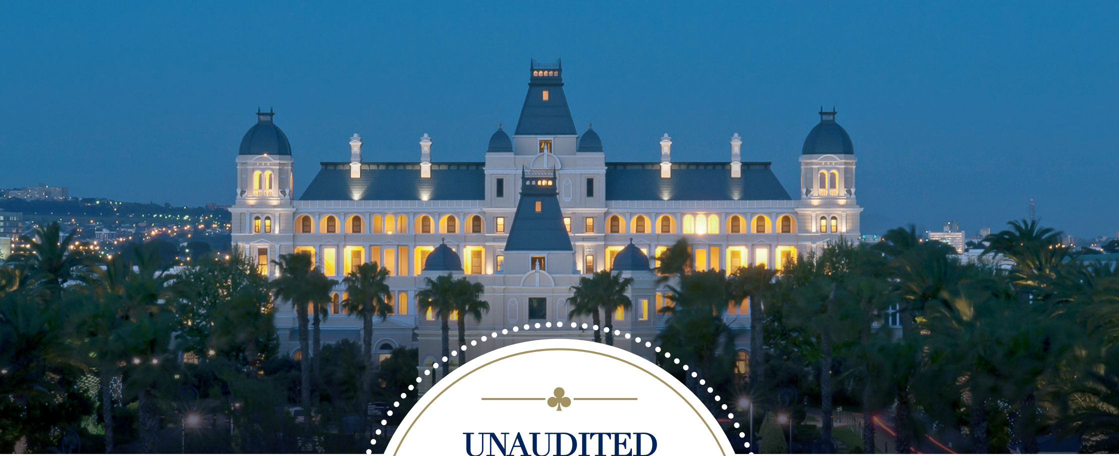

UNAUDITED PROFIT AND CASH DIVIDEND ANNOUNCEMENT

for the six months ended 31 December 2013

Sun International Limited

REVENUE UP	*+4%*
EBITDA DOWN	*-5%*
ADJUSTED HEPS DOWN	*-18%*

INTERIM GROSS CASH DIVIDEND OF *90 cents* PER SHARE

Sun International

A Million Thrills. One Destination.

Condensed group statements of comprehensive income

R million	Six months ended 31 December 2013 Unaudited	% change	2012 Restated	Year ended 30 June 2013 Restated
Revenue				
Casino	**4 221**	**–**	4 208	8 195
Rooms	**558**	**26**	444	957
Food, beverage and other	**628**	**10**	569	1 115
	5 407	**4**	5 221	10 267
Consumables and services	**(604)**		(551)	(1 130)
Depreciation and amortisation	**(464)**		(412)	(851)
Employee costs	**(1 245)**		(1 100)	(2 256)
Levies and VAT on casino revenue	**(992)**		(989)	(1 917)
Promotional and marketing costs	**(391)**		(389)	(717)
Property and equipment rentals	**(73)**		(54)	(128)
Property costs	**(291)**		(261)	(541)
Other operational costs	**(467)**		(409)	(831)
Operating profit	**880**	**(17)**	1 056	1 896
Foreign exchange profits	**7**		10	57
Interest income	**11**		15	31
Interest expense	**(272)**		(264)	(505)
Profit before tax	**626**	**(23)**	817	1 479
Tax	**(242)**		(288)	(477)
Profit for the period	**384**	**(27)**	529	1 002
Other comprehensive income:				
Items that may be reclassified to profit or loss				
Net (loss)/profit on cash flow hedges	**–**		(3)	3
Tax on net (loss)/profit on cash flow hedges	**–**		1	(1)
Transfer of hedging reserve to statements of comprehensive income	**4**		2	2
Tax on transfer of hedging reserve to statements of comprehensive income	**(1)**		(1)	–
Currency translation reserve	**73**		104	550
Total comprehensive income for the period	**460**		632	1 556

THE MASLOW
Johannesburg

The Maslow is the ultimate business hotel providing an environment where individuals can reach their full potential

R million	2013 Unaudited	% change	2012 Restated	2013 Restated
	Six months ended 31 December			Year ended 30 June
Profit for the period attributable to:				
Minorities	**82**		149	295
Ordinary shareholders	**302**		380	707
	384		529	1 002
Total comprehensive income for the period attributable to:				
Minorities	**117**		184	592
Ordinary shareholders	**343**		448	964
	460		632	1 556
	Cents per share		Cents per share	Cents per share
Earnings per share				
– basic	**324**		411	736
– diluted	**323**	**(21)**	408	732

