on my/our behalf at the Sun International annual general meeting, provided that my/our proxy may only delegate his/her authority to act on my/our behalf at the annual general meeting to a director of the Company;
- must provide written notification to the transfer secretaries of the Company, namely Computershare Investor Services Proprietary Limited, of the delegation by my/our proxy of his/her authority to act on my/our behalf at the Sun International annual general meeting by no later than **09h00 on 18 November 2014.** Alternatively, the written notification must be handed to the Chairman of the annual general meeting at any time prior to the commencement of the annual general meeting to be held in Chile at **09h00 (Chilean time) on 21 November 2014;** and
- must provide to his/her delegate a copy of his/her authority to delegate his/her authority to act on my/our behalf at the annual general meeting.

	Number of ordinary shares		
Resolution reference	For	Against	Abstain
Ordinary resolution number 1 – election of non-executive director – Mr E Cibie			
Ordinary resolution number 2 – re-election of non-executive directors retiring by rotation by way of separate resolutions			
2.1 Ms B Modise			
2.2 Mr MV Moosa			
2.3 Mr GR Rosenthal			
Ordinary resolution number 3 – election and appointment of Audit Committee members by way of separate resolution			
3.1 Ms ZBM Bassa			
3.2 Mr PL Campher			
3.3 Ms B Modise			
3.4 Mr GR Rosenthal			
Ordinary resolution number 4 – endorsement of the remuneration policy			
Ordinary resolution number 5 – re-appointment of independent external auditors			
Special resolution number 1 – approval of increase of committee fees			
Special resolution number 1.1 – approval of increase of social and ethics committee fees			
Special resolution number 1.2 – approval of investment committee fees			
Special resolution number 2 – approval of no more than 10% for non-executive director and committee fees			
Special resolution number 3 – general authority to repurchase shares			
Ordinary resolution number 6 – authority for directors or Company Secretary to implement resolutions			

Signed this day of 2014

Signature of member(s)

Assisted by me (where applicable)

Please read the notes and instructions overleaf.
Note: Voting on all resolutions will be conducted by way of a poll.

INSTRUCTIONS ON SIGNING AND LODGING THE FORM OF PROXY

A shareholder entitled to attend and vote at the annual general meeting may appoint one or more persons as his/her proxy to attend, speak or vote in his/her stead at the annual general meeting.

A proxy need not be a shareholder of the Company.

On a poll, every Sun International shareholder shall have for each share held by him/her that proportion of the total votes in the Company which the aggregate amount of the nominal value of that share held by him/her bears to the aggregate amount of the nominal value of all the shares issued by the Company.

Notes:

