

SUN INTERNATIONAL 2013 RESULTS PRESENTATION



Sun International

A Million Thrills. One Destination.

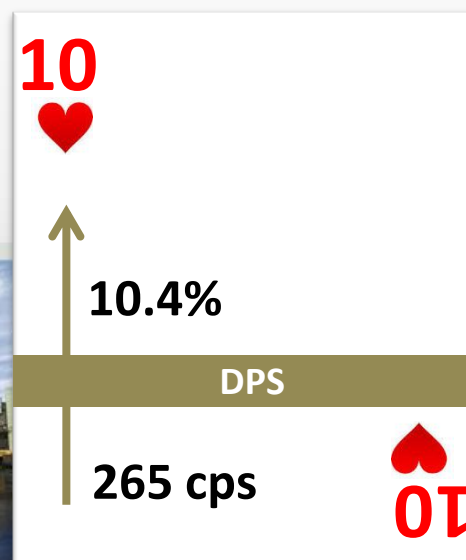
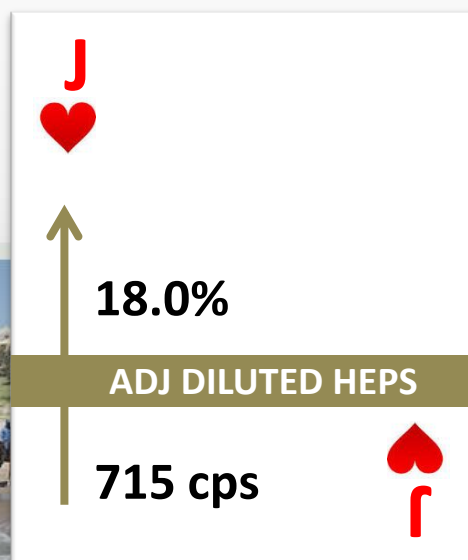
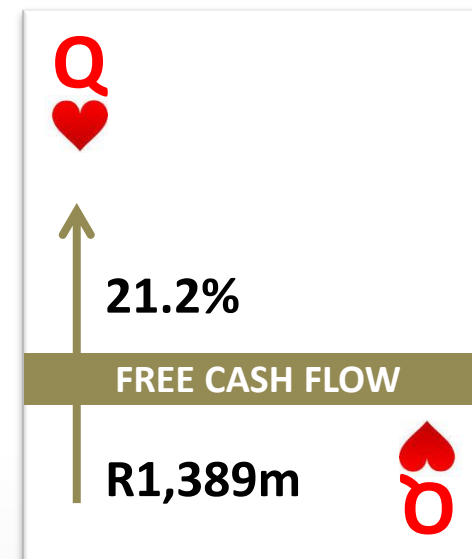
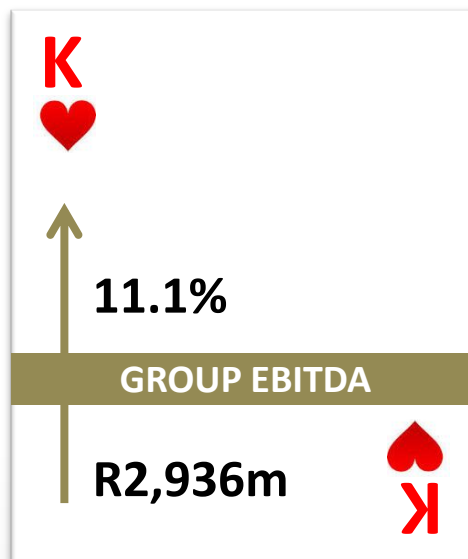
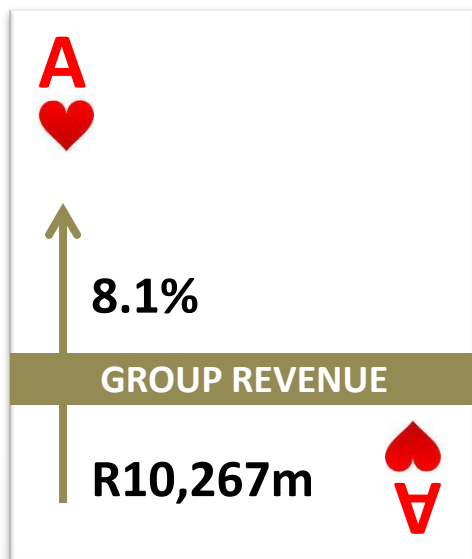


HIGHLIGHTS





KEY HIGHLIGHTS





CHALLENGING ENVIRONMENT



Pressures on consumer spending

Increased competitive environment

Changes in legislation

Inflationary pressures on costs

Currency volatility



STRATEGIC REVIEW





KEY STRATEGIC FOCUS AREAS

1

Improve our existing operations and guest experience

OPERATIONS

2

Protect and leverage our existing asset portfolio

EXISTING ASSETS

3

Growing our business into new areas and products

GROWTH

4

Our people

PEOPLE

5

Governance & sustainability

REPUTATION



OPERATIONS: IMPROVING EXISTING OPERATIONS & GUEST EXPERIENCE

- **Challenging "status quo":**
 - New COO: Stuart Wing
 - IT systems driving operational efficiencies: EGS, ERP
 - Reviewing all operational structures
 - Insourcing key services: Cleaning, housekeeping, F&B
- **Utilising gaming portfolio to drive cross selling:**
 - Organisational structure alignment
- **Understanding our guests' needs:**
 - Improving our CRM capabilities and systems
- **Differentiating the Sun International guest experience:**
 - Providing an integrated gaming and hotel offering
 - Rewarding frequent guests: One loyalty card for gaming and hotels
 - VIP service for top tier guests
 - Targetting international VIPs for local assets
 - Offering a different gaming experience e.g. Duma
- **Improving guest communication:**
 - Focus on marketing and sales capability and effectiveness
 - Promotional activity



EXISTING ASSETS: PROTECT & LEVERAGE EXISTING ASSET PORTFOLIO



- **Interrogating existing core model to ensure efficient use of existing asset portfolio:**
 - **Re-evaluating licences to maximise value:**
 - Morula relocation: R3bn development
 - Carousel development alternatives
 - Naledi
 - **South Africa:**
 - Secure GrandWest exclusivity
 - Sun City redevelopment
 - Boardwalk development completed within budget
 - **Africa:**
 - Refurbishment of Zambezi Sun and Botswana
 - TCN land development
 - Strategic review of underperforming assets
 - Swaziland/Lesotho/Namibia/Botswana
 - **Monticello:**
 - Overcome effect of smoking ban at Monticello



GROWTH: GROWING OUR BUSINESS INTO NEW AREAS & PRODUCTS



- **Track record of experience and delivering:**
 - Global competence at operating in new markets
- **Expanding our asset portfolio in our core business:**
 - Focus on gaming assets in high growth emerging markets with appropriate regulatory environment
 - Exploring opportunities outside of Africa - not “betting the shop”
- **Panama:**
 - Acquiring casino component, penthouse, certain apartments
 - Awaiting approval of gaming licence - expected to open Sep 2014
- **Colombia:**
 - Lease signed for casino component within mixed use project in Cartagena
 - \$30m fit out and equip of casino (310 slots and 16 tables)
 - Low risk entry into Colombian gaming market
 - Applying for casino licence
- **Expanding into new product lines:**
 - Maslow hotel refurbishment
 - Developing VIP gaming strategy
 - Sports betting: R30m acquisition of Powerbet Gaming
 - EBTs and LPMs (threat vs. opportunity)
 - Online gaming



