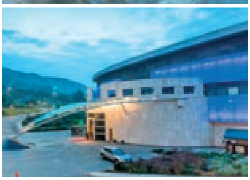


SUN INTERNATIONAL LIMITED

unaudited profit and cash dividend announcement

FOR THE SIX MONTHS ENDED 31 DECEMBER 2014

REVENUE UP +6.6%

EBITDA UP +14.5%

ADJUSTED DILUTED HEPS +23%

INTERIM GROSS CASH DIVIDEND OF 110 CENTS PER SHARE

Condensed group statements of comprehensive income

R million	Six months ended 31 December 2014 Unaudited	% change	2013 Restated	Year ended 30 June 2014 Restated
Continuing operations				
Revenue				
Casino	**4 339**	**7**	4 047	8 134
Rooms	**428**	**2**	419	848
Food, beverage and other	**523**	**5**	497	988
	5 290	**7**	4 963	9 970
Other income	**462**		–	–
Consumables and services	**(530)**		(517)	(1 027)
Depreciation and amortisation	**(484)**		(434)	(900)
Employee costs	**(1 106)**		(1 137)	(2 327)
Levies and VAT on casino revenue	**(1 059)**		(965)	(1 952)
Promotional and marketing costs	**(356)**		(365)	(672)
Property and equipment rentals	**(71)**		(64)	(129)
Property costs	**(267)**		(260)	(520)
Other operational costs	**(497)**		(396)	(853)
Operating profit	**1 382**	**68**	825	1 590
Foreign exchange (losses)/profits	**(32)**		5	7
Interest income	**12**		11	22
Interest expense	**(288)**		(270)	(546)
Share of associates losses	**(1)**		–	–
Profit before tax	**1 073**		571	1 073
Tax	**(235)**		(224)	(391)
Profit from continuing operations	**838**	**141**	347	682
Profit from discontinued operations	**47**		37	67
Profit for the period	**885**	**130**	384	749
Other comprehensive income:				
Items that will not be reclassified to profit or loss				
Remeasurements of post employment benefit obligations	**–**		–	17
Tax on remeasurements of post employment benefit obligations	**–**		–	(5)
Items that may be reclassified to profit or loss				
Net (loss)/profit on cash flow hedges	**(2)**		–	1
Tax on net (loss)/profit on cash flow hedges	**1**		–	–
Transfer of hedging reserve to statements of comprehensive income	**–**		4	4
Tax on transfer of hedging reserve to statements of comprehensive income	**–**		(1)	(1)
Currency translation reserve	**(13)**		73	(45)
Total comprehensive income	**871**		460	720

R million	Six months ended 31 December 2014 Unaudited	% change	2013 Restated	Year ended 30 June 2014 Restated
Profit for the period attributable to:				
Minorities	**95**		82	231
Ordinary shareholders	**790**		302	518
	885		384	749
Total comprehensive income for the period attributable to:				
Minorities	**98**		117	221
Ordinary shareholders	**773**	**125**	343	499
	871		460	720
Total comprehensive income attributable to ordinary shareholders arises from:				
Discontinued operations	**41**		29	64
Continuing operations	**732**		314	435
	773		343	499
HEADLINE EARNINGS RECONCILIATION				
Profit attributable to ordinary shareholders	**790**	**162**	302	518
Net loss/(profit) on disposal of property, plant and equipment	**–**		5	(9)
Profit on disposal of shares in subsidiaries	**(462)**		–	–
Impairment of Maslow assets	**–**		–	39
Tax relief on the above items	**18**		(1)	(15)
Minorities' interests on the above items	**–**		(2)	(3)
Headline earnings	**346**	**14**	304	530
Pre-opening expenses	**48**		13	36
Termination of BEE shareholder options	**–**		–	16
Restructure costs	**35**		39	165
Insurance Captive Trust Distribution	**–**		–	(25)
Monticello purchase price adjustment	**23**		–	–
Monticello profits – consolidated from 1 July 2014 to 31 October 2014	**(27)**		–	–
Other	**12**		–	13
Foreign exchange losses/(profits) on intercompany loans	**13**		(9)	(13)
Tax on the above items	**(20)**		(10)	(44)
Minorities' interests on the above items	**(11)**		(5)	(18)
Reversal of Employee Share Trusts'[(i)]	**10**		16	23
Adjusted headline earnings	**429**	**23**	348	683
	Cents per share		Cents per share	Cents per share
Earnings per share				
– basic	**849**		324	555
– diluted	**843**	**161**	323	553
Dividends per share	**110**		90	245

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

Condensed group statements of financial position

R million	Six months ended 31 December 2014 Unaudited	Six months ended 31 December 2013 Unaudited	Year ended 30 June 2014 Audited
ASSETS			
Non current assets			
Property, plant and equipment	**11 298**	11 288	11 380
Intangible assets	**758**	525	721
Investment in associates	**392**	–	–
Investment in joint ventures	**191**	–	–
Available-for-sale investment	**48**	48	48
Loans and receivables	**10**	9	10
Pension fund asset	**45**	29	45
Deferred tax	**287**	217	249
	13 029	12 116	12 453
Current assets			
Loans and receivables	**2**	31	4
Tax	**75**	70	42
Accounts receivable and other	**636**	583	614
Cash and cash equivalents	**567**	989	958
	1 280	1 673	1 618
Non current assets held for sale	**75**	–	–
Total assets	**14 384**	13 789	14 071
EQUITY AND LIABILITIES			
Capital and reserves			
Ordinary shareholders' equity	**1 954**	2 121	1 497
Minorities' interests	**406**	1 591	491
	2 360	3 712	1 988
Non current liabilities			
Deferred tax	**448**	513	460
Borrowings	**5 904**	3 368	3 772
Other non current liabilities	**842**	419	2 316
	7 194	4 300	6 548
Current liabilities			
Tax	**58**	59	79
Accounts payable and other	**1 253**	1 437	1 646
Borrowings	**3 467**	4 281	3 810
	4 778	5 777	5 535
Non current liabilities held for sale	**52**	–	–
Total liabilities	**12 024**	10 077	12 083
Total equity and liabilities	**14 384**	13 789	14 071

MONTICELLO CHILE

Chile's largest integrated casino resort.

