



# RESULTS PRESENTATION

FOR THE YEAR ENDED  
31 DECEMBER 2016

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## Group structure



		Economic interest %	Slots	Tables	Rooms
<b>South Africa</b>					
Gauteng	Carnival City	91	1 753	53	105
	Morula	100	477	10	73
	Maslow	100	-	-	281
Western Cape	GrandWest	61	2 562	59	39
	Table Bay	61	-	-	329
	Worcester	61	220	16	98
	Sunbet	100	-	-	-
Kwa-Zulu-Natal	Sibaya	63	1 210	48	154
Limpopo	Meropa	68	417	17	-
North West	Sun City	100	645	36	1 296
	Carousel	100	700	25	94
Northern Cape	Flamingo	71	290	12	-
Eastern Cape	Boardwalk	82	921	25	140
	Fish River	82	-	-	82
	Wild Coast Sun	70	471	18	396
Free State	Windmill	70	366	20	-
	Naledi Sun	100	158	-	30
Management activities	Sun International Management	100	-	-	-
<b>Other Africa</b>					
Nigeria		49	107	10	146
Swaziland*		51	173	13	351
<b>Latin America (Latam)</b>					
Chile		55	5 111	228	533
Panama		55	600	38	-
Colombia		55	220	16	-
Peru		55	1 065	31	-
		Economic interest %	LPMs	# Sites	
<b>South Africa</b>					
GPI slots		70	3 651	751	

\* We have reached agreement for the disposal of Swaziland

## The period under review



- Gaming revenue under pressure in South Africa
- Disappointing performance from International VIP Gaming business
- Food & Beverage margins remain low
- Cost control – increases well below inflation
- Acquisition of further 19.9% interest in GPI Slots
- Mixed performance from Chile operations
- Panama and Sun Nao continue to underperform
- Time Square development on target
- Sun City upgrade and refurbishment of Sun Central completed
- Integration of Dreams S.A. complete
- Dividend suspended



**GROUP  
REVENUE**



31% to  
R7.7  
billion

**GROUP  
EBITDA**



24% to  
R1.9  
billion



**EARNINGS PER  
SHARE**



124% to  
107 cents



**HEPS**



162% to  
295 cents

**DILUTED  
ADJUSTED  
HEPS**



35% to  
223 cents



## FINANCIAL REVIEW

## Financial overview



The income statement below includes adjusted headline earnings adjustments:

R million	31 Dec 2016	%	31 Dec 2015
Revenue	7 670	31	5 837
EBITDA	1 900	24	1 534
Operating profit	1 216	21	1 004
Foreign exchange (loss)/profit	(2)	(111)	18
Net interest	(476)	(46)	(326)
Profit before tax	738	6	696
Tax	(249)	4	(240)
Profit after tax	489	7	456
Minorities	(260)	95	(133)
Attributable profit	229	(29)	323
Discontinued ops and associates	3	(91)	34
Adj headline earnings	232	(35)	357



## Adjustment to headline earnings



- Impairment of R208m of Carousel and Morula assets (R156m after tax) – impact of Time Square
- Impairment of R61m (R34m attributed to the group) of the Sun Nao Casino assets
- Reduction in fair value of put options of R247m
- Interest on debt raised for Time Square settlements (with Peermont and Gold Rush) of R43m (R23m attributable to the group after tax)
- Present value charge of R20m on the early settlement of the Tsogo note
- Unrealised forex loss of R80m (R45m after tax attributed to the group) on the Federal Palace USD shareholder loans
- Reversal of deferred tax assets of R87m (R47m attributed to the group) of Ocean Sun Casino and Sun Nao Casino
- Amortisation of R104m of Dreams S.A. intangibles (R41m after tax attributable to the group)