PEOPLE: INVESTING IN OUR PEOPLE

- **Strong focus on the “Sun International Culture”:**
 - Driving improved communication
 - Managing talent
 - Accountability
 - Ethics
- **Talent and learning development programmes in place:**
 - Improve succession planning
- **Stronger focus on performance management:**
 - Alignment of corporate objectives with personal deliverables
- **Commitment to transformation through ensuring compliance with 5 year EE plan:**
 - Maintain a level 2 BEE contributor status
 - Linked to executive management’s performance criteria
- **Maintain tough but fair approach to unions:**
 - Strengthen communication with employees to keep them informed of union negotiations



REPUTATION: GOVERNANCE & SUSTAINABILITY

- **New environmental manager appointed to drive environmental and carbon footprint strategy:**
 - Maintain inclusion in the SRI Index
 - Launched Earthglow initiative
- **Focus on improving IT governance:**
 - IT Governance committee review process
- **Holistic approach to CSI Initiatives:**
 - New manager appointed to drive initiatives
- **Improving Enterprise Development initiatives:**
 - Less reliance on early settlement discounts
- **Strategy developed to enhance stakeholder engagement**

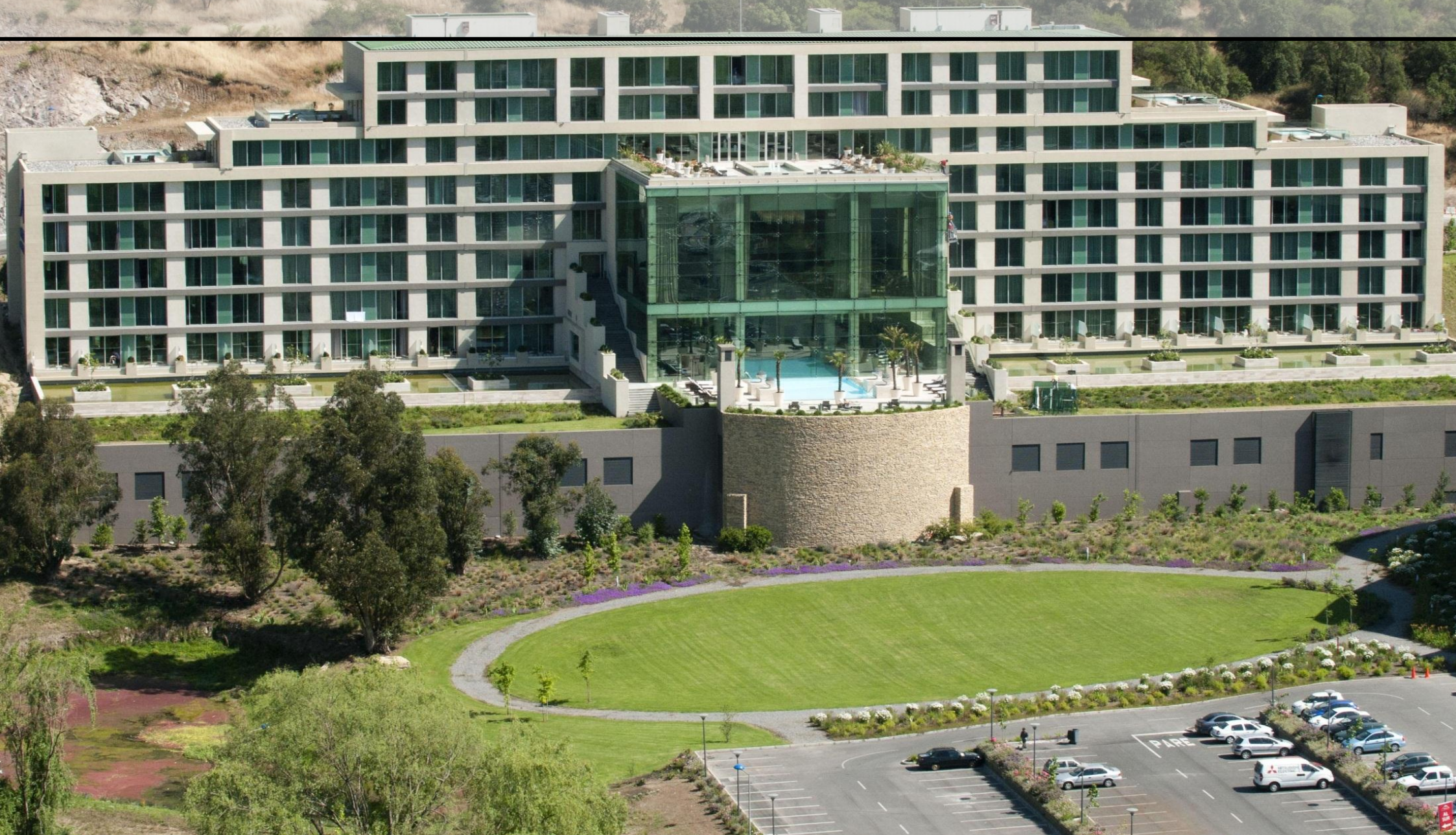


EARTHGLOW

SUN INTERNATIONAL'S SUSTAINABILITY PROGRAMME



FINANCIAL REVIEW





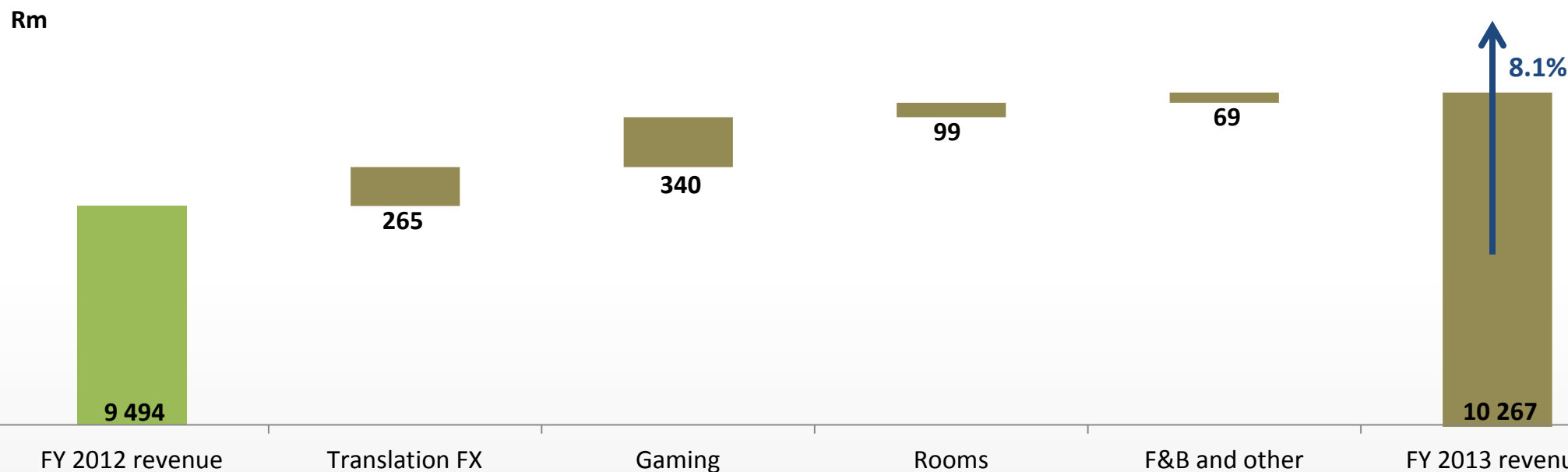
GROUP INCOME STATEMENT

R million	2013	2012	% change
Revenue	10 267	9 494	8.1%
EBITDA	2 936	2 642	11.1%
Depreciation & amortisation	(851)	(818)	
Property and equipment rentals	(104)	(72)	
Profit from operations	1 981	1 752	
Foreign exchange profits	18	35	
Net interest paid	(430)	(455)	
Profit before tax	1 569	1 332	
Tax	(481)	(496)	
	1 088	836	
Minorities	(348)	(220)	
Adjusted Headline Earnings	740	616	20.1%