Condensed group statements of cash flows

R million	Six months ended 31 December 2014 Unaudited	 2013 Unaudited	Year ended 30 June 2014 Audited
Cash generated by operations before:	**1 741**	1 449	3 086
Working capital changes	**(371)**	(109)	98
Cash generated by operations	**1 370**	1 340	3 184
Tax paid	**(300)**	(275)	(494)
Cash generated by operating activities	**1 070**	1 065	2 690
Settlement of long services award obligation	**–**	(40)	(40)
Net cash generated by operating activities	**1 070**	1 025	2 650
Cash utilised in investing activities	**(1 418)**	(1 046)	(2 189)
Cash realised from investing activities	**528**	19	65
Acquisition of shares in subsidiaries	**(1 726)**	–	–
Net cash inflow/(outflow) from financing activities	**1 168**	(52)	(600)
Effect of exchange rates upon cash and cash equivalents	**(2)**	19	8
Decrease in cash and cash equivalents	**(380)**	(35)	(66)
Cash and cash equivalents at beginning of the period	**958**	1 024	1 024
Cash and cash equivalents at end of the period	**578**	989	958
Assets held for sale	**(11)**	–	–
Cash and cash equivalents at end of the period excluding non current assets held for sale	**567**	989	958

Group statements of changes in equity

R million	Share capital and premium	Treasury shares and share options	Foreign currency translation reserve	Share based payment reserve
Unaudited				
FOR THE SIX MONTHS ENDED 31 DECEMBER 2014				
Balance at 30 June 2014	**309**	**(1 829)**	**449**	**112**
Total comprehensive income	–	–	(16)	–
Treasury share options purchased	–	(10)	–	–
Net deemed treasury shares purchased	–	(2)	–	–
Vested shares	–	4	–	(4)
Employee share based payments	–	–	–	31
Release of share based payment reserve	–	–	–	(27)
Delivery of share awards	–	–	–	–
Disposal of shares in African operations	–	–	(117)	–
Acquisition of minority interests in Monticello	–	–	(127)	–
Acquisition of minorities' interests	–	–	–	–
Dividends paid	–	–	–	–
Balance at 31 December 2014	**309**	**(1 837)**	**189**	**112**
Unaudited				
FOR THE SIX MONTHS ENDED 31 DECEMBER 2013				
Balance as at 30 June 2013	**309**	**(1 781)**	**482**	**86**
Total comprehensive income	–	–	40	–
Treasury share options purchased	–	(16)	–	–
Net deemed treasury shares purchased	–	(1)	–	–
Vested shares	–	13	–	(13)
Employee share based payments	–	–	–	27
Release of share based payment reserve	–	–	–	(7)
Delivery of share awards	–	–	–	–
Acquisition of minorities' interests	–	–	–	–
Dividends paid	–	–	–	–
Balance at 31 December 2013	**309**	**(1 785)**	**522**	**93**
Audited				
FOR THE YEAR ENDED 30 JUNE 2014				
Balance as at 30 June 2013	**309**	**(1 781)**	**482**	**86**
Total comprehensive income	–	–	(33)	–
Treasury share options purchased	–	(29)	–	–
Net deemed treasury shares purchased	–	(32)	–	–
Vested shares	–	13	–	(13)
Employee share based payments	–	–	–	53
Release of share based payment reserve	–	–	–	(14)
Monticello acquisition consideration	–	–	–	–
Minority share capital reduction	–	–	–	–
Delivery of share awards	–	–	–	–
Acquisition of minorities' interests	–	–	–	–
Dividends paid	–	–	–	–
Balance at 30 June 2014	**309**	**(1 829)**	**449**	**112**

Available-for-sale reserve	Other reserves	Reserve for non-controlling interests	Hedging reserve	Retained earnings	**Ordinary share-holders' equity**	Minorities' interests	Total equity
4	**(673)**	**(2 326)**	**3**	**5 448**	**1 497**	**491**	**1 988**
–	–	–	(1)	790	**773**	98	871
–	–	–	–	–	**(10)**	–	(10)
–	–	–	–	–	**(2)**	–	(2)
–	–	–	–	–	**–**	–	–
–	–	–	–	–	**31**	–	31
–	–	–	–	27	**–**	–	–
–	–	–	–	(24)	**(24)**	–	(24)
–	–	–	–	–	**(117)**	(62)	(179)
–	673	(550)	–	–	**(4)**	2	(2)
–	–	(37)	–	–	**(37)**	(2)	(39)
–	–	–	–	(153)	**(153)**	(121)	(274)
4	**–**	**(2 913)**	**2**	**6 088**	**1 954**	**406**	**2 360**
4	**–**	**(2 219)**	**1**	**5 151**	**2 033**	**1 632**	**3 665**
–	–	–	1	302	**343**	117	460
–	–	–	–	–	**(16)**	–	(16)
–	–	–	–	–	**(1)**	–	(1)
–	–	–	–	–	**–**	–	–
–	–	–	–	–	**27**	–	27
–	–	–	–	7	**–**	–	–
–	–	–	–	(4)	**(4)**	–	(4)
–	–	(109)	–	–	**(109)**	(15)	(124)
–	–	–	–	(152)	**(152)**	(143)	(295)
4	**–**	**(2 328)**	**2**	**5 304**	**2 121**	**1 591**	**3 712**
4	**–**	**(2 219)**	**1**	**5 151**	**2 033**	**1 632**	**3 665**
–	–	–	2	530	**499**	221	720
–	–	–	–	–	**(29)**	–	(29)
–	–	–	–	–	**(32)**	–	(32)
–	–	–	–	–	**–**	–	–
–	–	–	–	–	**53**	–	53
–	–	–	–	14	**–**	–	–
–	(673)	–	–	–	**(673)**	(1 014)	(1 687)
–	–	–	–	–	**–**	(84)	(84)
–	–	–	–	(7)	**(7)**	–	(7)
–	–	(107)	–	–	**(107)**	(15)	(122)
–	–	–	–	(240)	**(240)**	(249)	(489)
4	**(673)**	**(2 326)**	**3**	**5 448**	**1 497**	**491**	**1 988**