Condensed group statements of financial position

R million	Six months ended 31 December 2013 Unaudited	Six months ended 31 December 2012 Restated	Year ended 30 June 2013 Restated
ASSETS			
Non current assets			
Property, plant and equipment	**11 288**	10 036	10 594
Intangible assets	**525**	490	494
Available-for-sale investment	**48**	48	48
Loans and receivables	**9**	17	13
Pension fund asset	**29**	38	29
Deferred tax	**217**	175	214
	12 116	10 804	11 392
Current assets			
Loans and receivables	**31**	48	52
Tax	**70**	42	41
Accounts receivable and other	**583**	518	557
Cash and cash equivalents	**989**	923	1 024
	1 673	1 531	1 674
Total assets	**13 789**	12 335	13 066
EQUITY AND LIABILITIES			
Capital and reserves			
Ordinary shareholders' equity	**2 121**	1 638	2 033
Minorities' interests	**1 591**	1 287	1 632
	3 712	2 925	3 665
Non current liabilities			
Deferred tax	**513**	423	501
Borrowings	**3 368**	3 937	3 753
Other non current liabilities	**419**	591	440
	4 300	4 951	4 694
Current liabilities			
Tax	**59**	88	69
Accounts payable and other	**1 437**	1 240	1 472
Borrowings	**4 281**	3 131	3 166
	5 777	4 459	4 707
Total liabilities	**10 077**	9 410	9 401
Total equity and liabilities	**13 789**	12 335	13 066

CARNIVAL CITY

Brakpan

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

Condensed group statements of cash flows

R million	Six months ended 31 December 2013 Unaudited	2012 Restated	Year ended 30 June 2013 Restated
Cash generated by operations before:	**1 449**	1 581	2 912
Working capital changes	**(109)**	15	168
Cash generated by operations	**1 340**	1 596	3 080
Tax paid	**(275)**	(307)	(498)
Cash generated by operating activities	**1 065**	1 289	2 582
Settlement of long services award obligation	**(40)**	–	(120)
Net cash generated by operating activities	**1 025**	1 289	2 462
Cash utilised in investing activities	**(1 046)**	(744)	(1 300)
Cash realised from investing activities	**19**	6	75
Net cash outflow from financing activities	**(52)**	(391)	(1 031)
Effect of exchange rates upon cash and cash equivalents	**19**	10	65
(Decrease)/Increase in cash and cash equivalents	**(35)**	170	271
Cash and cash equivalents at beginning of the year	**1 024**	753	753
Cash and cash equivalents at end of the year	**989**	923	1 024

Group statements of changes in equity

R million	Share capital and premium	Treasury shares and share options	Foreign currency translation reserve
Unaudited			
FOR THE SIX MONTHS ENDED 31 DECEMBER 2013			
Balance at 30 June 2013	**309**	**(1 781)**	**482**
Total comprehensive income for the period	–	–	40
Treasury share options purchased	–	(16)	–
Net deemed treasury shares purchased	–	(1)	–
Vested shares	–	13	–
Employee share based payments	–	–	–
Release of share based payment reserve	–	–	–
Delivery of share awards	–	–	–
Acquisition of minorities' interests	–	–	–
Dividends paid	–	–	–
Balance at 31 December 2013	**309**	**(1 785)**	**522**
Restated			
FOR THE SIX MONTHS ENDED 31 DECEMBER 2012			
Balance at 30 June 2012 as previously reported	**277**	**(1 600)**	**228**
Adjustments due to full consolidation of Dinokana	–	(187)	–
Restated balance as at 30 June 2012	**277**	**(1 787)**	**228**
Total comprehensive income for the period	–	–	69
Treasury share options purchased	–	(8)	–
Net deemed treasury shares purchased	–	(3)	–
Vested shares	–	14	–
Employee share based payments	–	–	–
Release of share based payment reserve	–	–	–
Release of SFIR equity option reserve	–	–	–
Delivery of share awards	–	–	–
Acquisition of minorities' interests	–	–	–
Dividends paid	–	–	–
Balance at 31 December 2012	**277**	**(1 784)**	**297**
Restated			
FOR THE YEAR ENDED 30 JUNE 2013			
Balance at 30 June 2012 as previously reported	**277**	**(1 600)**	**228**
Adjustments due to full consolidation of Dinokana	–	(187)	–
Restated balance as at 30 June 2012	**277**	**(1 787)**	**228**
Total comprehensive income for the year	–	–	254
Treasury share options purchased	–	(34)	–
Treasury share options exercised	–	29	–
Shares issued	32	–	–
Net deemed treasury shares purchased	–	(3)	–
Vested shares	–	14	–
Employee share based payments	–	–	–
Release of share based payment reserve	–	–	–
Release of SFIR equity option reserve	–	–	–
Delivery of share awards	–	–	–
Acquisition of minorities' interests	–	–	–
Dividends paid	–	–	–
Balance at 30 June 2013	**309**	**(1 781)**	**482**

