Sun International

INTEGRATED ANNUAL REPORT 2014

OUR integrated REPORT

We are pleased to present Sun International Group's Integrated Annual Report for the year ended 30 June 2014. This report is aimed primarily at our shareholders who are the providers of financial capital. However, we believe that it is of value to all our stakeholders given that their needs and interests inform the five strategic priorities that form the basis of the Management review set out on pages 12 to 49. The process of defining our strategic priorities and the initiatives and objectives within them is broadly consultative, both with internal and external stakeholders. The strategic priorities thus reflect the most material short- and medium-term initiatives and objectives that will enable the Group to achieve its vision and strategic intent, in its pursuit of long-term value creation for all stakeholders.

Strategic priorities

Our five strategic priorities form the integrated strategic narrative structure of the Management report, and are the product of our efforts to embed integrated thinking throughout our business. The board reviews, and if necessary amends and approves the Group strategy annually, which then forms the basis for measuring the performance and reward of the Chief Executive. The Chief Executive delegates responsibility for specific objectives under each priority down into the organisation. The performance contract of each member of the executive and senior management team is aligned to these delegated responsibilities.

In making this Integrated Annual Report more focused and concise, we have confined its content to issues that are deemed most material to an assessment of our value creation ability. Our online platform, which can be accessed at ir.suninternational.com, includes the content of this report with additional statutory and other reports, including our annual financial statements, governance and risk reporting, and additional sustainability content. For a full list of information available online, see the contents page opposite.

Scope and reporting frameworks applied

The scope of this report includes all of Sun International's subsidiaries and operating units. We have continued to embed management, sustainability and governance-related reporting systems and processes in our operations. The lessons we learn in implementing these systems are applied to our new operations as we continue to expand our operational footprint internationally, which will contribute to improving our internal and external reporting over time.

The International Integrated Reporting Council released the International Integrated Reporting (<IR>) Framework in December 2013. We have taken into consideration the <IR> Framework's guiding principles in the preparation of our 2014 Integrated Annual Report, and have made a start in applying the content elements set out in the <IR> Framework. We will continue to apply the <IR> Framework and other local and international best reporting practice in the preparation of future reports.

The Integrated Annual Report is prepared in accordance with the JSE Limited Listings Requirements and the South African Companies Act, No. 71 of 2008. A register of our application of the King III governance principles is available online. The Group and Company annual financial statements follow International Financial Reporting Standards (IFRS).

As an international leisure group, we contribute directly to the economies of the countries in which we operate. This contribution includes investments and the paying of rates, taxes, levies and fees, as well as salaries, wages and local procurement. We also contribute at a local level through training and development programmes for our employees, and provide benefits that positively impact their families and communities. Our awareness of our responsibilities to all our stakeholders finds expression not only in our business performance and the application of our business ethics but also in our efforts to help create sustainable societies around us.

Forward looking statements

In applying the guiding principle of strategic focus and future orientation in our reporting, this report contains forward looking information that reflects the Group's assumptions, ambitions and expectations going forward. As these are subject to change in accordance with macroeconomic, strategic or operational developments, investors are cautioned not to place undue reliance on forward looking statements contained in this report.

Independent assurance

The Group's 2014 Integrated Annual Report satisfies the requirements of the Global Reporting Initiative (GRI) G3 guidelines at a B+ level.

We welcome stakeholders' feedback on our reporting, which can be sent to investor.relations@suninternational.com

Integrated annual report contents

Reports and information available online

Governance and sustainability

SIL directors and Company Secretary CVs

Reports of the board and committees
- Board
- Social and ethics
- Remuneration
- Nomination
- Investment
- Risk
- IT governance

Mandate and terms of reference
- Board
- Audit
- Social and ethics
- Remuneration
- Nomination
- Investment
- Risk
- IT governance
- Internal audit charter

Sustainability reports
- Environmental
- Health and safety
- Socioeconomic development
- GRI table
- UN Global Compact assessment
- King III Application register
- Independent assurance statement

Annual financial statements
- Statement of responsibility
- Company Secretary certificate
- Report of directors
- Report of the audit committee
- Independent auditor's report
- Group financial statements
- Company financial statements
- Accounting policies

Shareholder information
- Shareholder analysis
- Notice of annual general meeting
- Form of proxy
- Form of electronic participation
- Election form
- Shareholders' diary

Other information and reports
- Human capital
- Transformation
- Gaming market review
  - South Africa
  - Chile
  - Rest of Africa
- MVG programme
- Group portfolio
- Seven-year financial review
- Operational statistics

Our online platform which includes the Integrated Annual Report and the information indexed here can be accessed at **http://ir.suninternational.com**

vision

To be an internationally recognised and respected gaming and hospitality group delivering superior returns for our shareholders, being an employer of choice for our employees and providing memorable experiences for our guests.

our strategic intent

Sun International develops, invests in and manages properties in the gaming and hospitality industry.