Supplementary information

R million	2014 Unaudited (Six months ended 31 December)	% change	2013 Restated (Six months ended 31 December)	2014 Restated (Year ended 30 June)
EBITDA RECONCILIATION				
Operating profit	**1 382**	**68**	825	1 590
Operating profit of discontinued operations	**62**		55	89
Depreciation and amortisation	**509**		464	958
Property and equipment rental	**80**		73	148
Net loss/(profit) on disposal of property, plant and equipment*	**–**		5	(9)
Impairment of assets*	**–**		–	39
Pre-opening expenses*	**48**		13	36
Restructure costs*	**35**		39	165
Termination of BEE shareholder options*	**–**		–	16
Insurance Captive Trust Distribution*	**–**		–	(25)
Profit on disposal of shares in subsidiaries*	**(462)**		–	–
Monticello purchase price consideration*	**23**		–	–
Other*	**12**		–	13
Reversal of Employee Share Trusts*(i)	**16**		15	32
EBITDA	**1 705**	**15**	1 489	3 052
EBITDA margin (%)	**32**		30	31
Number of shares ('000)				
– in issue	**93 072**		93 371	93 047
– for EPS calculation	**93 065**		93 246	93 301
– for diluted EPS calculation	**93 681**		93 589	93 718
– for adjusted headline EPS calculation(i)	**103 980**		103 845	103 912
– for diluted adjusted headline EPS calculation(i)	**104 596**		104 188	104 329
Earnings per share (cents)				
– basic earnings per share	**849**	**162**	324	555
– headline earnings per share	**372**	**14**	326	568
– adjusted headline earnings per share	**413**	**23**	335	657
– diluted basic earnings per share	**843**	**161**	323	553
– diluted headline earnings per share	**369**	**14**	325	566
– diluted adjusted headline earnings per share	**410**	**23**	334	655
Continuing – Earnings per share (cents)				
– basic earnings per share	**805**	**178**	290	491
– headline earnings per share	**328**	**12**	293	504
– adjusted headline earnings per share	**374**	**23**	305	600
– diluted basic earnings per share	**800**	**177**	289	489
– diluted headline earnings per share	**326**	**12**	291	502
– diluted adjusted headline earnings per share	**371**	**22**	304	597
Discontinuing – Earnings per share (cents)				
– basic earnings per share	**44**	**29**	34	64
– headline earnings per share	**44**	**33**	33	64
– adjusted headline earnings per share	**39**	**29**	30	58
– diluted basic earnings per share	**43**	**28**	34	64
– diluted headline earnings per share	**43**	**29**	34	64
– diluted adjusted headline earnings per share	**39**	**28**	30	58

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

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

MASLOW GAUTENG

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

R million	Six months ended 31 December **2014 Unaudited**	**% change**	2013 Restated	Year ended 30 June 2014 Restated
Tax rate reconciliation				
Profit before tax	**1 073**		571	1 073
Share of associates losses	**1**		–	–
Adjusted profit before tax	**1 074**		571	1 073
	%		%	%
Effective tax rate	**22**		39	36
Preference share dividends	**(2)**		(4)	(4)
Prior year over/(under) – provisions	**–**		(1)	2
Withholding taxes	**–**		(2)	(2)
Foreign tax rate variation	**(1)**		1	–
Exempt income	**11**		–	1
Foreign monetary adjustments and government incentives	**2**		4	2
Capital allowances and disallowed expenditure	**(4)**		(9)	(7)
SA corporate tax rate	**28**		28	28
EBITDA to interest (times)	**6.2**		5.7	5.8
Annualised borrowings to EBITDA (times)	**2.9**		2.7	2.5
Net asset value per share (Rand)	**20.99**		22.72	16.09
Capital expenditure	**1 084**		1 065	2 083
Capital commitments				
– contracted	**214**		1 181	630
– authorised but not contracted	**690**		473	1 374
	904		1 654	2 004

Review of the six months

During the past 6 months there have been significant changes in the group. These include the opening of the Ocean Sun Casino in Panama in September 2014, the acquisition of an additional 55% interest in Monticello, Chile with effect from 1 November 2014 and the acquisition of a 25% interest in GPI Slots effective 31 December 2014. The group also disposed of the majority of its interests in Gaborone Sun, Kalahari Sands, Lesotho Sun and Maseru Sun as well as a 50% interest in the Royal Livingstone and Zambezi Sun ("the African properties") to Minor International Pcl ("Minor").

On the operational front the group concluded the section 189 restructure which has resulted in the group's South African head count reducing by approximately 1 500 since the start of the restructure.

These transactions and the Section 189 restructure are in line with the medium term strategic objectives the group set out in its 2013 and 2014 Integrated Annual Report.

The results of the African properties disposed of to Minor and the Swaziland operations have been reclassified in the current and prior periods in the Statements of comprehensive income and are disclosed as a single line item under "Profit from discontinued operations".

Revenue for the period was 7% ahead of the six months ended 31 December 2013 ("last year") at R5.3 billion, reflecting a similar trend to that experienced in the second half of the 2014 financial year. Excluding revenues from the new Ocean Sun Casino, revenue was up 6% on last year with the South African operations and Monticello up 5% and 18% (In local currency) respectively. The growth in South Africa was achieved despite a disappointing December in which gaming revenue was actually down 1% compared to last year. Good growth resumed in January 2015 with South African gaming revenue up by 6%.

EBITDA, including all adjusted headline earnings adjustments, as well as the African operations up to 30 November 2014 (the date of disposal to Minor) was R1.7 billion, 15% ahead of last year. The increase is primarily due to a strong performance from Monticello coupled with the savings from the section 189 restructure and other cost cutting measures implemented. The EBITDA margin improved 2.4% to 29.9%, and excluding the discontinued African operations, improved to 30.5%.