Share based payment reserve	Available-for-sale reserve	Reserve for non-controlling interests	Hedging reserve	Retained earnings	**Ordinary shareholders' equity**	Minorities' interests	Total equity
86	**4**	**(2 219)**	**1**	**5 151**	**2 033**	**1 632**	**3 665**
–	–	–	1	302	**343**	117	460
–	–	–	–	–	**(16)**	–	(16)
–	–	–	–	–	**(1)**	–	(1)
(13)	–	–	–	–	**–**	–	–
27	–	–	–	–	**27**	–	27
(7)	–	–	–	7	**–**		–
–	–	–	–	(4)	**(4)**	–	(4)
–	–	(109)	–	–	**(109)**	(15)	(124)
–	–	–	–	(152)	**(152)**	(143)	(295)
93	**4**	**(2 328)**	**2**	**5 304**	**2 121**	**1 591**	**3 712**
161	**4**	**(2 206)**	**(2)**	**4 634**	**1 496**	**1 227**	**2 723**
–	–	–	–	–	**(187)**	(51)	(238)
161	**4**	**(2 206)**	**(2)**	**4 634**	**1 309**	**1 176**	**2 485**
–	–	–	(1)	380	**448**	184	632
–	–	–	–	–	**(8)**	–	(8)
–	–	–	–	–	**(3)**	–	(3)
(14)	–	–	–	–	**–**	–	–
27	–	–	–	–	**27**	–	27
(7)	–	–	–	7	**–**	–	–
(38)	–	–	–	38	**–**	–	–
–	–	–	–	(4)	**(4)**	–	(4)
–	–	15	–	–	**15**	64	79
–	–	–	–	(146)	**(146)**	(137)	(283)
129	**4**	**(2 191)**	**(3)**	**4 909**	**1 638**	**1 287**	**2 925**
161	**4**	**(2 206)**	**(2)**	**4 634**	**1 496**	**1 227**	**2 723**
–	–	–	–	–	**(187)**	(51)	(238)
161	**4**	**(2 206)**	**(2)**	**4 634**	**1 309**	**1 176**	**2 485**
–	–	–	3	707	**964**	592	1 556
–	–	–	–	–	**(34)**	–	(34)
–	–	–	–	–	**29**	–	29
–	–	–	–	–	**32**	–	32
–	–	–	–	–	**(3)**	–	(3)
(14)	–	–	–	–	**–**	–	–
46	–	–	–	–	**46**	–	46
(32)	–	–	–	32	**–**	–	–
(75)	–	–	–	33	**(42)**	42	–
–	–	–	–	(11)	**(11)**	–	(11)
–	–	(13)	–	8	**(5)**	95	90
–	–	–	–	(252)	**(252)**	(273)	(525)
86	**4**	**(2 219)**	**1**	**5 151**	**2 033**	**1 632**	**3 665**

Supplementary information

R million	Six months ended 31 December 2013 Unaudited	% change	2012 Restated	Year ended 30 June 2013 Restated
EBITDA RECONCILIATION				
Operating profit	**880**	**(17)**	1 056	1 896
Depreciation and amortisation	**464**		412	851
Property and equipment rentals	**73**		36	104
Pre-opening Maslow lease rentals*	**–**		18	24
Net loss on disposal of property, plant and equipment*	**5**		1	–
Pre-opening expenses*	**13**		29	37
Restructure costs*	**39**		–	–
Employee benefits*	**–**		–	(15)
Other*	**–**		–	4
Reversal of Employee Share Trusts' consolidation*	**15**		18	35
EBITDA	**1 489**	**(5)**	1 570	2 936
EBITDA margin (%)	**28**		30	29
HEADLINE EARNINGS AND ADJUSTED HEADLINE EARNINGS RECONCILIATION				
Profit attributable to ordinary shareholders	**302**	**(21)**	380	707
Headline earnings adjustments	**5**		1	–
Net loss on disposal of property, plant and equipment	**5**		1	–
Tax relief on the above items	**(1)**		–	–
Minorities' interests on the above items	**(2)**		(1)	–
Headline earnings	**304**	**(20)**	380	707
Adjusted headline earnings adjustments	**43**		45	12
Pre-opening expenses	**13**		29	37
Restructure costs	**39**		–	–
Pre-opening Maslow lease rentals	**–**		18	24
Employee benefits	**–**		–	(15)
Other	**–**		–	4
Foreign exchange profits on intercompany loans	**(9)**		(2)	(38)
Tax on the above items	**(10)**		(14)	(1)
Minorities' interests on the above items	**(5)**		1	(2)
Reversal of Employee Share Trusts' consolidation[i]	**16**		11	24
Adjusted headline earnings	**348**	**(18)**	423	740