We are specifically focused on South Africa, Latin America and other international markets where we have a competitive advantage.

Our objective is to remain relevant and competitive in our existing operations and to actively grow and diversify the business into new geographies and products in order to deliver sustainable earnings growth to enhance long-term value creation for shareholders and create value for all stakeholders.

mission statement

We will be recognised internationally as a successful leisure group offering superior gaming, hotel and entertainment experiences which exceed our guests' expectations.

We will create an environment in which all employees are well-trained, motivated and take pride in working for the Group.

Innovation, fun and an obsession with service excellence and efficiency will make Sun International a formidable competitor and provide our shareholders with superior returns.

We will at all times remain mindful of our responsibilities towards our stakeholders, including the communities we serve.

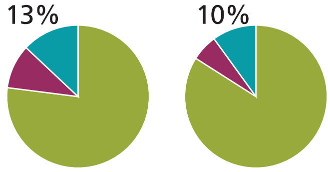
PALACE OF THE LOST CITY – SUN CITY

GROUP OVERVIEW

SUN INTERNATIONAL OWNS AND OPERATES CASINO, HOTEL AND RESORT PROPERTIES IN SOUTH AFRICA, OTHER AFRICAN COUNTRIES AND LATIN AMERICA. OUR CASINO OPERATIONS CONTRIBUTE THE LARGEST SHARE OF GROUP REVENUE. THE GROUP IS ACTIVELY EXPANDING ITS CASINO BUSINESS INTO GROWTH MARKETS, PARTICULARLY IN LATIN AMERICA, WHILE OPTIMISING ITS EXISTING PORTFOLIO IN SOUTH AFRICA AND OTHER AFRICAN COUNTRIES.

GROUP CONTRIBUTION

REVENUE	EBITDA
13%	10%
(2013: 15%)	(2013: 11%)



LATIN AMERICA

PROPERTIES 2

Casinos	1
Hotels	–
Casino and hotel	1

GAMING LICENCES 3

ROOMS 155

SLOTS 2 975

TABLES 130

ECONOMIC INTEREST

		SLOTS	TABLES	ROOMS
MONTICELLO[1]	**44%**	**2 155**	**82**	**155**
OCEAN SUN CASINO*	**100%**	**600**	**32**	**–**
COLOMBIA[#]	**100%**	**220**	**16**	**–**

** Opened 12 September 2014.*
 # To open in the second half of the 2015 financial year.
1 Increasing up to 99% in terms of a transaction currently being completed.

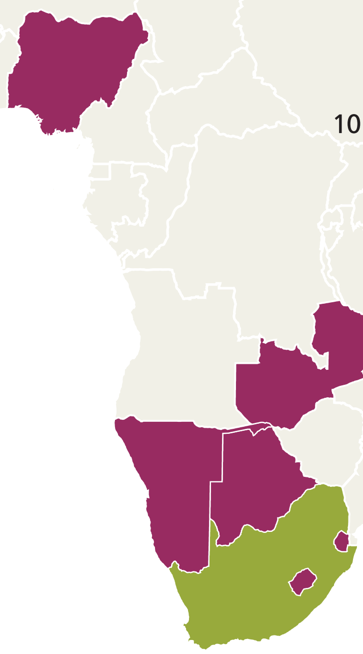
For a detailed breakdown per region/province of gaming licences, as well as gaming market, see our online platform.

For a breakdown of revenue and EBITDA by unit refer to the segmental report on page 56.