Depreciation and amortisation was up 12% (7% on a comparative basis) primarily due to the inclusion of R20 million depreciation from the Ocean Sun Casino and a full period's depreciation of the group's EGS gaming system. Despite the inclusion of the Ocean Sun Casino, employee costs were down 3% (5% on a comparative basis) as a result of the Section 189 restructure. Levies and VAT on casino revenue were up 10% on last year. The increase is well ahead of the 7% growth in casino revenue due to the 2% increase in the gaming levy in the Western Cape from 1 September 2013 and the higher portion of gaming revenue from Monticello where the levy and VAT rate (together 33%) is significantly higher than South Africa. Property and equipment rentals were up 11% primarily due to the straight line charge for the management company office rentals.

Other income of R462 million is the profit on disposal of the African properties and assignment of the management contract to Minor.

Other operational costs include certain non-recurring items such as pre-opening expenses for Ocean Sun Casino of R48 million (2013: R13 million), corporate transaction costs of R12 million and an adjustment to

the Monticello acquisition consideration of R23 million. Excluding these, other operational costs are up 8% with the above inflationary increase due primarily to higher IT costs.

Net interest paid of R276 million was 7% ahead of last year due to higher debt levels as a result of the Ocean Sun Casino development and the acquisition of the additional interest in Monticello. Included in the foreign exchange losses for the period was the translation loss of R27 million incurred on the US Dollar shareholder loans in the Tourist Company of Nigeria.

The effective tax rate, excluding non-deductible preference share dividends, withholding taxes and CGT on South African income was 31% (2013: 32%). The Latin America ("Latam") operations had a positive tax charge as a result of the Ocean Sun Casino start up loss and a monetary adjustment on capital that is allowed as a deduction from taxable income in Chile.

Adjusted headline earnings of R429 million and diluted adjusted headline earnings per share of 410 cents were 23% ahead of last year. Excluding the initial losses incurred in the start-up phase of the Ocean Sun Casino diluted adjusted headline earnings per share would have been up 33%.

In light of the improved trading the board has declared a gross interim dividend of 110 cents (2013: 90 cents) per share.

SEGMENTAL ANALYSIS

R million	REVENUE Six months ended 31 December 2014	REVENUE Six months ended 31 December 2013	REVENUE Year ended 30 June 2014	EBITDA Six months ended 31 December 2014	EBITDA Six months ended 31 December 2013	EBITDA Year ended 30 June 2014
South African Operations	**4 340**	4 136	8 266	**1 287**	1 144	2 334
GrandWest	**1 103**	999	2 020	**470**	408	833
Sun City	**712**	720	1 403	**94**	96	176
Sibaya	**566**	555	1 095	**206**	195	398
Carnival City	**547**	523	1 042	**190**	156	312
Boardwalk	**282**	278	554	**86**	82	168
Wild Coast Sun	**218**	200	400	**38**	31	70
Carousel	**164**	160	311	**36**	30	56
Meropa	**141**	134	278	**53**	49	106
Windmill	**131**	129	257	**48**	46	96
Table Bay	**119**	108	233	**30**	22	50
Morula	**113**	108	208	**15**	9	16
Flamingo	**82**	73	152	**26**	23	49
Worcester	**73**	70	144	**10**	9	27
Maslow	**62**	56	113	**1**	2	6
Other operating segments	**27**	23	56	**(16)**	(14)	(29)
Other African Operations	**515**	549	1 071	**110**	101	195
Zambia	**108**	115	222	**38**	29	52
Federal Palace	**107**	105	216	**16**	9	28
Swaziland	**90**	89	172	**5**	6	13
Botswana	**88**	97	186	**23**	25	44
Kalahari Sands	**64**	78	148	**17**	21	39
Lesotho	**58**	65	127	**11**	11	19
LATAM	**823**	702	1 443	**180**	121	303
Monticello	**782**	702	1 443	**192**	121	303
Ocean Sun Casino	**41**	–	–	**(12)**	–	–
Management activities	**334**	299	612	**142**	133	248
Total operating segments	**6 012**	5 686	11 392	**1 719**	1 499	3 080
Central office and other eliminations	**(314)**	(279)	(567)	**(14)**	(10)	(28)
Other income(ii)				**–**	–	–
Other expenses (ii)				**–**	–	–
Group total	**5 698**	5 407	10 825	**1 705**	1 489	3 052
Less: Discontinued operations	**(408)**	(444)	(855)	**(94)**	(92)	(167)
Continuing operations	**5 290**	4 963	9 970	**1 611**	1 397	2 885

*(ii) Refer to EBITDA reconciliation denoted**

EBITDA MARGIN (%)			OPERATING PROFIT		
Six months ended 31 December		Year ended 30 June	Six months ended 31 December		Year ended 30 June
2014	2013	2014	**2014**	2013	2014
29.7	27.7	28.2	**867**	778	1 562
42.6	40.8	41.2	**404**	356	723
13.2	13.3	12.5	**19**	32	38
36.4	35.1	36.3	**162**	159	318
34.7	29.8	29.9	**139**	110	217
30.5	29.5	30.3	**43**	42	87
17.4	15.5	17.5	**13**	8	22
22.0	18.8	18.0	**21**	15	24
37.6	36.6	38.1	**42**	40	86
36.6	35.7	37.4	**37**	37	77
25.2	20.4	21.5	**15**	10	23
13.3	8.3	7.7	**5**	–	(2)
31.7	31.5	32.2	**20**	18	37
13.7	12.9	18.8	**1**	2	13
1.6	3.6	5.3	**(37)**	(36)	(70)
(59.3)	(60.9)	(51.8)	**(17)**	(15)	(31)
21.4	18.4	18.2	**58**	43	68
35.2	25.2	23.4	**28**	18	30
15.0	8.6	13.0	**(4)**	(12)	(21)
5.6	6.7	7.6	**3**	4	8
26.1	25.8	23.7	**18**	19	31
26.6	26.9	26.4	**7**	10	15
19.0	16.9	15.0	**6**	4	5
21.9	17.2	21.0	**88**	28	126
24.6	17.2	21.0	**120**	29	126
–	–	–	**(32)**	(1)	–
42.5	44.5	40.5	**116**	118	216
28.6	26.4	27.0	**1 129**	967	1 972
–	–	–	**(13)**	(15)	(26)
–	–	–	**462**	–	–
–	–	–	**(134)**	(72)	(267)
29.9	27.5	28.2	**1 444**	880	1 679
23.0	23.0	23.0	**(62)**	(55)	(89)
30.5	28.1	28.9	**1 382**	825	1 590