R million	Six months ended 31 December 2013 Unaudited	% change	2012 Restated	Year ended 30 June 2013 Restated
Number of shares ('000)				
– in issue	**93 371**		92 575	93 234
– for EPS calculation	**93 246**		92 473	92 589
– for diluted EPS calculation	**93 589**		93 227	93 110
– for adjusted headline EPS calculation(i)	**103 845**		102 938	102 991
– for diluted adjusted headline EPS calculation(i)	**104 188**		103 691	103 512
Earnings per share (cents)				
– basic earnings per share	**324**	**(21)**	411	764
– headline earnings per share	**326**	**(21)**	411	764
– adjusted headline earnings per share	**335**	**(18)**	411	719
– diluted basic earnings per share	**323**	**(21)**	408	759
– diluted headline earnings per share	**325**	**(20)**	408	759
– diluted adjusted headline earnings per share	**334**	**(18)**	408	715
Tax rate reconciliation (%)				
Effective tax rate	**39**		35	32
Preference share dividends	**(4)**		(3)	(3)
Prior year under-provisions	**(1)**		(2)	–
Foreign taxes	**(1)**		1	1
Capital allowances and disallowed expenditure	**(5)**		(3)	(2)
SA corporate tax rate	**28**		28	28
EBITDA to interest (times)	**5.7**		6.3	6.5
Annualised borrowings to EBITDA (times)	**2.7**		2.4	2.4
Net asset value per share (Rand)	**22.72**		17.69	21.81
Capital expenditure	**1 065**		704	1 300
Capital commitments				
– contracted	**1 181**		230	183
– authorised but not contracted	**473**		751	1 259
	1 654		981	1 442

* 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.

REVIEW OF THE SIX MONTHS

Trading for the period remained challenging, particularly in South Africa where casino revenue has remained under pressure and at Monticello where the effects of the smoking ban persist. The weaker Rand has however given a welcome boost to the tourism industry and to the group's hospitality revenues.

Revenue for the period was 4% ahead of the six months ended 31 December 2012 ("last year") at R5.4 billion. Casino revenue was in line with last year whilst the group experienced strong growth in hospitality revenue with room revenue up 26% and food, beverage and other revenue up 10%. Casino revenue in the group's South African properties was up 3% following a stronger 2nd quarter where casino revenue was up 4.5%.

EBITDA at R1.5 billion was 5% below last year, with the EBITDA margin declining from 30.1% to 27.5%. As a result of cost cutting initiatives, EBITDA in the 2nd quarter was down by only 2% compared to the 9% decline in the 1st quarter. Further restructuring is currently the focus of a recently announced consultation process in terms of section 189 and section 189A of the Labour Relations Act, 66 of 1995.

Depreciation and amortisation increased 13% due to additional depreciation charges from the new property openings (Boardwalk and Maslow hotels) and the installation of the group's enterprise gaming system at a number of our properties.

Property and equipment rentals increased due to higher variable rentals on the Maslow and Table Bay as a result of improved revenue and profitability as well as an increase in gaming equipment rentals.

Employee costs, which were up 13%, include restructuring costs of R39 million and the cost of employees of the group's two new hotels. On a comparable basis employee costs were up 6%.

Net interest paid of R261 million increased by 5% due largely to the group no longer capitalising interest on the Boardwalk and Maslow hotel developments and the costs incurred in refinancing Monticello's debt.

The tax charge of R242 million declined by 16% due mainly to the lower profits. The effective tax rate, excluding non-deductible preference share dividends, foreign tax charges and prior year under provisions, was 33% (2012: 31%).

Adjusted headline earnings of R348 million and diluted adjusted headline earnings per share of 334 cents were 18% below last year.

The board has declared a gross interim dividend of 90 cents (2012: 110 cents) per share.

REVENUE SEGMENTAL ANALYSIS

Revenue by region and nature is set out below:

	GAMING			ROOMS			F&B & OTHER			TOTAL		
R million	**2013**		2012	**2013**		2012	**2013**		2012	**2013**		2012
South Africa*	**3 371**	3%	3 286	**379**	30%	292	**406**	13%	360	**4 156**	6%	3 938
Other African	**222**	15%	193	**175**	15%	152	**152**	16%	131	**549**	15%	476
Monticello	**628**	(14%)	729	**4**	–	–	**70**	(10%)	78	**702**	(13%)	807
	4 221	–	4 208	**558**	26%	444	**628**	10%	569	**5 407**	4%	5 221

* Includes Management activities and Central office and other eliminations

South Africa contributed 77% (75%) of group revenue with 81% (83%) coming from gaming. Monticello's share of group revenue declined from 15% last year to 13% due to the smoking ban.