1. A shareholder may appoint and insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space/s provided overleaf, with or without deleting "the Chairman of the annual general meeting".
2. If no proxy is inserted in the spaces provided, then the Chairman shall be deemed to be appointed as the proxy to vote or abstain as the Chairman deems fit.
3. A shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that shareholder in the appropriate box provided. If there is no clear indication as to the voting instructions to the proxy, this form of proxy will be deemed to authorise the proxy to vote or to abstain from voting at the annual general meeting as he/she deems fit in respect of all the shareholder's votes exercisable thereat.
4. A shareholder or his/her proxy is not obliged to use all the votes exercisable by the shareholder or by his/her proxy, but the total of the votes cast and in respect of which abstention is recorded may not exceed the total of the votes exercisable by the shareholder or by his/her proxy.
5. Completed forms of proxy must be lodged at the registered office of the Company, 6 Sandown Valley Crescent, Sandton, Gauteng, South Africa or posted to the Company Secretary, PO Box 782121, Sandton 2146, or lodged with or posted to the transfer secretaries, Computershare Investor Services Proprietary Limited, Ground Floor, 70 Marshall Street, Johannesburg 2001 (PO Box 61051, Marshalltown 2107, South Africa) so as to be received by no later than **09h00 on Tuesday, 18 November 2014.** Alternatively, the form of proxy must be handed to the Chairman of the annual general meeting at the general meeting at any time prior to the commencement of the annual general meeting to be held in Chile at **09h00 (Chilean time which is 14h00 South African time) on Friday, 21 November 2014.**
6. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the Company Secretary or waived by the Chairman of the annual general meeting if the Chairman is reasonably satisfied that the right of the representative to participate and vote has been reasonably verified. CSDP's or brokers registered in the Company's sub-register voting on instructions from beneficial owners of shares registered in the Company's sub-register, are requested that they identify the beneficial owner in the sub-register on whose behalf they are voting and return a copy of the instruction from such owner to the Company Secretary or to the transfer secretaries, Computershare Investor Services Proprietary Limited, Ground Floor, 70 Marshall Street, Johannesburg 2001 (PO Box 61051, Marshalltown 2107, South Africa), together with this form of proxy.
7. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so.
8. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies, but any such alteration or correction will only be validly made if it is accepted by the Chairman.
9. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the Company Secretary.
10. If the instrument appointing the proxy or proxies has been delivered to the Company, any notice that is required by the Companies Act or the Company's Memorandum of Incorporation to be delivered by the Company to the shareholder must (for so long as the proxy or proxies appointment remains in effect) be delivered by the Company to: (i) the shareholder or (ii) the proxy or proxies, if the shareholder has directed the Company to do so, in writing, and paid any reasonable fee charged by the Company for doing so.
11. The authority of a person signing the form of proxy in a representative capacity must be attached to the form of proxy unless that authority has already been recorded by the Company's transfer secretaries, alternatively waived by the Chairman of the annual general meeting.

Electronic notice

for shareholders to participate electronically in the annual general meeting

SUN INTERNATIONAL LIMITED

Registration number 1967/007528/06
Share code: SUI
ISIN: ZAE000097580

Shareholders or their duly appointed proxy(ies) ("participants") who wish to participate in the annual general meeting via electronic communication, being via teleconference, must apply to the Company Secretary using this application form. Participants are advised that they will not be able to vote during the meeting. Such participants, should they wish to have their vote counted at the meeting, must act in accordance with the general instructions contained on vote on the proxy form.

Shareholders must take note of the following:

A. A limited number of telecommunication lines will be available;
B. Each participant will be contacted 24 hours before the annual general meeting via email and/or SMS. Participants will be provided with a code and the relevant telephone number to allow them to dial-in; and
C. The cut-off time for dialling-in on the day of the meeting will be at **08h30 (Chilean time) and 13h30 (South African time) on Friday, 21 November 2014** and no late dial-in will be possible.

Application form: electronic participation

To be returned to the Company Secretary (Ms CA Reddiar) situated on the 5th Floor at 6 Sandown Valley Crescent, Sandton, Gauteng, Johannesburg or email investor.relations@suninternational.com by no later than **Tuesday, 18 November 2014 at 09h00**.

Full name of shareholder	
Identity number/Registration number of shareholder	
Email address	
Mobile number	
Telephone number (including dialling code from South Africa and other countries where applicable)	
Name of CSDP/broker (if shares are in dematerialised form)	
Contact number of CSDP/broker	
Contact person at CSDP/broker	
Number of share certificate (if applicable)	
Signature of shareholder	
Date (DD/MM/YY)	

Election form

SUN INTERNATIONAL LIMITED

(Incorporated in the Republic of South Africa)
(Registration number: 1967/007528/06)
(Share code: SUI) (ISIN: ZAE000097580)
("Sun International" or "the Company")

To:
The Directors
Sun International

I/We, the undersigned ____________________

(please print)

reference number: ____________________

(if available, please review the reference number listed on the envelope your Integrated Annual Report arrived in)

of address ____________________

being the registered holder(s) of: ____________________ ordinary shares in the issued share capital of the Company

do hereby elect to receive any documents or notices from Sun International, by electronic post, to the extent that the Company is permitted to so distribute any notices, documents, records or statements in terms of the Companies Act, No 71 of 2008, as amended, and any and every other statute, ordinance, regulation or rule in force from time to time, including the JSE Listings Requirements, concerning companies and affecting Sun International.