Excludes adjusted headline earnings adjustments

GAMING DRIVING REVENUE GROWTH

Growth in group revenue by category

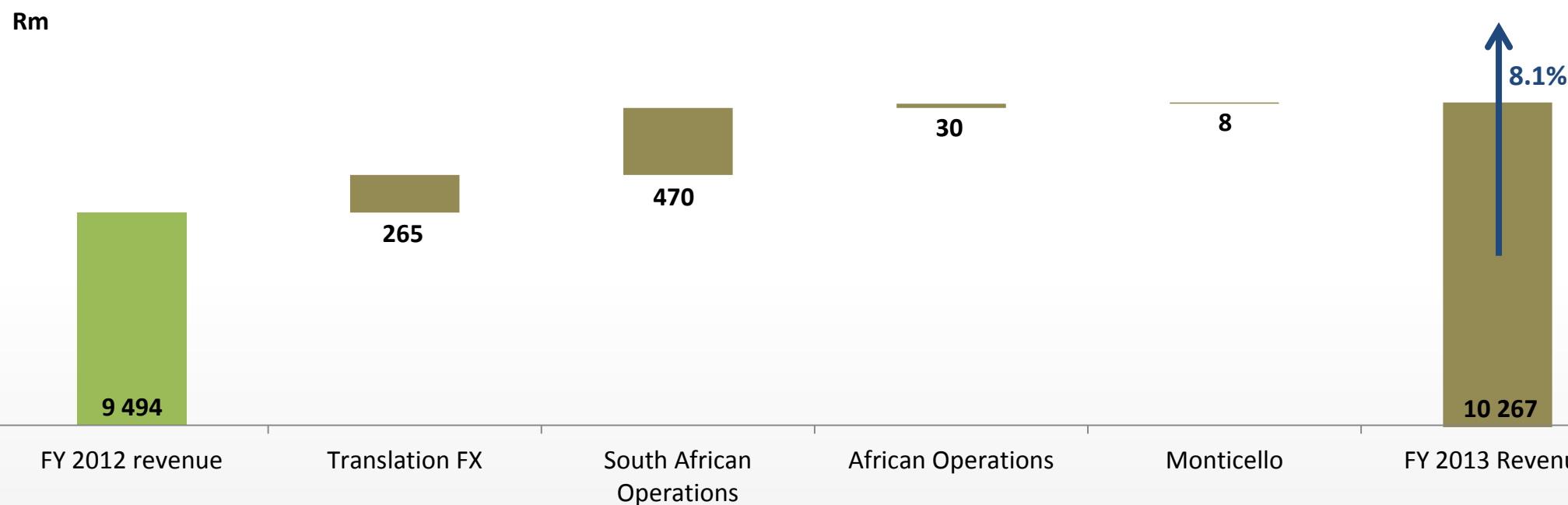


- Foreign currency translation positively impacted revenue
- Gaming grew 4.4% in constant currency (7.2% incl currency) contributing 79.8% of group revenue
- Rooms grew 11.8% in constant currency (14.1% incl currency) contributing 9.3% of group revenue
- Food, Beverage and other grew 6.9% in constant currency (10.3% incl currency) contributing 10.9% of group revenue



SOUTH AFRICA REMAINS THE LARGEST CONTRIBUTOR TO REVENUE

Growth in group revenue by geography

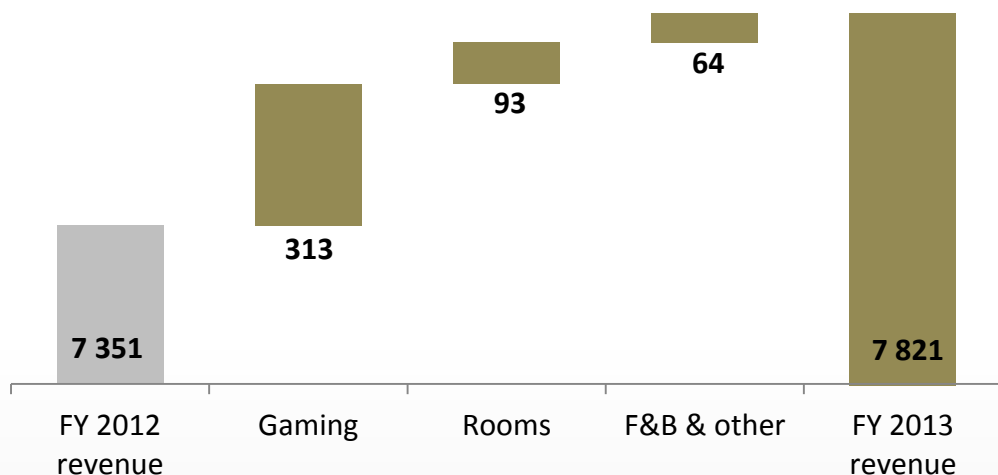


- South African operations in constant currency grew 6.4% contributing 76.2% of group revenue
- African operations grew 3.4% in constant currency (8.6% incl currency) contributing 9.2% of group revenue
- Monticello grew 0.6% in constant currency (18.0% incl currency) contributing 14.6% of group revenue



SOUTH AFRICA: OPERATING IN A TOUGH ENVIRONMENT

SA Revenue (Rm)



- **Gaming revenue grew 5.1% and contributed 82.6% of SA revenue:**
 - 19.0% (2012: 20.2%) share of Gauteng gaming market
 - 35.3% (2012: 35.7%) share of KwaZulu Natal gaming market
- **Rooms revenue grew 16.8% (11% comparative) assisted by opening of the Boardwalk and Maslow hotels**
- **Tight expense control lifted SA EBITDA margin 0.7ppt to 28.5%:**
 - Strongest EBITDA margin growth from Sun City, Wild Coast Sun and Table Bay

SA Gaming Revenue

Rm	First Half		Second Half		Full year	
	CY	% change	CY	% change	CY	% change
South Africa	3 286	7.2	3 171	2.9	6 457	5.1
GrandWest	913	5.3	921	4.3	1 834	4.7
Carnival City	538	10.2	493	(2.0)	1 031	4.0
Sibaya	509	9.2	503	3.9	1 011	6.4
Boardwalk	233	5.0	243	10.5	476	7.4
Sun City	231	5.5	216	1.9	446	3.5
Other	863	7.7	795	1.9	1 658	4.9
Monticello	729	28.3	624	7.0	1 353	17.4
Other African Ops	193	9.7	192	11.6	385	10.6
Total	4 208	10.5	3 987	3.9	8 195	7.2