Segmental analysis

	REVENUE			EBITDA		
	Six months to 31 December		Year ended 30 June	Six months to 31 December		Year ended 30 June
R million	**2013**	2012	2013	**2013**	2012	2013
South African Operations	**4 136**	3 914	7 788	**1 144**	1 135	2 217
GrandWest	**999**	928	1 866	**408**	387	789
Sun City	**720**	653	1 291	**96**	89	168
Sibaya	**555**	524	1 040	**195**	178	362
Carnival City	**523**	554	1 061	**156**	173	316
Boardwalk	**278**	236	496	**82**	71	143
Wild Coast Sun	**200**	195	389	**31**	33	67
Carousel	**160**	166	322	**30**	36	66
Meropa	**134**	156	292	**49**	63	113
Windmill	**129**	134	255	**46**	50	94
Morula	**108**	124	230	**9**	18	28
Table Bay	**108**	77	181	**22**	6	22
Flamingo	**73**	79	152	**23**	24	44
Golden Valley	**70**	66	128	**9**	15	28
Maslow	**56**	–	41	**2**	–	(6)
Other operating segments	**23**	22	44	**(14)**	(8)	(17)
Other African Operations	**549**	476	948	**101**	77	174
Federal Palace	**105**	101	198	**9**	15	40
Zambia	**115**	87	182	**29**	18	41
Botswana	**97**	89	178	**25**	22	50
Swaziland	**89**	84	161	**6**	5	9
Lesotho	**65**	60	118	**11**	9	16
Kalahari Sands	**78**	55	111	**21**	8	18
Monticello	**702**	807	1 498	**121**	195	318
Management activities	**299**	323	610	**133**	164	244
Total operating segments	**5 686**	5 520	10 844	**1 499**	1 571	2 953
Central office and other eliminations	**(279)**	(299)	(577)	**(10)**	(1)	(17)
Other income[(ii)]				**–**	–	–
Other expenses[(ii)]				**–**	–	–
	5 407	5 221	10 267	**1 489**	1 570	2 936

(ii) Refer to EBITDA reconciliation denoted*

EBITDA MARGIN (%)			OPERATING PROFIT		
Six months to 31 December		Year ended 30 June	Six months to 31 December		Year ended 30 June
2013	2012	2013	**2013**	2012	2013
27.7	29.0	28.5	**778**	833	1 586
40.8	41.7	42.3	**356**	333	691
13.3	13.6	13.0	**32**	30	45
35.1	34.0	34.8	**159**	144	293
29.8	31.2	29.8	**110**	132	232
29.5	30.1	28.8	**42**	41	72
15.5	16.9	17.2	**8**	13	26
18.8	21.7	20.5	**15**	24	39
36.6	40.4	38.7	**40**	53	96
35.7	37.3	36.9	**37**	42	78
8.3	14.5	12.2	**–**	10	12
20.4	7.8	12.2	**10**	(3)	2
31.5	30.4	28.9	**18**	18	33
12.9	22.7	21.9	**2**	–	14
3.6	–	(14.6)	**(36)**	–	(29)
(60.9)	(36.4)	(38.6)	**(15)**	(10)	(18)
18.4	16.2	18.4	**43**	29	70
8.6	14.9	20.2	**(12)**	2	8
25.2	20.7	22.5	**18**	11	23
25.8	24.7	28.1	**19**	17	39
6.7	6.0	5.6	**4**	1	2
16.9	15.0	13.6	**4**	2	3
26.9	14.5	16.2	**10**	(4)	(5)
17.2	24.2	21.2	**28**	115	149
44.5	50.8	40.0	**118**	145	196
26.4	28.5	27.2	**967**	1 122	2 001
–	–	–	**(15)**	–	(20)
–	–	–	**–**	–	21
–	–	–	**(72)**	(66)	(106)
27.5	30.1	28.6	**880**	1 056	1 896

The Boardwalk and Maslow hotels which opened in December 2012 and January 2013 respectively contributed to the strong room's revenue growth. On a comparative basis rooms' revenue was up 15% for the period. The overall group occupancy of 66.2% was 2.7% ahead of last year at an achieved daily rate ("ADR") of R957, 11% up on last year. Room nights sold increased by 14%. Key properties' occupancies and ADRs are set out below:

	OCCUPANCY		ADR	
	2013	2012	**2013**	2012
Sun City	**63.8%**	62.2%	**R1 431**	R1 390
Wild Coast Sun	**79.7%**	76.1%	**R478**	R638
The Table Bay Hotel	**61.7%**	44.5%	**R2 176**	R2 082
The Maslow	**54.9%**	–	**R1 102**	–
Royal Livingstone and Zambezi Sun	**45.2%**	40.1%	**R1 956**	R1 823
Gaborone Sun	**75.8%**	78.3%	**R855**	R744
The Federal Palace	**62.4%**	60.9%	**R2 149**	R2 035

OPERATIONAL REVIEW

GrandWest revenue was 8% ahead of last year at R999 million with the local economy benefitting from the increased tourism spend in Cape Town. EBITDA at R408 million was 5% up with the EBITDA margin declining 0.9% to 40.8% due to a 2% increase in gaming levies effective from 1 September 2013, which resulted in an additional cost of R12 million.