CARNIVAL CITY
JACKPOT EXPLOSION

REVENUE SEGMENTAL ANALYSIS

Revenue by region and nature is set out below:

	GAMING			ROOMS			F&B & OTHER			TOTAL		
R million	**2014**		2013	**2014**		2013	**2014**		2013	**2014**		2013
South Africa*	**3 552**	5%	3 371	**393**	4%	379	**415**	2%	406	**4 360**	5%	4 156
Nigeria	**48**	–	48	**28**	(22%)	36	**31**	48%	21	**107**	2%	105
Latin America	**739**	18%	628	**7**	75%	4	**77**	10%	70	**823**	17%	702
	4 339	7%	4 047	**428**	2%	419	**523**	5%	497	**5 290**	7%	4 963

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

South Africa continues to contribute the bulk of group revenues with an 82.4% (83.7%) share and gaming revenue remains the primary source of revenue for the group at 82% (81.5%). Latam's share of group revenue increased with the strong growth in Monticello's revenue and the opening of the Ocean Sun Casino.

Key properties' occupancies and ADRs are set out below:

	OCCUPANCY		ADR	
	2014	2013	**2014**	2013
Sun City	**64.8%**	63.8%	**R1 691**	R1 647
Wild Coast Sun	**75.2%**	79.7%	**R500**	R478
The Table Bay Hotel	**62.7%**	61.7%	**R2 287**	R2 176
The Maslow	**61.4%**	54.9%	**R1 095**	R1 102
Royal Livingstone and Zambezi Sun	**50.1%**	45.2%	**R1 944**	R1 956
The Federal Palace	**48.5%**	62.4%	**R2 412**	R2 401

OPERATIONAL REVIEW

South African Properties

GrandWest revenue was 10% ahead of last year at R1 103 million with the local economy benefitting from increased tourism. EBITDA increased by 15% due to good cost control, the improved revenue growth and despite the 2% increase in gaming levies effective from 1 September 2013. The EBITDA margin increased 1.8% to 42.6%.

Sun City revenue at R712 million was 1% below last year due primarily to a 1% decline in casino revenue as a result of the significant renovations to the main casino floor undertaken during the period and a low tables win percentage which offset the tables drop increase of 16%. Through enhanced efficiencies, EBITDA from operations was up 8% at R104 million (2013: R96 million) however a charge of R10 million was accounted for relating to costs of selling vacation club units which was not incurred last year. In the 6 months under review, sales of the refurbished Vacation Club units amounted to R65 million (R170 million in sales since the launch of the refurbished units). While indirect costs are accounted for as incurred, the sale proceeds will only be recognised over 10 years.

Sibaya, with revenue only 2% up at R566 million, managed to improve EBITDA by 6% to R206 million as a result of cost savings with the EBITDA margin improving 1.3% to 36.4%. December 2014 trading was negatively impacted by improved weather at the coast compared to December 2013 and as a result gaming revenue was down 9% for the month. Sibaya's market share for the six months was at 35.5% (last year: 35.6%).

Carnival City revenue increased 5% for the 6 months to R547 million. Through cost saving initiatives, including a reduction in employee costs and a revised marketing strategy, EBITDA improved by 22% to R190 million. Carnival City's share of the Gauteng market grew 0.2% to 15.2%.

Boardwalk revenue increased 1% to R282 million. The disappointing growth is due to the opening of 2 Electronic Bingo Terminals ("EBT") licences within the Boardwalk's catchment area and, despite ongoing engagement with the Eastern Cape Gambling Board, we expect further EBT sites to open in the near future. Despite the low revenue growth the Boardwalk improved EBITDA by 5% to R86 million as a result of cost savings.

In the group's hotel operations, despite the negative impact of the Ebola scare, ***The Table Bay Hotel*** achieved revenue growth of 10% driven by 1% increase in occupancy and a 20% growth in food and beverage revenue. Costs were well managed resulting in a 36% increase in EBITDA to R30 million.

The Maslow occupancy increased by 6.5% to 61.4% while the room rate was largely in line with the prior year. The property is fast gaining a reputation as the best corporate hotel and small conference destination in Sandton.

African Properties

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. The interest remaining in Swaziland will likewise be treated as an associate on the imminent conclusion of the sale to Minor. The table below sets out the revenue and EBITDA of these properties for the full 6 month period to 31 December 2014:

	REVENUE		EBITDA	
R million	**2014**	2013	**2014**	2013
Royal Livingstone & Zambezi Sun (Zambia)	**126**	115	**41**	29
Royal Swazi & Ezulwini Sun (Swaziland)	**90**	89	**5**	6
Lesotho Sun & Maseru Sun (Lesotho)	**71**	65	**13**	11
Kalahari Sands (Namibia)	**76**	78	**19**	21
Gaborone Sun (Botswana)	**106**	97	**28**	25
	469	444	**106**	92

The Royal Livingstone and ***Zambezi Sun's*** revenue was up 9%, (15% in local currency) due to a 4.9% improvement in occupancies. EBITDA improved 38% (46% in local currency) as a result of the increase in revenue, release of a R6 million VAT accrual and non-recurring costs incurred in the prior period. The yellow fever vaccination requirement for Zambia was recently lifted and this is expected to have a positive impact on trading.