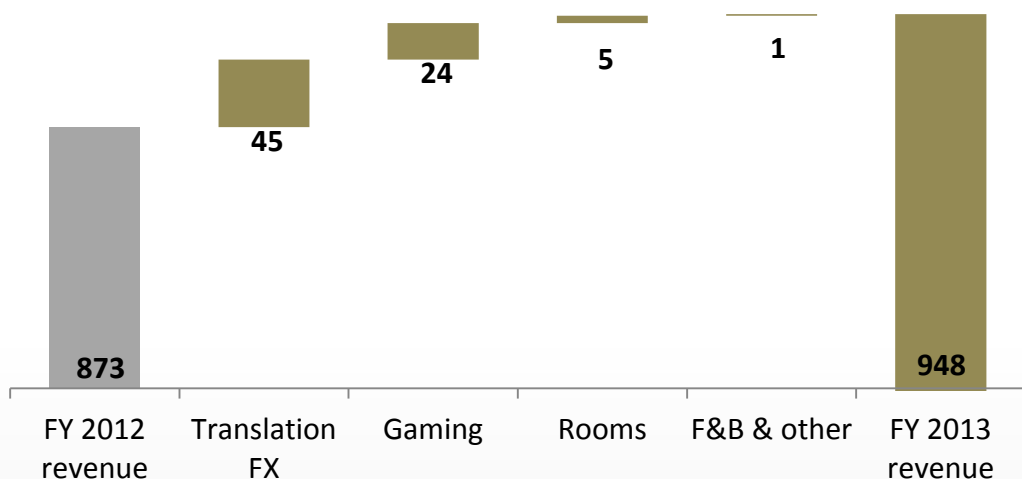
Occupancies for key properties

	Occupancy %		ADR	
	2013	% change	2013	% change
Sun City	63.6	(0.6)	R1,616	6%
Wild Coast Sun	78.3	(6.3)	R 647	20%
Table Bay Hotel	53.0	5.5	R 2 086	7%
Maslow	36.3	-	R 1 130	-



OTHER AFRICAN: STRONG MARGIN GROWTH

Africa Revenue (Rm)



Occupancies for key properties

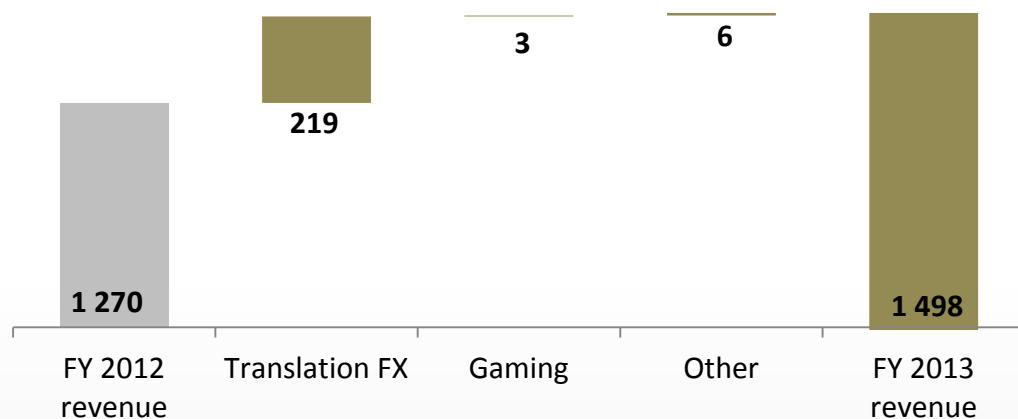
	Occupancy %		ADR	
	2013	% change	2013	% change
Zambia	39.8	(3.1)	R1 827	11
Gaborone Sun	77.4	(1.0)	R792	9
Federal Palace	67.6	6.3	R2 142	7

- **EBITDA margin expanded 6.3 ppt to 18.4% due to cost containment:**
 - Strongest EBITDA growth from Federal Palace (221% in constant currency)
 - Swaziland EBITDA of R9m against last year's loss of R13m
- **African gaming performed well with revenue growing 6.9% yoy in constant currency:**
 - Federal Palace gaming revenues up 19% in constant currency
- **Rooms revenue grew 1.8% in constant currency assisted by an increase of 6.3% in occupancy at Federal Palace:**
 - Zambia occupancy down 3.1% due to yellow fever vaccination requirement

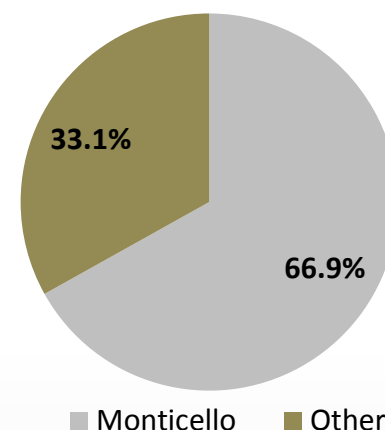


MONTICELLO: SMOKING BAN IMPACTING STRONG GROWTH

Monticello Revenue (Rm)



Share of Santiago gaming market¹



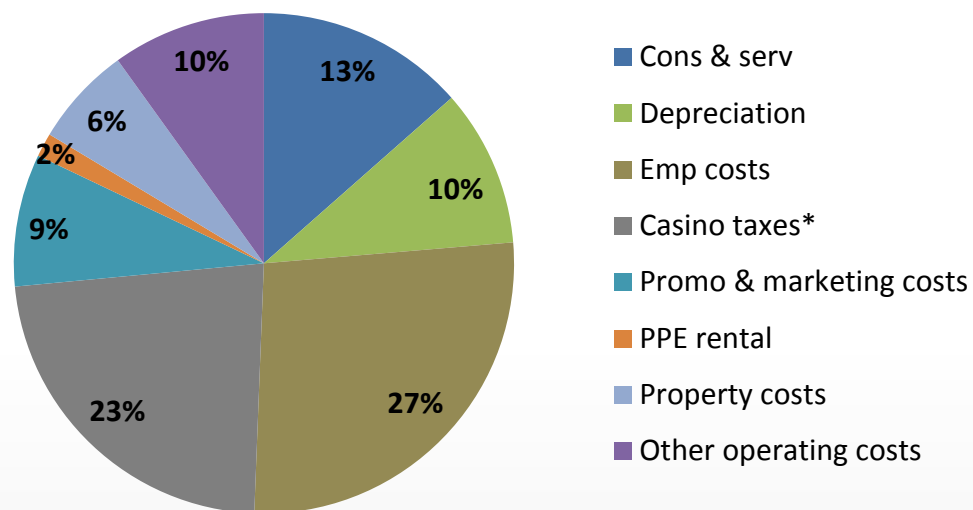
¹ Source: SCJ (Chilean Gaming Board)

- **Monticello gaming revenue growth was flat yoy in constant currency:**
 - Smoking ban: revenues down 21% in last 4 months (estimated R93m impact)
 - Smoking decks opening end Aug to mitigate
- **Monticello's gaming market share declined 2.2% to 66.9%:**
 - Competitor expanded VIP offering
 - Focused on providing a differentiated offering to drive market share growth:
 - Increasing slots and focus on VIP market
- **EBITDA margin increased 0.6% due to strong cost containment**