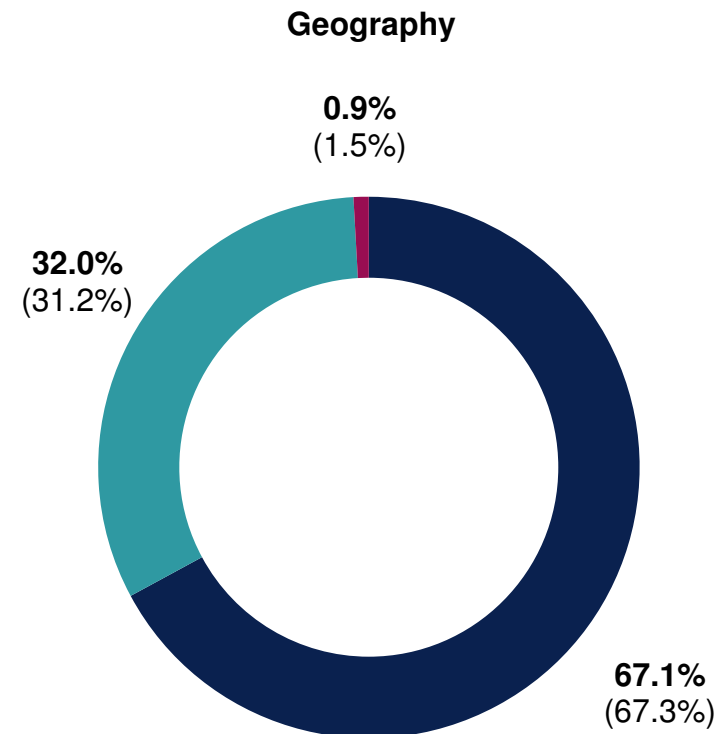
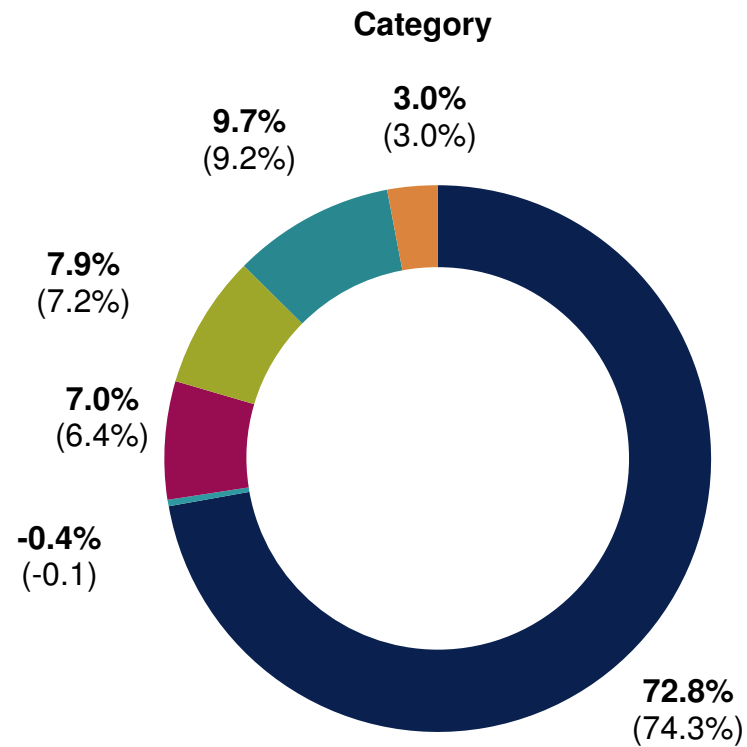
## SEGMENTAL REVIEW

## Summarised segmental review



	South Africa		Latam		Nigeria		Total	
R million	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
Revenue	5 149	5 115	2 451	2 371	70	115	7 670	7 601
EBITDA	1 279	1 405	622	614	(1)	18	1 900	2 037
Operating profit	845	980	389	379	(13)	(1)	1 221	1 358
PPA adjustment	-	-	(3)	-	(2)	(3)	(5)	(3)
Operating profit after PPA	845	980	386	379	(15)	(4)	1 216	1 355

## Revenue contribution by category and geography



■ Casino ■ IB ■ LPM ■ Rooms ■ Food & Beverage ■ Other

■ South Africa

■ Latam

■ Nigeria

( ) prior year – on a proforma basis

## South Africa segmental review



	Revenue		EBITDA		Operational profit	
	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
R million						
GrandWest	1 105	1 129	440	453	369	385
Sun City	896	821	78	107	(20)	18
Sun City – IB	(30)	(11)	(55)	(19)	(55)	(19)
Sun City – vacation club accounting adjustment	(60)	(55)	(40)	(34)	(40)	(34)
Sibaya	581	602	186	201	159	165
Carnival City	526	561	141	171	102	132
Boardwalk	289	308	49	65	8	24
Wild Coast	244	242	43	44	18	16
Meropa	167	158	59	52	48	42
Windmill	138	148	47	49	37	39
Flamingo	91	94	25	29	17	23
Golden Valley	85	83	17	13	10	6
GPI Slots and Sunbet	540	484	129	110	90	73
Management and corporate office	295	300	97	114	77	103
Carousel	158	165	31	37	17	23
Table Bay	167	143	37	28	29	20
Morula	107	113	15	10	13	1
Maslow	78	70	(8)	(13)	(20)	(25)
Naledi	12	12	(1)	(2)	(2)	(2)
Fish River	15	14	(11)	(9)	(12)	(10)
	5 402	5 381	1 279	1 406	845	981
Consolidation adjustment for GPI pre acquisition	-	(468)	-	(112)	-	(77)
Intercompany management fees	(255)	(267)	-	-	-	-
	5 149	4 646	1 279	1 294	845	904