Sibaya grew revenue 6% to R555 million and EBITDA increased 10% to R195 million through excellent cost control resulting in a 1.1% improvement in the EBITDA margin to 35.1%. Encouragingly, Sibaya's share of the KwaZulu-Natal gaming market of 35.6% (36.7% in the last quarter) has improved over prior years.

Carnival City, continued to experience a slowdown with revenue declining 6%, well below the 1.7% growth in the Gauteng casino market, and EBITDA down 10%. The decline in revenue is attributed to increased competition from Electronic Bingo Terminals ("EBTs") and Limited Payout Machines ("LPMs") in and around Ekurhuleni. Revenue from EBTs and LPMs in Gauteng increased 23% in the 2013 calendar year, which has impacted negatively not only on Carnival City but also Morula.

Boardwalk revenue increased 18% to R278 million with casino revenue up 11%. Included in revenue is room's revenue of R14 million (2012: R0) from the Boardwalk hotel which opened in mid-December 2012. EBITDA increased 15% to R82 million while the EBITDA margin declined 0.6% to 29.5% as a result of the increased cost structure resulting from the larger property.

Sun City revenue at R720 million was 10% up on last year, while EBITDA was 8% ahead at R96 million. As a result of new marketing initiatives gaming revenue was up 15% at R265 million. Rooms revenue was 5% ahead of last year due to a 10% increase in international room nights sold, whilst local room nights sold were flat on last year.

Wild Coast Sun revenue increased 3% to R200 million with gaming revenue 5% up at R153 million. Given that cost inflation is running ahead of revenue growth, EBITDA declined 6% to R31 million. [Occupancies were 3.6% ahead of last year while the room rate decreased 25% to R478 in an effort to attract additional gaming customers.]

Table Bay Hotel had an exceptional six months with revenue 40% ahead of last year at R108 million and EBITDA 267% up at R22 million. The occupancy and ADR increased 17.2% and 4.5% respectively. International room nights sold (75% of total room nights sold) increased by 43% and local room nights sold increased by 31%. The weakening Rand continues to benefit the property in relation to the international tourism sector.

The Royal Livingstone and **Zambezi Sun's** revenue in local currency was 18% ahead of last year whilst EBITDA was 42% up. In Rands, revenue at R115 million and EBITDA at R29 million were 32% and 61% up on last year, respectively. The requirement to have a yellow fever vaccination when visiting Zambia, and not the Zimbabwean side of the Victoria Falls, continues to be a significant disadvantage to our properties.

Gaborone Sun and the other Botswana operations achieved revenue of Pula82 million and EBITDA of Pula21 million, 0.3% and 0.6% ahead of last year. In Rands, revenue and EBITDA were 9% and 14% ahead of last year. The lack of growth in local currency is attributed to the subdued macroeconomic environment currently being experienced in Botswana. The EBITDA margin increased 0.1% to 25.5% due to lower marketing costs and energy usage savings.

The Federal Palace revenue in local currency was 9% below last year at NGN1 682 million (R105 million) with gaming revenue in line with last year at NGN738 million. The decline in hospitality revenues is due to the opening of two 180 room 5 star hotels in Lagos which have impacted the achieved room rate (down 12% in Naira) and food and beverage revenue. EBITDA declined 40% to R9 million as a result of legal and professional fees incurred on a proposed scheme of arrangement to delist the local company and other legal matters.

Monticello revenue, in Chilean Pesos, was down 22% (13% down in Rands) on last year at CLP35.6 billion due to the impact of the anti-smoking legislation. Two smoking decks were opened towards the end of September and a further 2 decks in late October and these are starting to have a positive effect on revenue with the decline in gaming revenue slowing to 11% in November 2013 and 7% in January 2014. As a result of the lower revenues EBITDA declined 45% to CLP6.1 billion. A comprehensive restructure of Monticello was undertaken in September which has resulted in the EBITDA margin improving from 13.9% in the first quarter to 20.4% in the 2nd quarter.

Monticello's share of the Santiago market increased 3.3% to 70.8% due to the introduction of 218 new slot machines and increased entertainment and promotional activity.

MANAGEMENT ACTIVITIES

Management fees and related income of R299 million was 7% below last year whilst EBITDA of R133 million was 19% below last year. The decline in EBITDA is due to the cancellation of the Afrisun Gauteng and Teemane Manco management contracts (part of an initiative to simplify the group structure) which contributed R14 million of revenue and R11 million of EBITDA, lower project fees received and the low revenue and EBITDA growth experienced in the group.

FINANCIAL POSITION

The group's borrowings at 31 December 2013 of R7.6 billion are R730 million above 30 June 2013. The increase in debt is primarily due to the funding of a R500 million facility secured for the Ocean Club Casino in Panama and the raising of R120 million preference share funding to acquire WIP Gaming (Pty) Ltd's, 23.2% interest in Afrisun Leisure.