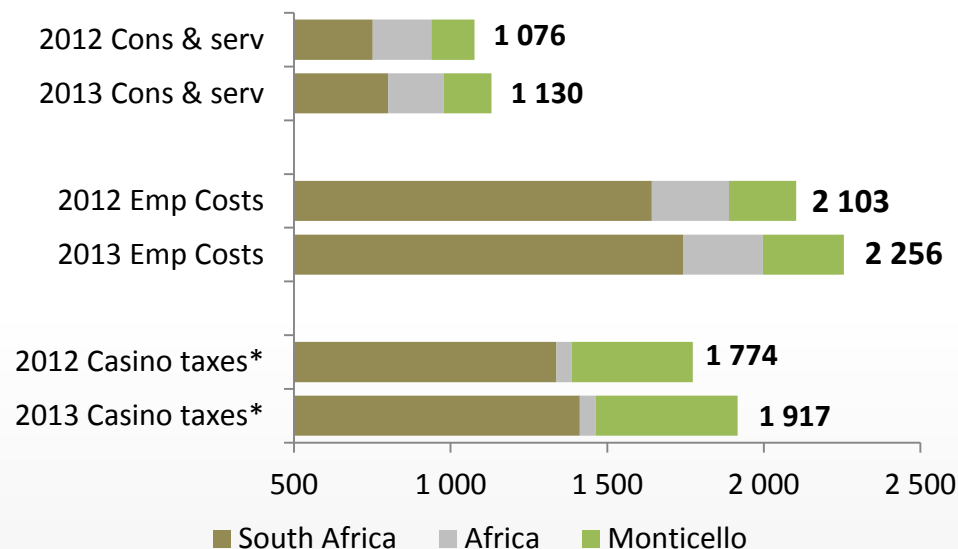
OPERATING EXPENDITURE

Operating expenditure split



* Casino levies and VAT

Key expenditure items



- **Operating expenditure increased 7.5% yoy:**

- Property and equipment rental increased 34.7% representing a full year's rental for the Maslow Hotel
- Employee costs increased 7.3%, slightly ahead of inflation but including Maslow and Boardwalk Hotel
- Energy costs up 11.5%

- **Strong focus on cost containment and efficiencies:**

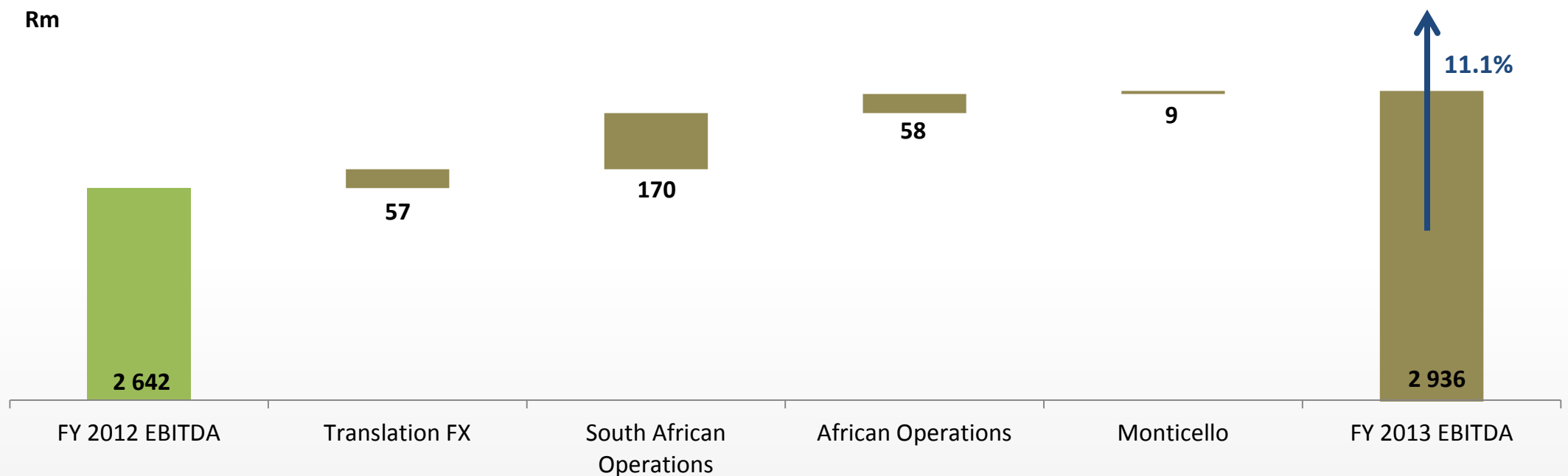
- Marketing costs up 2.7%



GROUP EBITDA MARGIN EXPANDED 0.8PPT TO 28.6%

Group EBITDA

Rm



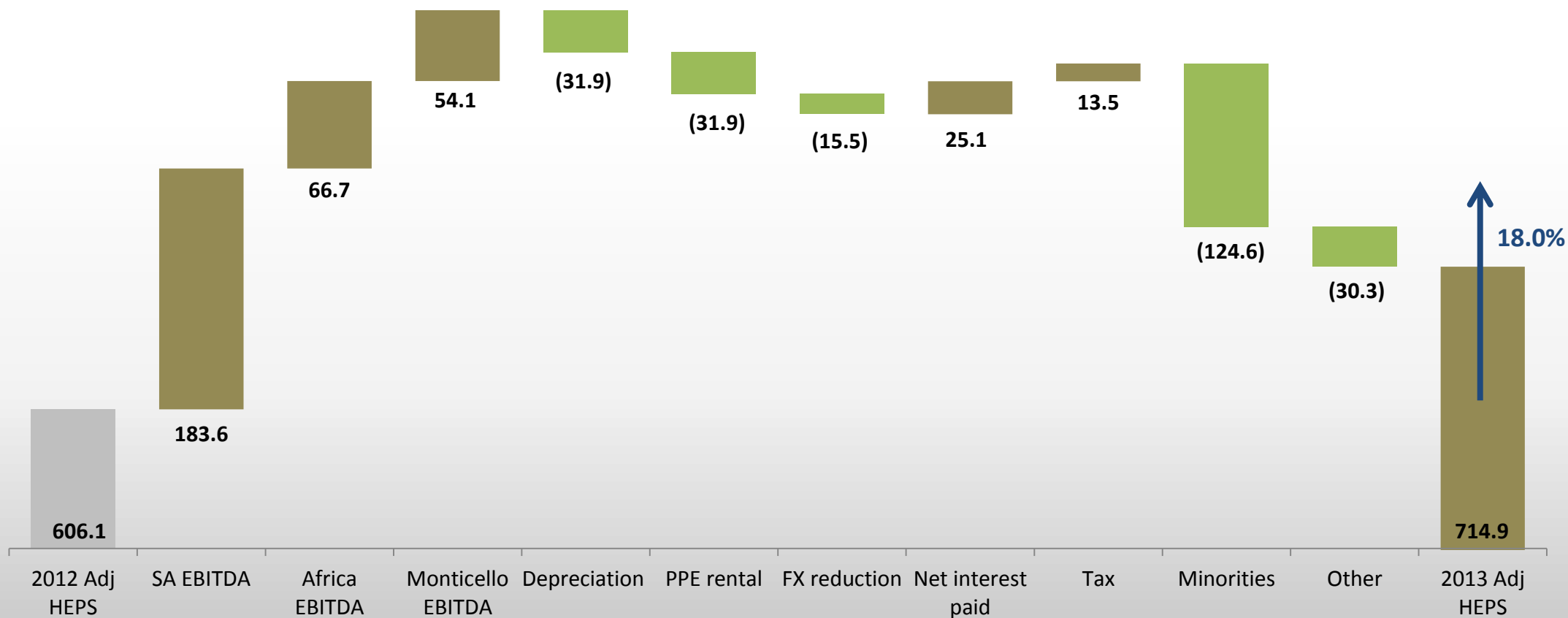
- Strong focus on cost containment to drive EBITDA margin expansion
- Africa EBITDA up 54.3% yoy in constant currency (64.2% incl currency) driven largely by The Federal Palace and Swaziland
- South African EBITDA grew 7.5% contributing 83.2% of group EBITDA
- Monticello EBITDA grew 3.6% yoy in constant currency (21.4% incl currency) contributing 10.8% of group EBITDA