OTHER AFRICA

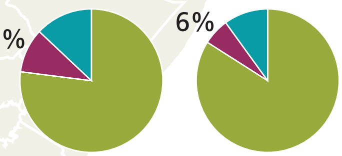
ECONOMIC INTEREST

		SLOTS	TABLES	ROOMS
GABORONE SUN	80%	321	10	196
LESOTHO AND MASERU SUN	47%	150	9	263
KALAHARI SANDS	100%	130	10	173
ROYAL SWAZI AND EZULWINI SUN	51%	153	11	351
THE ROYAL LIVINGSTONE AND ZAMBEZI SUN	100%	–	–	385
FEDERAL PALACE	49%	147	10	146



GROUP CONTRIBUTION

REVENUE EBITDA



(2013: 9%) (2013: 6%)

PROPERTIES 12

Casinos	3
Hotels	4
Casino and hotel	5

GAMING LICENCES 8

ROOMS 1 514

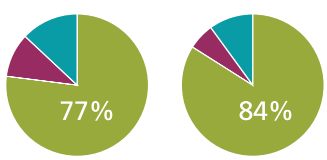
SLOTS 901

TABLES 50

SOUTH AFRICA

GROUP CONTRIBUTION

REVENUE EBITDA



(2013: 76%) (2013: 83%)

PROPERTIES 16

Casinos	3
Hotels	3
Casino and hotel	10

GAMING LICENCES (OF 40) 13

ROOMS 3 118

SLOTS 10 156

TABLES 338

ECONOMIC INTEREST

		SLOTS	TABLES	ROOMS
GAUTENG				
Carnival City	91%	1 765	55	105
Morula	100%	510	12	73
Maslow	100%	–	–	281
WESTERN CAPE				
GrandWest	72%	2 563	76	39
Table Bay	72%	–	–	329
Worcester	71%	220	6	98
SunBet	100%	–	–	–
KWAZULU NATAL				
Sibaya	62%	1 216	48	154
LIMPOPO				
Meropa	68%	409	17	–
NORTH WEST				
Sun City	100%	563	36	1 297
Carousel	100%	697	19	94
NORTHERN CAPE				
Flamingo	71%	288	11	–
EASTERN CAPE				
Boardwalk	82%	972	24	140
Fish River	82%	–	–	82
Wild Coast Sun	70%	450	16	396
FREE STATE				
Windmill	70%	353	18	–
Naledi Sun	100%	150	–	30
Management activities (excluding intergroup)				
Sun International Management Limited	100%	–	–	–
Manco	50% – 83%	–	–	–

The economic interests exclude the interests held by the Sun International Employee Share Trust.

OUR BUSINESS MODEL

INPUTS

FINANCIAL CAPITAL

The Group's primary sources of financial capital are shareholder equity, internally generated cash flows and debt. These sources of funding have been more than sufficient to maintain our properties, fund expansion and pay dividends to shareholders in the past. The Group first looks to fund expansion through internally generated funds and debt.

HUMAN CAPITAL

Sun International has a highly skilled and experienced international management team, which brings together industry knowledge and global perspectives from South Africa, Australia and Latin America. This team helps ensure that the Group makes appropriate investment decisions and operates according to global best practice. Our employees at our properties are the primary interface with our guests, which means that they are essentially the custodians of delivering the memorable experience we strive to offer. We invest in our people to ensure they have the appropriate skills to deliver on our strategic priorities and we actively align management performance to strategy.

INTELLECTUAL CAPITAL

As a gaming, leisure and entertainment group, our brand is one of our most valuable assets together with our casino licences. Our wealth of management expertise and experience is contracted to the casinos and properties in our portfolio ensuring aligned operations with the ability to meet set targets and standards. Our intellectual capital is the foundation of our entry into new jurisdictions. We also invest in technology, systems and processes to improve how we work and provide an excellent guest experience.

MANUFACTURED CAPITAL

The bricks and mortar of our properties forms the tangible assets of the business, and we invest in building unique casino, hotel and entertainment venues. The uniqueness of our properties is a key differentiator for our business, and we focus on protecting, leveraging and growing our asset base. We constantly review our asset base and its offerings to ensure they retain relevance and are optimally utilised.

SOCIAL AND RELATIONSHIP CAPITAL

We actively manage the stakeholder relationships on which our business depends, including with communities, business partners, governments and regulators. Our casino licences – which are essentially our regulated licences to operate – are critical to our business and require that we comply with various licensing conditions. Compliance is supported by building on our stakeholder engagements. Also, our track record of being an ethical operator and good corporate citizen supports the growth of the business into new markets and is based on a belief that doing good is more than a requirement, it is about creating shared value. Our guests are probably the single most significant and important stakeholder in our business. We strive to not just meet but exceed their expectations.