Borrowings

R million	**31 December 2013**	31 December 2012	30 June 2013
SunWest (GrandWest and Table Bay)	**855**	726	721
Emfuleni (Boardwalk and Fish River Sun)	**638**	704	708
Afrisun Gauteng (Carnival City)	**587**	492	539
SFI Resorts (Monticello)	**566**	651	553
The Tourist Company of Nigeria (Federal Palace)	**535**	413	497
Ocean Club Inc (Ocean Club Casino – Panama)	**452**	–	–
Afrisun KZN (Sibaya)	**388**	344	318
Transkei Sun (Wild Coast Sun)	**338**	341	349
Worcester (Golden Valley)	**134**	136	135
Meropa	**128**	115	118
Mangaung Sun (Windmill)	**106**	143	162
Teemane (Flamingo)	**66**	70	66
Lesotho Sun	**18**	21	16
Swazispa	**12**	19	23
Sands Hotels (Kalahari Sands)	**8**	21	14
Sun International Botswana (Gaborone Sun)	**1**	2	2
Central office	**2 320**	2 392	2 210
	7 152	6 590	6 431
Employee Share Trusts	**497**	478	488
	7 649	7 068	6 919

Capital expenditure incurred during the year

R million	
Expansionary	
Ocean Club Casino	**451**
Refurbishment:	
Sun City	48
Table Bay	9
Zambia (Royal Livingstone)	3
	60
Ongoing asset replacement	**433**
Enterprise Gaming System	**121**
Total capital expenditure	**1 065**

The expenditure on the Ocean Club Casino relates primarily to the purchase of the casino component, Penthouse and certain apartments in the Trump Ocean Club International Hotel.

Forecast Project Capital expenditure

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

R million	Total	Spend to date	30 June 2014	30 June 2015
Ocean Club Casino	1 135	451	290	394
Sun City Vacation Club	300	21	126	153
Enterprise Gaming System	680	353	250	77
Enterprise Resource Planning System	141	43	37	61
Total capital expenditure	**2 256**	**868**	**703**	**685**

ACCOUNTING POLICIES

The condensed consolidated financial information for the six months ended 31 December 2013 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 interim 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 2013, except for the adoption of IFRS 10: Consolidated Financial Statements which is effective for year ends beginning on or after 1 January 2013. The impact of IFRS 10 is set out in the restatement note below.

Prior year restatement

In terms of IFRS 10: Consolidated Financial Statements, Dinokana Proprietary Limited ("Dinokana") is deemed to be a subsidiary of Sun International. This has resulted in the restatement of the 31 December 2012 and 30 June 2013 results. Dinokana is now consolidated as a subsidiary whereas previously 49% of Dinokana was proportionately consolidated.

The effect of the restatement on the 31 December 2012 statement of financial position is as follows:

	As previously reported	Consolidation of Dinokana	Restated
Non current borrowings	3 693	244	3 937
Treasury shares	(1 597)	(187)	(1 784)
Minorities	1 343	(56)	1 287
Cash and cash equivalents	922	1	923

The effect of the restatement on the 31 December 2012 statement of comprehensive income is as follows:

	As previously reported	Consolidation of Dinokana	Restated
Interest expense	(255)	(9)	(264)
Profit for the period attributed to Minorities	158	(9)	149

The consolidation of Dinokana has also resulted in a further 3 427 077 Sun International shares which have been recognised as treasury shares.

Acquisition of Powerbet Gaming (Pty) Ltd
On 30 October 2013, the Group acquired a 100% shareholding in Powerbet Gaming (Pty) Ltd ("Powerbet").

A provisional purchase price allocation has been performed in the results to 31 December 2013 as set out below:

	R million
Assets and liabilities acquired:	
Intangibles (Software)	18
Accounts receivable	1
Cash and cash equivalents	3
Deferred tax	(3)
Accounts payable and accruals	(3)
	16
Consideration settled in cash	(30)
Goodwill recognised	14
Net cash outflow	(27)

The business was purchased as an entry into the online market and as entry into the fast growing sports betting industry. The acquisition enables the group to gain invaluable experience given the expected legalisation of online gaming in South Africa.

Goodwill arises from the acquistion of an experienced management team as well as an existing customer base.

UPDATE ON STRATEGIC INITIATIVES

Initiatives to improve operational performance

Various revenue enhancing and cost saving initiatives have been implemented in recent months and some benefits are evident and flowing through in the operational results. In the current economic environment however, these initiatives are not sufficient to obviate the need to evaluate a much wider restructure.

As announced on SENS on 29 January 2014, in terms of sections 189 and 189A, the group has entered into a consultation process with organised labour and other relevant stakeholders regarding a possible restructure of the business in South Africa. The proposed restructure follows a comprehensive and thorough review of the group's South African operations, with a focus on becoming more efficient and productive, improving revenues and profitability. The initial assessment has identified approximately 1 700 positions that could potentially be affected if a restructure were to be implemented.