ADJUSTED DILUTED HEPS INCREASED 18.0% YOY

Movement in adjusted diluted HEPS

Cents





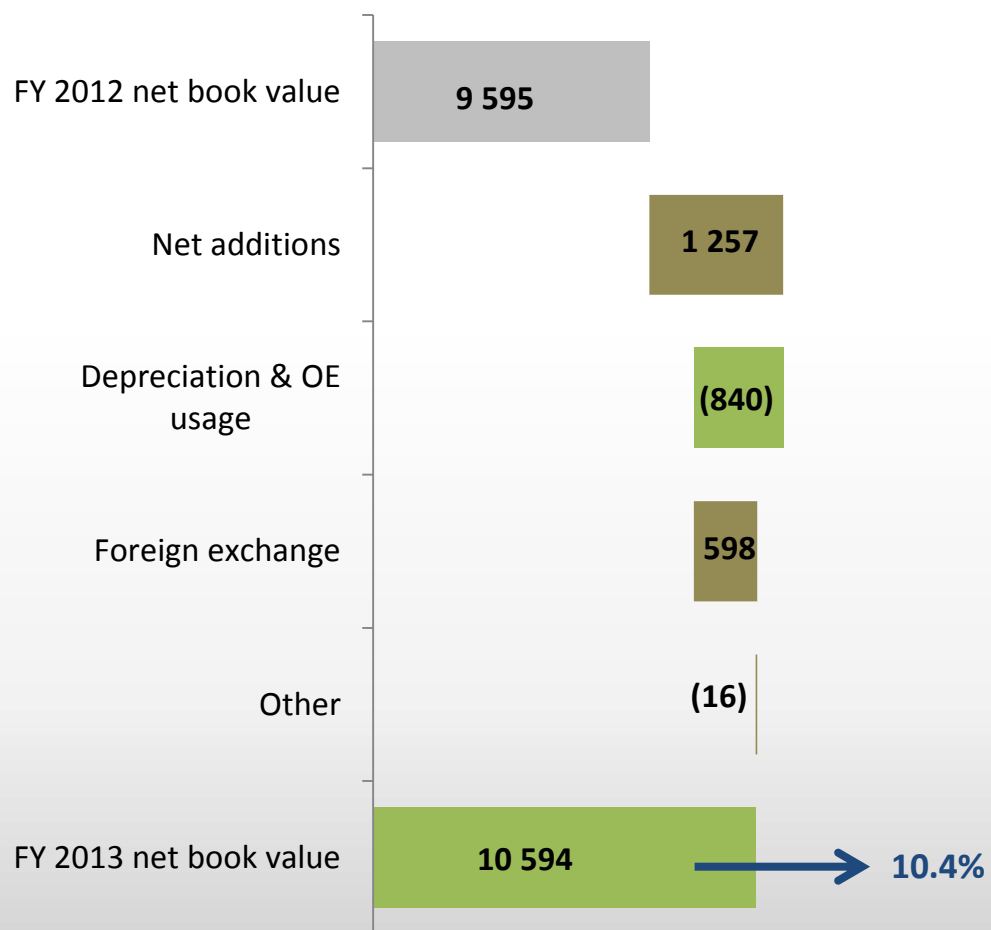
GROUP STATEMENT OF FINANCIAL POSITION

R million	2013	2012	Movement
Assets			
Property, plant and equipment	10 594	9 595	999
Intangible assets	494	479	15
Accounts receivable and other	557	543	14
Cash and cash equivalents	1 023	752	271
Other non-current assets	304	257	47
Other current assets	93	95	(2)
Total assets	13 065	11 721	1 344
Equity and liabilities			
Total equity	3 913	2 723	1 190
Borrowings	6 670	6 679	(9)
Accounts payable and other	1 472	1 289	183
Other non current liabilities	941	929	12
Other current liabilities	69	101	(32)
Total equity and liabilities	13 065	11 721	1 344

