

SUN INTERNATIONAL GETS GREEN LIGHT FOR LATAM MERGER

As announced on SENS this morning, the approval of the relevant gambling regulators in Latin America has been received for the merger of Sun International's Latin American portfolio (Monticello Grand Casino in Chile, the Ocean Club Casino in Panama and the Sun Nao Casino in Colombia) with the casino and hotel portfolio of assets of Chile-based leader in the gaming and entertainment industry, Dreams SA.

The merger has now been implemented and will result in the formation of the largest gaming company in Latin America.

Sun International's assets will be combined with those of Dreams, which comprises similar components to those of Sun International, including hotels, casinos, entertainment and food & beverage facilities.

Sun International CE Graeme Stephens said: *"This deal is a milestone in the history of Sun International. It gives the company great opportunities to achieve scale and reach outside Africa and diversify its earnings and risk."*

"To achieve critical mass in Latin America, we decided back in 2013 that we needed to make acquisitions or merge our assets with another meaningful player in the region. In addition to accelerating our growth strategy, this merger also diversifies Sun International's concentration risk. Dreams provides a strong presence in Chile, an expansion strategy that has seen growth in Peru - which is complementary to Sun International's expansion into Panama and Colombia - and importantly, an executive management team that comes from Latin America and has significant operational experience in the region".

The Dreams portfolio has six casinos in Chile (Iquique, Temuco, Valdivia, Puerto Varas, Coyhaique, Punta Arenas) and four in Peru (all in Lima). Together, the new company will have thirteen casinos with a total of around 7 000 slot machines and 300 tables.

The size and scale of the new company will give it the profile, critical mass and balance sheet to expand to the rest of the continent, make meaningful acquisitions and take on larger projects.

"Latin America holds tremendous potential and plans are well advanced to expand further in the region. We are already investigating exciting opportunities in Brazil which is now opening to gambling, and have plans for expansion in Peru. Despite the current economic downturn, the gaming industry in Chile is still achieving good growth and there will be further opportunities in the next year or so to bid for additional licences in Chile."

"The debt in the Latam business has been restructured and the business has sufficient capacity to fund its expansion plans. We raised the debt from a combination of Chilean banks, comprising BCI, BBVA, Santander and Itau-Corpanca banks. This is a huge vote of confidence in our ability to consolidate, grow and expand further into the region."