The Federal Palace revenue declined 8% in local currency largely as a result of a 13.9% decline in occupancies due to the Ebola crisis and the ongoing Boko Haram threat. Occupancies fell as low as 33% in September, 28% lower than last year. The property is, however, slowly recovering with occupancies having improved but still well below last year. Gaming revenue for the 6 months was also impacted and as a result was 5% lower than last year. Despite the decrease in revenue EBITDA improved 78% following savings in all areas including payroll and legal fees and the release of excess accruals from prior years.

Latam

Monticello revenue was up 18% in local currency (11% in ZAR) as the property recovers from the smoking ban introduced in Chile in March 2013. New smoking decks were being installed in the comparative period and the current year shows the positive impact that the decks are having. Due to the strong revenue growth and cost savings implemented EBITDA was up 71% (59% in ZAR to R192 million).

Ocean Sun Casino started trading in mid-September 2014 and has contributed R41 million to revenue. While the property is currently trading behind expectations it is still in its ramp up phase. The casino has been well received by the local market and is starting to receive strong interest from regional VIP players. Management remains confident that the property will achieve its medium term revenue projections and profitability.

MANAGEMENT ACTIVITIES

Management fees and related income, at R334 million, were 12% ahead of last year. The increase in revenue is due largely to the improved trading and higher EBITDA of the group's operations. EBITDA improved by 7% to R142 million. The lower growth in EBITDA compared to revenue is largely due to an increase in new business development costs of R12 million (2013: R5 million), professional fees incurred as the group prepares to insource a major part of its food and beverage operations and a higher bonus accrual which will only be payable if the group achieves its targets for the year.

FINANCIAL POSITION

The group's borrowings at 31 December 2014 of R9.4 billion are R1.7 billion above last year. The increase in borrowings is largely due to the acquisition of an additional 54.7% interest in Monticello (R1.3 billion), the acquisition of a 25% interest and shareholder loans in GPI Slots (R311 million) and the development of the Ocean Sun Casino and the casino under development in Cartagena, Colombia, offset in part by the proceeds from the Minor transaction (R671 million).

	31 December		30 June
R million	**2014**	2013	2014
SFI Resorts (Monticello)	**1 854**	566	556
Ocean Club Inc (Ocean Sun Casino – Panama)	**1 039**	452	719
SunWest (GrandWest and Table Bay)	**873**	855	821
Emfuleni (Boardwalk and Fish River Sun)	**613**	638	657
Afrisun Gauteng (Carnival City)	**587**	587	575
The Tourist Company of Nigeria (Federal Palace)	**406**	535	362
Afrisun KZN (Sibaya)	**339**	388	357
Transkei Sun (Wild Coast Sun)	**325**	338	337
Worcester (Golden Valley)	**146**	134	128
Mangaung Sun (Windmill)	**124**	106	98
Meropa	**113**	128	118
Teemane (Flamingo)	**85**	66	69
Cartagena Casino, Colombia	**75**		
Swazispa		12	16
Lesotho Sun	**–**	18	2
Sands Hotel (Kalahari Sands)	**–**	8	–
Sun International Botswana (Gaborone Sun)	**–**	1	–
Central office	**2 270**	2 320	2 256
	8 849	7 152	7 071
Employee Share Trusts	**522**	497	511
	9 371	7 649	7 582

CAPITAL EXPENDITURE INCURRED DURING THE PERIOD

R million

Expansionary	
Ocean Sun Casino	278
Sun City	130
Cartagena Casino, Colombia	44
Other	11
	463
Refurbishment:	
Sun City	60
Zambia	53
Federal Palace	2
SIML	2
	117
Other ongoing asset replacement*	**463**
Enterprise Gaming System	**10**
Enterprise Resource Planning	**31**
Total capital expenditure	**1 084**