NATURAL CAPITAL

We are a medium impact user of natural resources, and our business activities depend on natural capital inputs such as water and energy. Many of our properties are located in pristine environments rich in biodiversity, which are a key aspect of their appeal to our guests.

BUSINESS ACTIVITIES

WE OFFER GAMING, HOSPITALITY AND ENTERTAINMENT TO OUR GUESTS THROUGH OUR CASINO, HOTEL AND RESORT PROPERTIES. WE ARE LEVERAGING OUR CORE EXISTING BUSINESS AND UTILISING OUR TRACK RECORD AND MANAGEMENT SKILLS TO TAKE ADVANTAGE OF GROWTH OPPORTUNITIES IN EMERGING MARKETS.

OUR **GAMING LICENCES** ARE THE SINGLE MOST **CRITICAL ENABLER** OF OUR ABILITY TO OPERATE. GAMING CONTRIBUTES **78%** OF GROUP REVENUE. WE CONTINUOUSLY EVALUATE OUR LICENCES TO ENSURE THEY REMAIN RELEVANT AND ARE OPTIMALLY UTILISED.

OUTPUT

DELIVERING A MEMORABLE guest experience

THE **UNIQUENESS OF OUR PROPERTIES** AND **CUSTOMER SERVICE SKILLS** OF OUR PEOPLE ARE KEY DIFFERENTIATORS TO OFFERING AN **UNFORGETTABLE EXPERIENCE** FOR OUR GUESTS, WHICH KEEPS THEM CHOOSING SUN INTERNATIONAL.

OUTCOMES

FINANCIAL CAPITAL

In the 2014 financial year the Group generated R2.6 billion in internally generated cash flows and increased its debt funding by R633 million. This funding was primarily used for:

- Replacement and maintenance capex – R1 212 million
- Expansionary capex – R672 million
- Acquisition of minorities interests – R126 million
- Interest payment to debt funders – R540 million
- Dividend payments to minority and Company shareholders – R489 million.

Our value added statement, on page 61 gives further details on the use of our financial capital.

HUMAN CAPITAL

Sun International employs 10 417 people with 6 805 in South Africa, 2 101 in the rest of Africa, 1 493 in Chile and 18 in Panama (331 as of October 2014). In 2014, we paid R2 159 million in salaries and benefits to our employees.

In Africa, 8 412 of our non-management employees partake in the Sun International Employee Share Trust which has investments valued at R790 million. These employees benefit from Trust distributions, with R244 million distributed in total to employees since inception.

INTELLECTUAL CAPITAL

In the past year we secured new casino licences in Panama and Colombia; the Panama casino opened on 12 September 2014 and the Colombia casino is due to open in the second half of the 2015 financial year. To improve our business operations we have invested significantly in IT, with R647 million spent on our enterprise gaming system and implementation having commenced on an enterprise resource planning system.

MANUFACTURED CAPITAL

Over the past year we invested R179 million refurbishing the Sun City phase one Vacation Club units and R672 million on the Ocean Sun Casino in Panama. We also applied and received approval to amend Morula casino's licence condition which will permit us to relocate to Menlyn Maine in Eastern Pretoria where we plan to develop a R3 billion casino and entertainment complex. This outcome is however subject to legal proceedings initiated by a competitor.

SOCIAL AND RELATIONSHIP CAPITAL

As a casino operator, we are acutely aware of the negative outcomes that gambling can have within communities. We actively partner with responsible gambling initiatives to help reduce the incidence of problem gambling. We also invest extensively in promoting tourism and supporting communities, creating shared value by aligning initiatives with our core business. The reputational benefit of these initiatives is crucial to accessing new markets. Over the past year we spent R30 million on CSI, socioeconomic development and enterprise development initiatives. Our focused stakeholder engagements continue to enhance our corporate reputation, which in turn has facilitated our entry into new jurisdictions and the securing of casino licences.