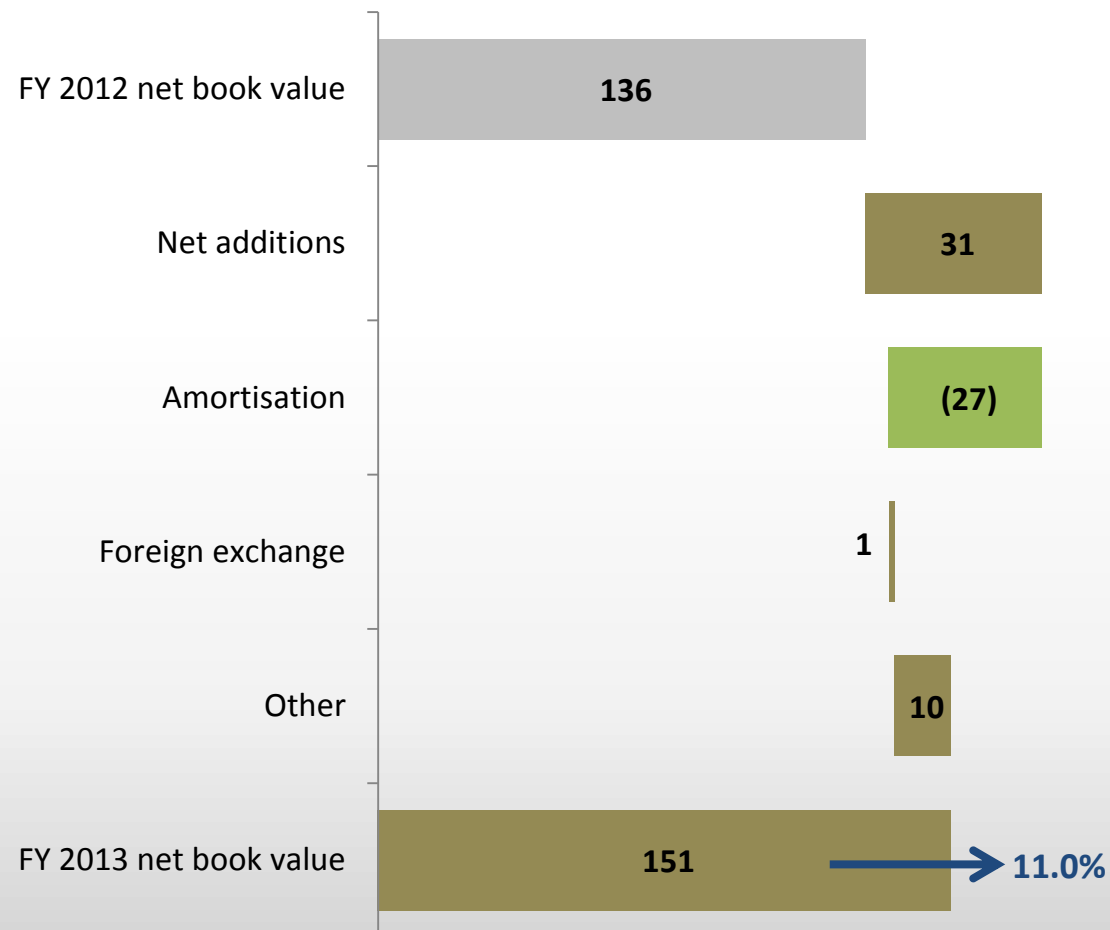


PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLES

Property plant and equipment



Intangibles

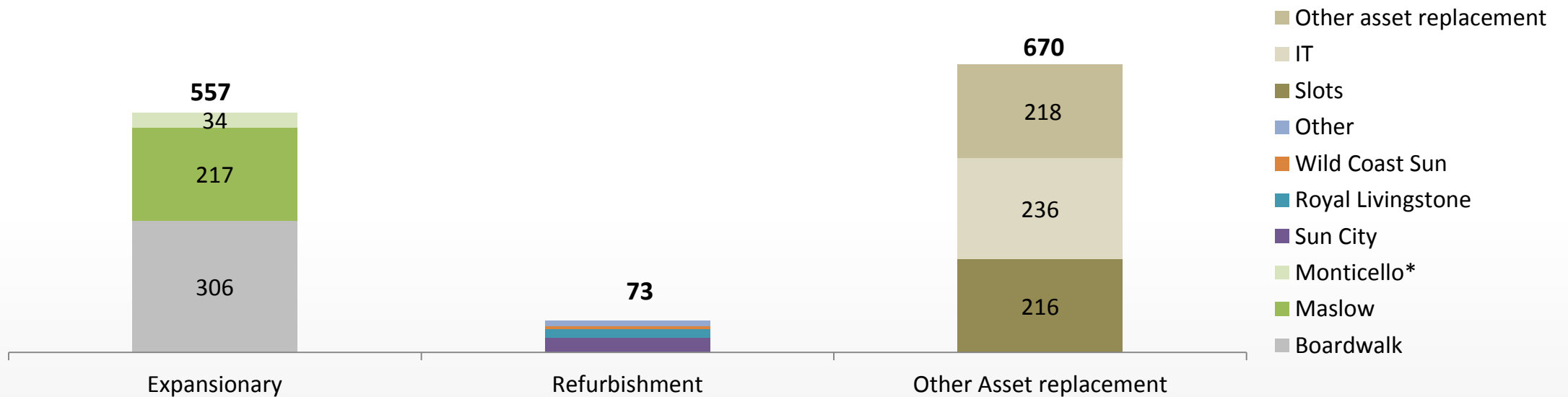




CAPEX INCREASED 13% YOY

Capital expenditure incurred during the year

Rm

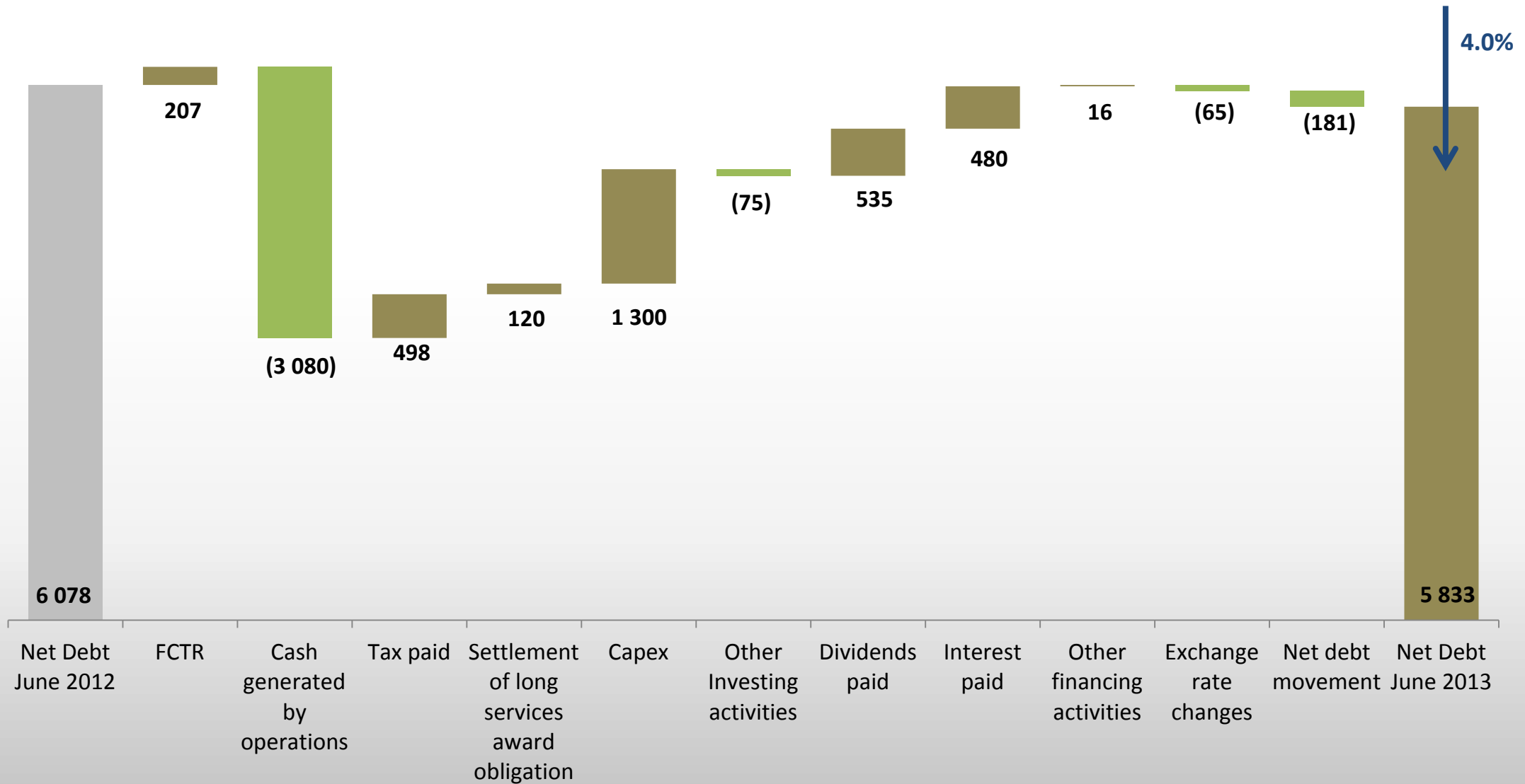


*The Monticello expansionary capex relates to the purchase of land adjacent to the property for future expansion