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

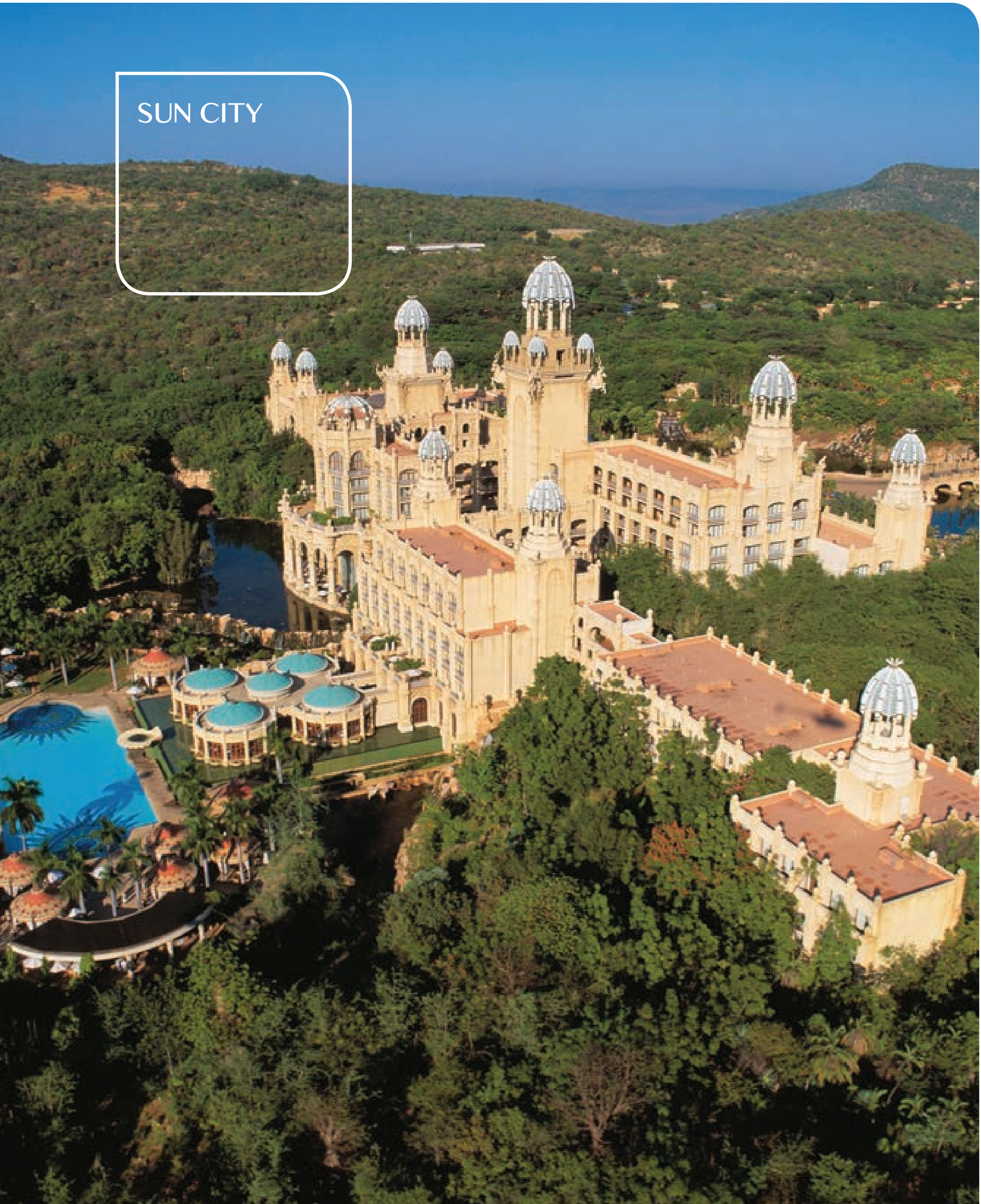
PROJECT CAPITAL EXPENDITURE

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

R million	Project budget	Spent to date	Forecast to 30 June 2015	2016
Ocean Sun Casino				
US$ million	105	90	15	–
R million	1 135	950	185	–
Cartagena Casino, Columbia				
US$ million	30	4	26	–
R million	347	44	303	–
Sun City				
Vacation Club	295	262	33	–
Cabanas	100	–	40	60
Enterprise Resource Planning System	162	98	37	27
	2 039	**1 354**	**598**	**87**

We are in the planning stages of additional refurbishments and renovations to Sun City, in particular to the convention and conference facilities, the entertainment centre, the Valley of Waves theme park as well as food and beverage offerings. The costing and feasibility of these has not yet been finalised.

SUN CITY



ACCOUNTING POLICIES

The condensed consolidated financial information for the six months ended 31 December 2014 has been prepared in accordance with the requirements of the JSE Limited Listings Requirements and the South African Companies Act No 71 of 2008. The Listings Requirements require provisional reports to be prepared in accordance with the framework concepts, the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and must also, as a minimum, contain the information required by IAS 34 "Interim Financial Reporting". The accounting policies applied are consistent with those adopted in the financial statements for the year ended 30 June 2014.

UPDATE ON STRATEGIC INITIATIVES

Initiatives to improve operational performance

Restructure

The bulk of the sections 189 and 189A restructuring process as announced on SENS on 29 January 2014 was finalised in November 2014. In total 697 employees accepted voluntary retrenchment and 134 employees took early retirement packages. Compulsory retrenchment amounted to 111 employees. The cost to the group was R190 million which was largely expensed in the 2014 financial year. Between January 2014 and January 2015, the group's South African headcount through a combination of natural attrition and the restructure reduced by approximately 1 500 employees. The annual saving on employee costs achieved by the restructure is approximately R250 million.

Food and beverage insourcing

We have strategically identified the need to take ownership, where appropriate, of the food and beverage operations on our properties. This will enable us to provide a better guest experience, improved employee morale and should also be a source of additional profit. Negotiations are well advanced and in this regard we expect that we will take control of a significant number of the group's outsourced food and beverage operations in the current financial year. Although this will increase revenue we do not expect a significant change to profitability in the short term.

Protect and leverage our existing asset portfolio

Restructure of Western Cape assets

It was announced on 13 May 2014 that the group had concluded a transaction which will see Grand Parade Investments Limited exit its investments in SunWest and Worcester. Tsogo Sun Holdings Limited will acquire GPI's 25% interest and a 15% interest from Sun International in both properties. The transaction was subject to the approval of the Competition Tribunal and in this regard we have recently been informed that the Competition Commission has recommended to the Competition Tribunal ("Tribunal") that the transaction be prohibited in terms of section 14A(1)(b)(iii) of the Competition Act, No. 89 of 1998, as amended.

The Parties do not agree with the recommendation made by the Competition Commission and will be opposing such recommendation before the Tribunal. The Tribunal hearing will take place on various dates in April with closing arguments provisionally scheduled for 12 May 2015 with a ruling from the Tribunal expected 10 days thereafter.

Amendment of the Morula casino licence

On the 31st of July 2014, the Gauteng Gambling Board ("GGB") announced that the group's application to relocate its Morula licence to Menlyn Maine on the east side of Pretoria 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.

Certain objections have been received to the GGB's approval of the relocation and these are being addressed through the appropriate legal processes.

Detailed planning of the R3 billion development has commenced with the plans having being submitted to the GGB for approval. The development will only commence once the remaining objections have been resolved.

Sun City

The refurbishment of the Sun City phase 1 Vacation Club was completed in November 2014 within the R295 million budget. Sales of Vacation Club units of R170 million have been achieved to date.

The redevelopment of the main casino was completed in November 2014 in time for the Nedbank Golf Challenge. The refurbishment has resulted in a significant modernisation of the gaming floor and its surrounds and has been well received by customers. Additional food and beverage offerings are being developed around the casino floor.

The long overdue refurbishment of the Cabana rooms and public areas has commenced with an expected completion in November 2015, at a cost of R100 million.

Further plans for the resort, in particular the convention and conferencing aspects of the business, are under consideration.

