SUN INTERNATIONAL ON TRACK WITH MEDIUM TERM STRATEGIC OBJECTIVES

Revenue +5.8%

EBITDA +9.9%

Adjusted diluted HEPS +10.4%

Dividends for the year of 285 cents per share +16.3%

Final gross cash dividend 175 cents per share

[Johannesburg, 24 August 2015] Leading gaming and hospitality company Sun International today announced an increase in revenue of 5.8% to R10.6-billion at the full year. The board has declared a final gross cash dividend of 175 cents (155 cents) per share.

The group concluded a number of transactions and initiatives during the year which have had a significant impact on reported results. These were in line with the company's medium term strategic objectives, which are to improve operational performance, maximize the potential within its existing assets and grow its business into new areas and new products. Initiatives and transactions concluded during the year included:

- The opening of the Ocean Sun Casino in Panama and the Sun Nao Casino in Colombia
- Acquisition of an additional 55% interest in Monticello, Chile
- Acquisition of a 25.1% interest in GPI Slots
- Acquisition of food and beverage businesses from outsourced operators, resulting in just over 2,000 new employees joining the group
- Conclusion of its Section 189 restructuring process which resulted in the South African head count reducing by approximately 1,500
- Disposal of the majority of the group's interest in Gaborone Sun, Kalahari Sands, Lesotho Sun and Maseru Sun as well as a 50% interest in the Royal Livingstone and Zambezi Sun to Minor International Pcl

In addition to these initiatives, the group has been involved in a number of other strategic initiatives including the relocation of its Morula licence to Menlyn Maine; a transaction to restructure its Western Cape assets; a merger of its Latin American assets and the acquisition of Peermont Global (Pty) Limited

The significant restructure of operations was predominantly implemented during calendar 2014 and resulted in a strong improvement in the 2014 calendar year. Since then the business has settled down and trading in the past 6 months to 30 June 2015 was more reflective of the environment within which the group is operating.

Revenue of R10.6 billion for the year ended 30 June 2015 was 6% ahead of the previous year, boosted by a strong performance from Monticello, the new properties opened during the year and the insourced food and beverage operations. The core South African operations were 3.5% ahead of the prior year with growth in the past 6 months slowing to 2%, reflecting the weak economic environment in South Africa.

South Africa continues to contribute just over 81% of group revenues and gaming revenue remains the primary contributor to the group at 82%. Latam's share of group revenue increased with the strong growth in Monticello's revenue and the opening of the Ocean Sun Casino in Panama and Sun Nao Casino in Colombia, partly offsetting the lost revenue contribution resulting from the sale of the African assets.

EBITDA for the year, including all adjusted headline earnings adjustments and excluding discontinued operations was up 10% at R3.2 billion. This increase is primarily due to the strong performance from Monticello coupled with the savings achieved from the section 189 restructure in South Africa and other cost cutting measures. These helped to offset the start-up losses incurred in Panama as the property establishes itself in its first year of trading in that market. Excluding discontinued operations the EBITDA margin improved 1.1% to 30.0%.

Adjusted headline earnings of R754 million and diluted adjusted headline earnings per share of 723 cents per share were 10% ahead of last year. Excluding an unrealised forex loss on US$ denominated Nigerian minority shareholder loans of R89 million (R44 million attributed to Sun International shareholders), and the start-up losses of the Ocean Sun Casino, diluted adjusted headline earnings per share would have been up 27%.

Depreciation and amortisation was up 10% (4% on a comparative basis) primarily due to the inclusion of R57 million depreciation from the Ocean Sun Casino. Employee costs include the restructure costs of R69 million and the new Ocean Sun Casino and the Sun Nao Casino employees. On a like-for-like basis, employee costs are 5% down on the previous year. Levies and VAT on casino revenues were up 8% on last year, which is well ahead of the 6% growth in casino revenue due to the 2% increase in the gaming levy in the Western Cape and the higher portion of gaming revenue from Monticello where the levy and VAT rate (together 33%) is significantly higher than South Africa. The group moved its head office in 2014 and property and equipment rentals were up 12% primarily due to the straight line charge for the new office despite the actual rentals being lower than before.

Other income of R466 million was the profit on disposal of the African properties and assignment of the management contracts to Minor. The impairment charge of R176 million is primarily due to the write down of the Morula assets as a result of the future relocation of the casino licence to Menlyn Maine

Other operating costs, which relate primarily to IT, security, professional fees and insurance, include certain non-recurring items such as pre-opening expenses for the Ocean Sun Casino and Sun Nao Casino of R36 million, corporate transaction costs of R45 million and an adjustment to the Monticello acquisition consideration of R23 million. Including adjusted headline earnings adjustments, other operational costs were up 8% with the above inflationary increase due primarily to higher IT and training costs.

Net interest paid of R574 million was 10% ahead of last year due to higher debt levels as a result of the Ocean Sun Casino development and our acquisition of the additional interest in Monticello. Included in the foreign exchange losses for the period was an unrealised loss of R89 million incurred on the US dollar minority shareholder loans in the Tourist Company of Nigeria. Of this amount R44 million is attributed to Sun International.