- **Total Capex increased 13% yoy to R1.3bn:**
 - Expansionary capex: 43% of total capex of which 94% relates to SA assets and remainder to Monticello
 - Replacement capex: 52% of total capex



NET DEBT VARIANCE: NET DEBT DECREASED 4.0% YOY





CAPITAL FUNDING STRUCTURE

Group net finance costs	2013	2012	% change
Interest Expense	486	521	(6.7)
Less Interest Income	31	37	(16.2)
Net finance costs	455	484	(6.0)
Average cost of debt (%)	8.1	8.2	(1.3)
Net financing cost: EBITDA (cover)	6.5	5.5	18.2

R million	2013	2012	% change
Fixed interest bearing debt	927	1 178	(21.3)
Floating interest bearing debt	5 743	5 501	4.4
Total debt	6 670	6 679	(0.1)
Less cash (excluding cash floats)	837	601	36.0
Net debt	5 833	6 078	(4.0)
Net debt/EBITDA	1.9	2.2	(14.3)
Debt/EBITDA	2.2	2.5	(12.0)



MEDIUM TERM OUTLOOK

GAMING

- **Chilean smoking ban to impact gaming revenue:**
 - Smoking decks to soften impact and lead to recovery
- **Slowdown in consumer spending negatively impacting gaming**

ROOMS

- **Room revenues expected to achieve moderate growth off a low base**

EFFICIENCIES

- **Continued focus on driving margin expansion through cost reduction**

GROWTH

- **Latam expansion**
- **Sun City redevelopment**
- **Morula relocation**



KEY STRATEGIC FOCUS AREAS

Improve our existing operations and guest experience

- Integrate gaming & hotels
- Improve marketing & sales capability
- Improve marketing execution & effectiveness
- Review business process to achieve efficiencies
- Insource key services
- Restructure food and beverage operations
- Deliver on financial goals

Protect and leveraging our existing asset portfolio

- Secure Grandwest exclusivity
- Overcome effect of smoking ban in Monticello
- Optimise African and South African assets and licences
- Focus on cashflow generation and return on invested capital

Growing our business into new areas and products

- Actively seek opportunities in high growth emerging markets
- Focus on gaming assets
- Expand into new product lines
- Focus on cashflow generation and return on invested capital

Our people

- Improve organisational structure
- Create a high performance driven culture
- Drive learning, development and talent management
- Achieve transformation goals
- Focus on union relationships

Governance & sustainability

- Maintain SRI inclusion
- Enhance environmental management
- Improve IT governance
- Improve CSRI initiatives
- Improve Enterprise development initiatives
- Improve stakeholder engagement



ANNEXURES



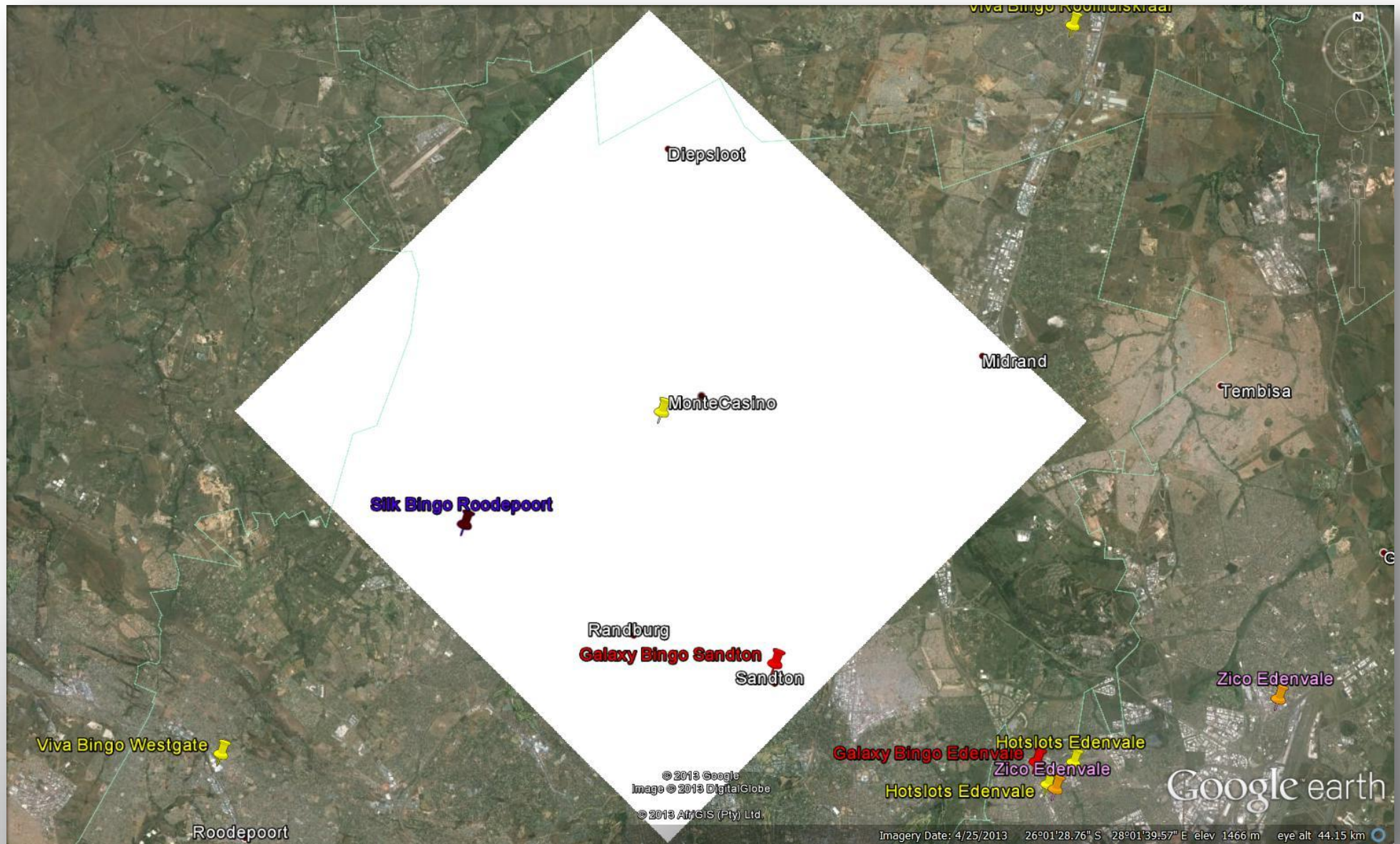
SHARES IN ISSUE

	HEPS SHARES	ADJ HEPS SHARES
Total listed shares in issue	114 129 455	114 129 455
Less treasury shares held by subsidiary	(10 549 477)	(10 549 477)
Net listed shares	103 579 978	103 579 978
Less deemed treasury shares:	(6 919 415)	
Dinokana and Employee Share Trusts	(5 890 101)	
Share awards	(1 029 314)	
Total shares in issue: 30 June 2013	96 660 563	103 579 978
Weighting adjustment	(644 675)	(589 499)
Dilutive options	521 259	521 259
Total dilutive weighted shares in issue: 30 June 2013	96 537 147	103 511 738





LOCATION OF EBTS AND LPMS: MONTE CASINO CATCHMENT



Sun International Limited



www.suninternational.com

(“Sun International” or “the group” or “the company”)

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