Monticello

The acquisition of a further 54.7% interest in Monticello was concluded in November 2014. The acquisition was at a cost of US$146 million (including shareholder loans) and gives the group an effective 98.9% interest in Monticello.

Proposed merger of the group's Latam assets with Dreams S.A. ("Dreams")

As announced on SENS on Friday 13 February 2015, Sun International has concluded an MOU with the shareholders of Dreams to merge its casino and hotel portfolio of assets with Sun International's Latam portfolio. It is anticipated that the merger of assets will give Sun International approximately 50% of the combined entity. As part of the proposed merger, Sun International will increase its shareholding to 55% and consolidate the results of the merged entity. The effective date of the proposed merger of assets will be upon the fulfillment or waiver of certain conditions precedent including shareholder approval, entering into definitive agreements, due diligence and various regulatory approvals. Further details of the transaction can be found in the SENS announcement and a circular to shareholders will be sent in due course.

Disposal of a majority interest in the group's African portfolio to Minor

As announced on SENS the disposal of the majority interest in the African portfolio to Minor was concluded in December 2014 with the exception of the Swaziland leg of the transaction which is now unconditional but has been delayed pending final interaction with the King of Swaziland. Proceeds from the disposal (R671 million) were received in December 2014 and a profit of R462 million has been realised.

Sun International will continue to operate the casino operations situated at each of the assets and Minor has assumed day to day management responsibility for the hotel operations other than in Zambia, which will be jointly managed under a joint venture arrangement.

Tourist Company of Nigeria – Federal Palace

Nigeria is currently facing a number of challenges including the perceived ebola risk, Boko Haram, delayed elections and a falling oil price. These factors are likely to have a significant impact on Nigeria's economy if they persist and as result the Naira has depreciated by 25% since October 2014.

As a consequence of the above factors the Federal Palace is dealing with a drop in demand and at the same time the staff in the hotel industry have initiated illegal strikes which resulted in the property having to close for a few days in January 2015. The dispute between the group's local partners in the business continues.

The Federal Palace property has significant potential and real estate value but unfortunately the issues facing the country and company are making it increasingly difficult to advance any strategic issues or to realise any value in the short to medium term. The group continues to evaluate all options for its investment.

Initiatives to grow our business into new areas and new products

South Africa

Grand Slots

As announced on SENS on 13 May 2014, Sun International will acquire up to a 70% interest in GPI Slots in a 3 tranche acquisition. GPI Slots is the holding company of GPI's limited payout gaming operations that own and operate LPM's.

The first part of the acquisition became unconditional during December and with effect from 31 December 2014 Sun International acquired a 25.1% interest in GPI Slots and shareholder loans of R73 million for a total consideration of R311 million. The next tranche acquisition will be for a further 25% effective 1 July 2015 and the third tranche for a further 20% on 1 July 2016. Implementation of the acquisition of the next two tranches will be subject to gaming board and competition commission approval.

Latam

Panama

The Ocean Sun Casino in Panama opened on 12 September 2014 with the official opening on 23 October 2014. The project was concluded within the US$105 million budget.

Colombia

The group's application for a casino licence in Cartagena, Colombia was approved by the Colombian gaming regulator on 28 July 2014. Construction of the US$30 million casino commenced in August 2014 with an anticipated late April 2015 opening.

DIRECTORATE

As announced on SENS on 23 January 2015, Ms Kele Mazwai resigned as an executive director of the company. The Chairman and Board of Directors extend their appreciation to Ms Mazwai for her dedicated and outstanding contribution to the Sun International group during her tenure and wish her well in her future career.

OUTLOOK

The group continues to operate in a subdued and challenging economic environment, in particular in its core South African business. As indicated in the June 2014 profit and dividend announcement little improvement is expected in the medium term. Despite the poor economic conditions, the group has continued to benefit from the revenue enhancing and cost cutting initiatives implemented over the past 18 months, including those implemented at Monticello, which has delivered significantly improved trading. The benefits of the various initiatives should continue to be felt in the second half of the year, albeit the same relative revenue growth from Monticello is not expected given that restructuring initiatives at that property were undertaken at the end of 2013 and are already in the base comparative for the second half. The Ocean Sun Casino trading is expected to improve as it establishes itself in the market and grows its VIP gaming business.

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

The group has recently concluded a number of significant strategic transactions which will have an impact on the group's results and financial position in the future. We anticipate that these transactions position the group for growth in the medium to long term.

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

For and on behalf of the board

MV Moosa
Chairman

GE Stephens
Chief Executive

DECLARATION OF INTERIM CASH DIVIDEND

Notice is hereby given that a gross interim cash dividend of 110 cents per share (93.5 cents net of dividend withholding tax) for the six months ended 31 December 2014 has been declared, payable to shareholders recorded in the register of the company at the close of business on the record date appearing below. This dividend has been declared out of income reserves. The number of ordinary shares in issue at the date of this declaration is 114 129 455 including 10 149 477 treasury shares. The company has no STC credits to be utilised to offset against the 15% dividend withholding tax. The salient dates applicable to the interim dividend are as follows:

	2015
Last day to trade *cum* interim cash dividend	Friday, 20 March
First to trade *ex* interim cash dividend	Monday, 23 March
Record date	Friday, 27 March
Payment date	Monday, 30 March

No share certificates may be dematerialised or rematerialised between Monday, 23 March 2015 and Friday, 27 March 2015 both days inclusive. Dividend cheques will be posted and electronic payments made, where applicable, to certificated shareholders on the payment date. Dematerialised shareholders will have their accounts with their Central Securities Depository Participant or broker credited on the payment date.

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

By order of the board

CA Reddiar
Group Secretary

23 February 2015

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

Sponsor:
Rand Merchant Bank (a division of First Rand Bank Limited)

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

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

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

**Executive*

Group Secretary:
CA Reddiar

23 February 2015

STUDIO 5

Sun International

("Sun International" or "the group" or "the company")
Registration number: 1967/007528/06 ❖ **Share code:** SUI ❖ **ISIN:** ZAE 000097580

www.suninternational.com