



SUN INTERNATIONAL INCREASES ITS SHARE IN CHILE CASINO TO 98.9%

Sun International Limited confirmed today that it intends to acquire an additional 54.7% equity interest in its Monticello Casino in Chile for a purchase consideration of approximately US\$114 million (R1 200 million). In addition, Sun International will acquire shareholder loans and cash for approximately US\$32 million (R340 million).

Sun International CE Graeme Stephens said that the deal would provide an opportunity for the company to increase its exposure to an asset that is not only the cornerstone to its offshore strategy, but is also the premier gaming property in Chile and one of the finest on the continent.

Sun International currently owns an effective 44.2% in Monticello through a holding company jointly held with Novomatic AG, and which controls 88.4% of SFI Resorts S.A, the holding company of Monticello. Sun International has reached agreement to acquire the effective 44.2% held by Novomatic and an additional 10.5% which is held by a minority shareholder, Chilean Enterprises, giving the Company an effective 98.9% of Monticello. Sun International has extended an offer on the same terms to acquire the remaining 1.1% interest.

The deal is subject to shareholder approval and the approval of the Chilean regulator (SCJ).

Monticello, which was developed at a cost of US\$262 million, was opened in 2008 and is equipped with 1 880 slot machines, 80 tables and 300 bingo positions. Monticello also includes a 155-room five star hotel and spa, a conference centre and extensive retail and entertainment areas. It was, at the time of opening, the largest ever private investment in South America's leisure sector.

Situated in Mostazal, 57 kilometres from the heart of Santiago, Monticello is one of two casinos that service the Santiago market and it currently has a 72.5% market share. Sun International has been responsible for the development and management of Monticello since inception, for which it receives management fees. Since opening, the property has established itself as the pre-eminent casino resort in the country. It achieved EBITDAM (EBITDA plus management fees) of around \$40 million in the year to 30 June 2013, despite the significantly negative impact of anti-smoking legislation introduced from March 2013. The past few months have seen an encouraging recovery from the smoking ban.

"The acquisition of this additional stake is in line with our stated intention to grow our presence in Latin America and in particular Chile, which has a well regulated gaming industry and good growth prospects. It provides us with control over a great asset and a free hand to use and incorporate it into our wider strategy for Latin America," said Stephens.

Elsewhere on the continent, Sun International's new Ocean Club Casino in Panama is due to open on schedule in September this year at an estimated cost of US\$105 million. The casino will have approximately 600 slot machines and 32 tables allocated between the main casino located on the ground floor and the Salon Privé situated on the top floor overlooking the canal and the City.

"We will continue to pursue other opportunities – either acquisitions or greenfields developments – in countries within LatAm that meet our investment and risk criteria."

ENDS



Sun International

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