Initiatives to protect and leverage our existing assets

GrandWest exclusivity

We continue to engage with the authorities and assist them with any information that they require to make an informed decision regarding GrandWest's exclusivity. There is still no clarity as to the process that they will follow.

We remain of the view, which is based on our extensive database of guests derived from 12 years of operating in the region, that there is no significant untapped gaming revenue in the Cape metropole. The untapped gaming revenue that exists is found in geographically fragmented areas which cannot be accessed or serviced by a single new casino – and is certainly nothing that could justify the establishment of another large casino in the catchment area of the City, which is already being well serviced by GrandWest.

Relocation of Morula casino licence
As announced on SENS on 9 July 2013 the group submitted an application to the Gauteng Gambling Board to amend its Morula casino licence to allow the group to relocate the casino from Mabopane to Menlyn. The public had until 16 August 2013 to submit objections to the application and the group has subsequently responded to all the objections received. Public hearings have been set for the first week of April, whereafter the Gauteng Gambling Board will make its decision.

Sun City
The refurbishment of the Sun City phase 1 Vacation Club has commenced. The sale of these units was launched in November 2013 and take up to date has been very encouraging.

The refurbishment of public areas at the Cascades hotel is complete and The Desert Suite at the Palace hotel has been converted to a high end Privé to cater for our top-end MVG Platinum card holders and international players.

GROW OUR BUSINESS INTO NEW AREAS AND PRODUCTS

South Africa

Online Sports betting
The R30 million acquisition of Powerbet Gaming (Pty) Ltd was concluded on 31 October 2013 and the new Sunbet website has been launched. While still small, business levels have grown strongly within an industry that is fast growing. Strategically, Sunbet provides an entry to internet based gaming in anticipation of online gaming being legalised at some point in the future.

LPMs and EBTs
We continue to look for opportunities to enter the LPM and EBT markets which continue to experience strong growth, in certain instances at the expense of our existing businesses.

Latin America

Panama
All approvals necessary for the development of the casino have now been received and we have concluded the acquisition on a freehold basis of the casino component, the penthouse level (to be used as a Salon Privé) and certain apartments in the Trump Ocean Club International Hotel and Tower in Panama City, Panama. The development work has commenced with the expected completion and opening of the casino in September 2014 at an estimated cost of US$105 million.

The casino will have approximately 600 slot machines and 32 tables allocated between the casino component located on the ground floor and the Salon Privé situated on the top floor overlooking the canal and the City. Both facilities will have entertainment and food and beverage offerings.

Colombia
The application for a casino licence in Colombia is in progress. The group's proposed casino, which forms part of a mixed use development in Cartagena, will have 310 slots machines and 16 tables and will be developed at an estimated cost of US$30 million. The group will lease the casino component of the development which includes a 284 room, 5 star InterContinental hotel, convention centre, shops, theatres, apartments and offices. Whilst relatively small, this opportunity is viewed as a low risk entry into the very attractive Colombian gaming market.

QUARTERLY TRADING STATEMENTS

For some time now the group has been releasing quarterly trading updates on SENS (in addition to the half yearly profit announcements required by the Johannesburg Stock Exchange). Due to the volatility that we are experiencing in the industry and the change that the group itself is going through, we do not believe that the quarterly trading updates currently provide meaningful information on which to base investment decisions or are indicative of trends that we are currently experiencing in the business. Consequently the board has decided to stop publishing the quarterly updates but will in line with the Johannesburg Stock Exchange requirements continue to publish the half yearly profit announcements which give a better indication of medium and long term trends.

OUTLOOK

Over the past six months the group has made significant progress with its strategic objectives as set out in the 2013 integrated annual report. These objectives include a number of key deliverables and revenue growth and cost cutting initiatives, the benefit of which are starting to show in the group's results. As stated previously, the full benefit of these initiatives and the wider group restructure will only fully reflect in the 2015 financial year.

The trading environment is expected to remain subdued but given the initiatives already implemented and the recent improvement in the performance of Monticello the group is optimistic that it will achieve growth in both EBITDA and adjusted headline earnings in comparison to the second half of the 2013 financial year.

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 90 cents (net 76.50 cents) per share for the half year ended 31 December 2013 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 cash 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 million treasury shares. The company has no STC credits to be utilised for offset against the 15% withholding tax. The salient dates applicable to the interim cash dividend are as follows:

	2014
Last day to trade *cum* interim cash dividend	Thursday, 13 March
First day to trade *ex* interim cash dividend	Friday, 14 March
Record date	Thursday, 20 March
Payment date	Monday, 24 March

No share certificates may be dematerialised or rematerialised between Friday, 14 March and Thursday, 20 March 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

21 February 2014

Registered Office:
27 Fredman Drive, Sandown, Sandton 2196

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

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

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**Executive*

Group Secretary: CA Reddiar

24 February 2014



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

www.suninternational.com