NATURAL CAPITAL

Through our environmental initiatives and with dedicated expertise, we are reducing our impact, use of scarce natural resources and minimising waste. Besides improving environmental performance, there is an added benefit in lower operational costs. We are sensitive to the natural environments in which we operate, and our presence in these areas helps create value for other role-players who protect these environments, such as game reserves and natural heritage organisations.

CHAIRMAN'S REPORT

a new era
FOR SUN INTERNATIONAL

SUN INTERNATIONAL IS BECOMING A LEANER AND MORE EFFICIENT ORGANISATION, AND SO CREATING A BASIS FOR BETTER PERFORMANCE AND A FOUNDATION FOR INTERNATIONAL GROWTH.

MV (VALLI) MOOSA

It has been a year of significant change for Sun International. I am pleased to report that the management team has made significant progress in delivering against the strategy and objectives set in the prior year.

Sun International had reached a plateau around 2010. It was in need of a step change in approach and a new vision to meet the demands of a challenging environment. The board made significant management changes and the new team was given the mandate to critically evaluate the Group's strategic focus, its portfolio of properties and how it operates. This was not only to respond to the environment but to position the Group for the future.

With the strategy formulated, the Company started to build a senior management team with the necessary competencies to take up the challenge of revitalising the business. Sun International today has a highly skilled and highly experienced international management team, which brings together industry knowledge and global perspectives from South Africa, Australia and Latin America.

Restructuring and rightsizing the organisation to achieve operational efficiencies extended to a review of our business processes and our staffing structures, in terms of flexibility and headcount. This led to a significant restructure in Chile and South Africa. After extended engagement with employees, unions and regulators, I am satisfied that the Group has followed due and fair process and has genuinely consulted with all stakeholders to identify an optimal solution to achieving an agile business without compromising our guest experience.

As this integrated report demonstrates, the Group is becoming leaner and more efficient. The management team has risen to the challenge of taking Sun International into a new era, and is injecting new energy and vitality across its operations. This is already evident in greater strategic alignment across our operations and pleasing results, especially in the second half of the year.

We still have work to do, given that our strategy is focused on building a sustainable foundation for growth over the longer term. With this in mind, the Group is taking a cautious and considered approach in growing the business and implementing change – we are assessing the resultant impact at every stage and will continue to adapt to lessons learnt and changes in our operating environment.

Material developments

The South African economy remained under pressure throughout the year, and there is broad consensus that this will continue for the foreseeable future. However our task is not just to run a company that does well during good economic periods, but to build a sustainable business that can also weather tough times. Our objective is to produce more-than-acceptable results for shareholders, despite the prevailing economic climate.

The Group has concluded a number of significant transactions over the past year. In South Africa, the Group will acquire a 70% interest in GPI Slots over a two-year period, thereby becoming a significant player in the fast growing limited payout machine market. To facilitate the exit of our Western Cape partner Grand Parade Investments Limited (GPI) out of SunWest and Worcester, we disposed of a 15% interest in these companies to Tsogo which together with its acquisition of the GPI shareholding will result in Tsogo holding a 40% interest in SunWest and Worcester. We retain the majority shareholding as well as the management contract over these two companies. We are extremely proud of our partnership with GPI and the success it has brought both our groups and we wish GPI well in its new endeavours.

Our approved application to amend the Morula casino licence to permit the relocation to Menlyn Maine in Tshwane's eastern suburbs will see the Group develop a R3 billion integrated casino resort called Time Square at Menlyn Maine. This will become a flagship property for the Group in Gauteng.

Post year end the Group disposed of 80% of its interests in those of its African assets located in Botswana, Lesotho, Namibia and Swaziland, and a 50% interest in its Royal Livingstone and Zambezi Sun operations situated in Zambia to the Minor Group Pcl. (Minor), a reputable Asian hospitality group. A good relationship has been cultivated with Minor over the last year and there is strong alignment between the cultures of the groups, management and strategy. Minor are focused on hotels, which is complementary to our focus on casino-led opportunities. This partnership may lead to broader prospects as we seek other opportunities together in Africa and Asia.

In Latin America, we are acquiring a further 55% stake in Monticello, increasing our interest to 99%. It is a significant investment for Sun International that reflects our commitment to Chile and the region. On 12 September 2014, we opened our newest casino, the Ocean Sun Casino in Panama. Developed at a cost of US$105 million, the property sets a new standard in Panama. We have also secured a casino licence in Cartagena, Colombia, where we will develop a casino at a cost of US$30 million.