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

"Through the new properties, new lines of business, insourcing of food and beverage and a continued focus on cost savings and efficiencies, we anticipate growth in both revenue and EBITDA. Although we expect a difficult operating environment, the group is confident that it can achieve growth in adjusted headline earnings in the 2016 financial year.

"We have recently concluded a number of significant strategic transactions and we have a number of others that are still to be concluded which will have an impact on the group's 2016 results and financial position. We anticipate that these transactions position the group for growth in the medium to long term."

Performance of key units

GrandWest revenue was 7% ahead of last year at R2 152 million. Excluding the insourcing of food and beverage operations, revenue increased 6.1%. Following the excellent growth in casino revenue in H1 of 10.6%, growth in H2 slowed to 1.9%, reflecting the higher base in the prior year, a slow-down in the economy and in part impacted by volatility on tables. EBITDA increased by 10% due to good cost control and despite the effective gaming taxes of 27.4% being 0.6% higher than last year. GrandWest's EBITDA margin increased 1.3% to 42.5%.

Sun City revenue at R1 410 million was in line with 2014. While casino revenue was up 10.2% on last year, rooms' revenue declined 9.6%. The decline is due to renovations to the Cabanas, an increase in complimentary rooms given to VIP gaming clients and a 27% decline (4.6% in hotel occupancy) in international room nights sold primarily as a result of the new requirements from the Department of Home Affairs - unabridged birth certificates and biometric visas. Despite flat revenues EBITDA was up 14% at R201 million due to cost savings and the impact of the section 189 restructure. Included in the results is a charge of R15 million relating to costs of selling vacation club units. Sales of the refurbished Vacation Club units were R137 million (R242 million in sales since the launch of the refurbished units). While indirect selling costs are expensed as incurred, the sale proceeds are recognised over 10 years.

Sibaya revenue increased by 4% to R1 143 million and with its EBITDA margin improving 0.3% to 36.6%, EBITDA increased by 5% to R418 million as a result of cost savings. Sibaya's market share for the year remained constant at 35.7% (2014: 35.9%).

Carnival City revenue increased slightly by 0.5% for the year to R1 047 million. Through cost saving initiatives, including a reduction in employee costs and a revised marketing strategy its EBITDA improved significantly by 14% to R356 million. Carnival City's share of the Gauteng market declined slightly by 0.5% to 15.0%.

Boardwalk revenue (excluding insourced food and beverage) remained flat in comparison to the prior year. The lack of growth is due to the opening of three Electronic Bingo Terminal ("EBT") operations within the Boardwalk's catchment area. Through good cost control, EBITDA was maintained in line with last year at R169 million.

The Table Bay Hotel achieved revenue growth of 8% driven by a 9% increase in the Average Daily Rate and a 14% growth in food and beverage revenue. The decline in visitation from growth markets such as India and China was offset by an increased focus on traditional markets in Europe and the USA, with the weaker rand helping to boost tourism from these regions. Costs were well managed resulting in a 20% increase in EBITDA to R60 million.

The Maslow occupancy increased by 7.2% to 63.2% and the room rate increased by 2.4% to R1 124. Despite an improved operational performance, which brings the property in-line with market metrics, the terms of the lease and the accounting therefor mean that the property continues to report a significant loss.

The Federal Palace revenue declined 5% in local currency as a result of a 15.5% decline in occupancies after the Ebola crisis, the ongoing Boko Haram threat and economic conditions facing the country. Occupancies fell to 33% in September 2014 and averaged 47% in the second half of the year. Gaming revenue was however very strong reflecting growth of 16.2%. Despite the decrease in overall revenue, EBITDA (in local currency) improved 18.3% following savings in all areas including payroll.

Monticello revenue was up 14% in local currency (11% in ZAR) with casino revenue up 13.4%. The property is close to reaching the revenue levels it achieved pre the smoking ban that was implemented in March 2013. Due to strong revenue growth and cost savings its EBITDA was up 33% (28% in ZAR to R387 million).

Ocean Sun Casino started trading in mid-September 2014 and has contributed R140 million to revenue. Although the casino has been well received by the local market it is taking longer than expected to ramp up. The casino is starting to attract more VIP players and recent trading levels have been encouraging. The VIP play is, however, volatile and is also lower margin business and consequently the flow through to EBITDA is disappointing. A further challenge facing the property is a recently introduced 5.5% tax on casino pay-outs. The prospects for Panama as a destination remain positive and management remain optimistic that the property can achieve its medium term revenue projections and profitability.

The group equity accounted R7 million in earnings from ***GPI Slots*** from the acquisition date of 1 January 2015. During the 2015 financial year GPI Slots revenue increased 33% and EBITDA 41% as a result of organic growth and the purchase of Grand Gaming KZN and Grand Gaming Hot Slots with effect from July 2014 and August 2014 respectively.

With effect from 1 December 2014 the group's remaining interests in its Namibia, Botswana and Lesotho operations have been accounted for as associates and the Zambian operation as a joint venture. Other than the Royal Livingstone the properties sold to Minor are now trading under the Avani brand. GPI slots has been accounted for as an associate with effect from 1 January 2015.

ENDS