## Latin America segmental review



R million	Revenue		EBITDA		Operational profit	
	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
Monticello	952	956	262	277	193	211
Dreams SCJ licences	809	781	304	289	285	262
Dreams Municipal licences	432	435	159	160	132	130
Central office	-	-	(63)	(54)	(104)	(120)
<b>Chile total</b>	<b>2 193</b>	<b>2 172</b>	<b>662</b>	<b>672</b>	<b>506</b>	<b>483</b>
Ocean Sun	101	148	(40)	(17)	(83)	(59)
Sun Nao	17	20	(20)	(24)	(33)	(38)
Peru	140	145	20	13	(1)	(7)
<b>Total</b>	<b>2 451</b>	<b>2 485</b>	<b>622</b>	<b>644</b>	<b>389</b>	<b>379</b>
Dreams PPA adjustment on PP & E	-	-	-	-	(3)	-
Constant currency adjustment	-	(114)	-	(30)	-	(16)
Dreams pre acquisition	-	(1 295)	-	(390)	-	(259)
<b>Consolidated</b>	<b>2 451</b>	<b>1 076</b>	<b>622</b>	<b>224</b>	<b>386</b>	<b>104</b>

## Minority share of earnings



R million	2016			2015		
	Profit after tax	Minority interest	Minority Adj HE	Profit after tax	Minority interest	Minority Adj HE
<b>South Africa</b>						
SunWest	248	38.4%	95	256	28.4%	72
Afrisun KZN	101	37.4%	38	107	37.4%	40
Afrisun Gauteng	53	8.8%	5	78	8.8%	7
Emfuleni	(51)	18.4%	(9)	(3)	18.4%	-
Wild Coast Sun	-	30.0%	-	-	30.0%	-
Meropa	31	32.5%	10	27	32.5%	9
Mangaung	23	30.0%	7	25	30.0%	8
Teemane	10	28.6%	3	14	28.6%	4
Worcester	7	38.6%	3	-	28.6%	-
GPI Slots	57	30.0%	17	-	-	-
Management activities	47	10.6%	5	63	6.3%	4
Centre and wholly owned subs	(202)	-	-	(107)	-	-
	324	53.7%	174	460	31.3%	144
<b>Nigeria</b>	(35)	50.7%	(18)	(24)	50.7%	(12)
<b>Latam</b>						
Sun Dreams	239	45.5%	105	21	1.1%	1
Holding companies	(38)	-	-	-	-	-
	201	52.2%	105	21	4.8%	1
	490	53.3%	261	457	29.1%	133
Discontinued operations	4		2	4		2
Associates	1			32		-
Adjusted HE	495	53.1%	263	493	27.4%	135
Adjusted HE adjustments	(264)	53.0%	(140)	(798)	0.4%	3
Reversal of employee share trusts	(17)		(14)	(22)		14
PAT	214		109	(327)		118



CAPEX  
CASH & DEBT  
MANAGEMENT

# Capex and cash



## Capital expenditure incurred during the year

R million

<b>Expansionary</b>	
Time Square	1 164
Sun City	257
Dreams Latam	28
Other expansions	115
	<b>1 564</b>
<b>Refurbishment</b>	
Sun City	18
Carnival City	26
Sibaya	5
Other refurbishments	11
	<b>60</b>
<b>Other ongoing asset replacement*</b>	<b>594</b>
<b>Total capital expenditure</b>	<b>2 218</b>

## Forecast project capital expenditure

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

R million	Project budget	Spend to date	Forecast to 31 December		
			2017	2018	2019
Time Square	4 225	2 425	1 371	429	-
Sun City	483	387	76	25	-
Entertainment Centre	370	351	24	-	-
Other projects	63	36	27	-	-
Vacation Club Phase 2	50	-	25	25	-
Monticello arena, smoking deck and bar	177	20	157	-	-
Meropa Hotel	74	12	62	-	-
	<b>4 959</b>	<b>2 844</b>	<b>1 666</b>	<b>454</b>	<b>-</b>