Governance

Sun International's governance has always been solid and robust and we have achieved a reputation for being at the forefront of applying governance principles in all that we do including our expansion and development in new territories. This is facilitated by ensuring that no matter what we do or where we operate our business remains underpinned by the pillars of fairness, transparency, accountability and responsibility to all stakeholders. These pillars preserve the Group's long-term sustainability.

The Group operates in highly-regulated environments, and compliance with the conditions of our casino licences is a fundamental part of our business practice.

The board is satisfied that it complies with applicable governance and regulatory requirements and recognises that sound governance has a positive impact on long-term value creation. We will therefore continue to review and enhance our governance process to ensure ongoing compliance with legislation, regulation and governance codes.

We choose to invest only in markets that are well-regulated and supported by functional compliance structures. More specifically, we encourage proper regulation and enforcement in the best interests of our guests, employees, communities and the sector, and we cooperate with the regulators in all jurisdictions where we operate. The board's stance in this domain is non-negotiable.

Corporate responsibility

As a leading South African corporate, we take our responsibility to society seriously. We continue to contribute to the wellbeing of communities, especially those in the vicinity of our operations. Again this is more than just compliance as it arises from our objective to be a responsible corporate citizen because we believe business is an integral partner in addressing societal ills.

We continue to improve our performance in our environmental practices, across water and energy usage and waste management. As a key priority for the Group, sustainable environmental and social practices are an integral part of the performance targets for leadership and management.

We consider our employees to be partners in the business and an important stakeholder. The past year has been a difficult environment for all employees due to the section 189A restructuring process. I am, however, pleased that management led from the front and worked closely with employees and unions throughout the process. I look forward to the next phase where we start to rebuild the morale and culture of a great organisation.

Board changes and appreciation

The board is pleased to announce the appointment of Mr Enrique Cibie as an independent non-executive director with effect from 22 August 2014. Enrique is a Chilean national and currently serves as a non-executive director on various boards in Chile, having previously served as the chief executive of various Chilean and multinational companies. With the Group's increasing exposure to Latin America, Enrique's experiences and in-depth knowledge of business in Latin America will be of significant value to the Group. We look forward to his contribution to Sun International as we internationalise the business.

I extend my thanks to the board for their sage advice and involvement over a particularly challenging year for the Group. To Graeme and his executive management team, thank you for the new energy and direction you are bringing to the Group. I am particularly pleased with the high degree of synergy between the board and management as we work together to take Sun International into a new era. Finally, to the employees across the Group who are the custodians of the Sun International brand, you can be justifiably proud of delivering a solid set of results in the midst of great change. Thank you for your focus and dedication.

MV (VALLI) MOOSA
Chairman

CONFIDENT BUT CAUTIOUS IN ENSURING THE sustainability of change

WITH CHANGES TO THE BUSINESS STARTING TO SHOW POSITIVE RESULTS, WE ARE CONFIDENTLY MOVING AHEAD.

GE (GRAEME) STEPHENS
Chief Executive

CHIEF EXECUTIVE AND MANAGEMENT REPORT

Introduction

When I think back on the past year, words that come to mind are "change", "delivery", "stress", "uncertainty", "success", "relief", "excitement", "caution" – in that order. The 2014 financial year was really about driving the implementation of the medium-term strategy we determined in early 2013. I am pleased to report that we have made significant progress against many of the key objectives and initiatives we set out in last year's report.

The various measures we undertook to restructure our business, which focused specifically on growing revenue and cutting costs, are already resulting in an improved operational performance. We have also concluded a number of strategic initiatives to better leverage our existing assets and to grow into new products and geographic areas.

As a general assessment, I'd say we are about half way through this process of change. Given the scale of some of the operational initiatives being implemented, it's important to acknowledge that it will take time before they gain traction and the benefits are fully realised. The results are, however, already positive, and the emphasis for the year ahead will be to conclude the restructuring and ensure that the various changes are properly bedded down and deliver the sustainable improvement they are intended to.

In addition to the process to restructure our business, we announced a number of strategic transactions over the past year which are all now in the process of being implemented. We are investing significant time and effort in ensuring that these transactions are executed properly, while at the same time maintaining our focus on the pipeline of new opportunities (of which there are a number), to ensure that these are not neglected.