I/We hereby furnish the following email address for such electronic communication:

Email address: ____________________

Any written amendment or withdrawal of any such notice of consent by me/us, shall only take effect if signed by me/us and received by the Company.

Signed at ____________________ on ____________________ 2014

Signature ____________________

Assisted by me (where applicable) ____________________

Please complete, detach and return this election form to Sun International's transfer secretaries, Computershare Investor Services Proprietary Limited, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) or by telefax to +27 (11) 370 5271.

Shareholders' diary

ANNUAL GENERAL MEETING:

Date: Friday, 21 November 2014
Time: 09h00 (Chilean time and 14h00 South African time)
Venue: Conference Centre, Monticello Grand Casino, Panamericana Sur Km 57 San Fco. de Mostazal VI Región Chile.

A local dial-in facility will also be made available for shareholders who wish to participate via teleconference, at the Maslow Hotel, corner Grayston Drive and Rivonia Road, Sandton, South Africa at 14h00 (South African time).

Reports/Activity	**2015**
Announcement of interim results and interim dividend (if declared) for half year ending 31 December	February
Financial year end	30 June
Announcement of reviewed annual results and final dividend (if declared) for the year ending 30 June	August
2015 Integrated Annual Report published	October/November
Annual general meeting	November

Abbreviations

Afrisun Leisure: Afrisun Leisure Investments Proprietary Limited

AGM: Annual General Meeting

AHEPS: Adjusted headline earnings per share

B-BBEE: Broad-Based Black Economic Empowerment

Boardwalk: The Boardwalk Casino and Entertainment World

Carousel: The Carousel Casino and Entertainment World

CASA: Casino Association of South Africa

CDP: Carbon Disclosure Project

CGU: Cash Generating Unit

Company: Sun International Limited

Companies Act: Companies Act No 71 of 2008, as amended

CSDP: Central Securities Depository Participant

CSI: Corporate Social Investment

Dinokana: Dinokana Investments Proprietary Limited

EBT: Electronic Bingo Terminal

EGS: Enterprise Gaming System

ERP: Enterprise Resource Planning

Employee Share Trusts: Sun International Employee Share Trust and Sun International Black Executive Management Trust

GIA: Group internal audit

GRI: Global Reporting Initiative

Group: Sun International Group

HEPS: Headline earnings per share

IFRS: International Financial Reporting Standards

IT: Information technology

JSE: Johannesburg Stock Exchange Limited

King III/King III principles: King Report on Governance for SA and King Code of Governance Principles for South Africa 2009

LATAM: Latin America

LPMs: Limited payout machines

LTI: Long-term incentive

NAV: Net asset value

NRGP: National Responsible Gambling Programme

Own: Ownership

PAYE: Pay As You Earn

PPE: Property, plant and equipment

RAH: Real Africa Holdings Limited

SENS: Security Exchange News Service

SFIR: SFI Resorts S.A. (Monticello)

SIL: Sun International Limited

SIML: Sun International Management Limited

SISA: Sun International (South Africa) Limited

SRI Index: Socially Responsible Investment Index

STI: Short-term incentive

SunWest: SunWest International Proprietary Limited

TCN: Tourist Company of Nigeria Plc

VAT: Value Added Tax

Wild Coast Sun: Transkei Sun International Limited

Worcester: Worcester Casino Proprietary Limited

Administration

SUN INTERNATIONAL LIMITED

Incorporated in the Republic of South Africa
Registration number: 1967/007528/06
JSE Share Code: SUI
ISIN: ZAE000097580

Company Secretary

CA Reddiar BA, LLB, LLM, MBA
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Public Officer

AM Leeming BCom, BAcc, CA(SA)

Auditors

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Principal bankers

ABSA Bank Limited
First National Bank Limited
Investec Bank Limited
Nedbank Limited
Rand Merchant Bank (a division of FirstRand Bank Limited)
The Standard Bank of South Africa Limited

Corporate law advisors and attorneys

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Notes

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