\* Ongoing asset replacement relates primarily to the replacement of gaming and IT equipment



## Debt management



R million	Total Debt	Share of debt	
		Minorities	Sun International
<b>South Africa</b>			
Subsidiaries	3 137	917	2 220
Time Square	3 313	828	2 485
Central Office	4 167	-	4 167
	10 617	1 745	8 872
<b>Nigeria</b>			
Shareholder loans	801	406	395
Sun International intercompany	(282)	(143)	(139)
	519	263	256
<b>Latam</b>			
Subsidiaries	2 478	1 126	1 352
Central office	903	-	903
	3 381	1 126	2 255
31 December 2016	14 517	3 134	11 383
30 June 2016	14 062	3 171	10 891

The increase in borrowings is primarily attribute to:

- Purchase of a further 20% interest in GPI Slots (R262 million)
- Expenditure on Time Square (R1.2 billion)
- Tsogo note settled (R505 million)
- FCTR movement on debt in foreign subsidiaries (R493 million reduction)

	South Africa		Latam	
	Covenant	Actual	Covenant	Actual
Debt to EBITDA	4	3.8	4.75	1.9
Debt to EBITDA (excl Time Square)	-	2.6		
Interest cover	2.5	3.6*		

\* Includes capitalised interest



TIME SQUARE  
UPDATE

## Time Square overview



### Budget

R4 225m (excl R747 settlement payments)

Spend to date  
Settlements with Peermont and Goldrush

R2 425m  
R 706m  
R3 131m

FY17e Capex forecast

R1 371m

FY18e Capex forecast

R429m

Estimated completion date

Casino: April 2017  
Arena: September 2017  
Hotel: March 2018

Key statistics

2 000 slots, 60 tables  
238 key hotel  
8 500 seater arena

Minorities

25%



# Time Square Casino

*Sun*  
International





## Time Square Casino

*Sun*  
International





# Time Square Casino

*Sun*  
International





An aerial photograph of a resort complex. In the background, a large, ornate building with multiple towers and domes, resembling a castle or palace, sits atop a hill covered in dense green forest. In the foreground, a large, light-colored, kidney-shaped pool or lagoon is surrounded by lush tropical vegetation, including palm trees. A winding path or road cuts through the landscape. The sky is filled with soft, white clouds. A large, stylized, blue, wavy graphic element is overlaid on the left side of the image.

# INTERNATIONAL VIP GAMING BUSINESS

## International VIP gaming business



R million	Actual 2016	Actual 2016	Theoretical 2016
Turnover	3 161	<b>6 006</b>	6 006
Win percentage	0.38%	<b>0.28%</b>	1.35%
Gross revenue	12	<b>17</b>	81
Less rebate	(23)	<b>(47)</b>	(48)
	(11)	<b>(30)</b>	33
Costs	(8)	<b>(25)</b>	(25)
EBITDA	(19)	<b>(55)</b>	8
Number of guests	28	<b>69</b>	





STRATEGIC  
UPDATE

## Key strategic priorities – South Africa



- Macro economic conditions
- Balance sheet strengthening
  - Dividend on hold
  - Only essential capex
- Sun City
  - Sun Central completed
  - Forward bookings positive
- International VIP Gaming Business
  - Volumes up but hold down
  - Moving to cash/CCF on one for one basis
- Food and Beverage
  - Process improvements required
- Underperformance of large properties
  - GrandWest, Sibaya, Carnival City, Boardwalk
- Time Square
  - Open casino and complete rest of development
- Licence conditions
  - Gaming taxes in Gauteng
  - North West licence conditions
  - Eastern Cape licences
  - GrandWest exclusivity
- Land development opportunities
- Sun Culture and union relationship

## Key strategic priorities – Latam



- Latam IPO and Put Option
  - Minority shareholder called for IPO
  - 6 months to IPO
- Under performance of Ocean Sun and Sun Nao
  - Ocean Sun banking restrictions partly lifted
  - 3 years left of Sun Nao rental
- Municipal licences in Chile
  - Extended to 2018
- SCJ licences
  - 7 Years to go
- Performance of Monticello
  - New arena and additional smoking deck under construction





THANK YOU