We continually evaluate our medium-term strategy and are comfortable that it currently remains relevant, without the need for any significant change. We have a really great platform in the existing business and the changes that we have been making are designed to realise its full potential. The risk or concern, if any, has been that in our efforts to improve, we could damage something that was working reasonably well to start with. The recent improvements in performance are very encouraging and certainly show that we are on the right track.

Our Chief Financial Officer, Anthony Leeming, will cover the results for the 2014 financial year in his financial review, which follows. We then go on to discuss our performance against the objectives and focus areas of each of our five strategic priorities in more detail.

Financial overview

REVENUE UP +5.4%	First half	+3.6%
	Second half	+7.4%
EBITDA UP +4.5%	First half	-5.2%
	Second half	+15.8%
ADJUSTED HEPS DOWN -7.3%	First half	-18.5%
	Second half	+8.1%

GROSS CASH DIVIDEND OF *245 cents* PER SHARE FOR THE YEAR

Operationally, we started the year dealing with the significantly negative impact of the anti-smoking legislation in Chile, combined with a very flat performance in our core but mature South African businesses which were battling to grow in a persistently sluggish economy. The slower performance in South Africa had in previous years been masked by the growth of Monticello in Chile. Not so in the first half of this year – Monticello lost 22% of its revenue and 45% of its EBITDA and with South Africa only growing at 0.8%, we recorded a 5% decline in EBITDA for the first six months.

In Chile we focused aggressively on a restructure of our cost base and on building new health-compliant smoking terraces to regain lost revenues. These and other initiatives have resulted in a strong recovery in the second half, with revenues returning back to pre-smoking ban levels and a strong improvement in profit margins. In South Africa we also embarked on a significant restructure of our cost base while simultaneously implementing a number of measures to enhance revenue. These measures, which we started implementing in the first half, took a few months to gain traction and only during the second half did we start to see the benefits materialise with revenue growth of 7.4% and EBITDA growth of 15.8%.

Despite the improvement in the second half resulting in full-year EBITDA being 4.5% above the prior year, at an earnings per share level it was not sufficient to offset the poor first half, and consequently diluted adjusted headline earnings per share was 7% down on last year at 655 cents. Taking cognisance of the number of expansion projects under consideration, the dividend pay-out of 37% of diluted adjusted headline earnings was maintained.

Despite debt increasing due to expenditure on the Ocean Sun Casino in Panama, debt levels remain comfortably within our covenants with debt to EBITDA increasing from 2.2 to 2.3 times. Looking ahead, the Group has a significant number of expansion projects and acquisitions under consideration, part of which will be funded by proceeds from the SunWest/Worcester and Minor transactions, with the balance to be debt funded as explained later in this report.

AM (ANTHONY) LEEMING
Chief Financial Officer

Review of the year

The income statements below include headline earnings adjustments to reflect a comparable position with the prior year.

R million	Six months ended 31 December 2013	% change	2012	Six months ended 30 June 2014	% change	2013	Year ended 30 June 2014	% change	2013
Revenue	5 407	3.6%	5 221	5 418	7.4%	5 046	**10 825**	**5.4%**	**10 267**
Casino	4 221	0.3%	4 208	4 248	6.5%	3 987	**8 469**	**3.3%**	**8 195**
Rooms	558	25.7%	444	556	8.4%	513	**1 114**	**16.4%**	**957**
Food, beverage and other	628	10.4%	569	614	12.5%	546	**1 242**	**11.4%**	**1 115**
Direct costs	(2 426)	(4.7%)	(2 317)	(2 403)	(5.0%)	(2 288)	**(4 829)**	**(4.9%)**	**(4 605)**
Casino	(1 700)	(0.4%)	(1 694)	(1 681)	(3.7%)	(1 621)	**(3 381)**	**(2.0%)**	**(3 315)**
Rooms	(174)	(26.1%)	(138)	(185)	(11.4%)	(166)	**(359)**	**(18.1%)**	**(304)**
Food, beverage and other	(552)	(13.8%)	(485)	(537)	(7.2%)	(501)	**(1 089)**	**(10.4%)**	**(986)**
Gross profit	2 981	2.7%	2 904	3 015	9.3%	2 758	**5 996**	**5.9%**	**5 662**
Indirect costs	(1 492)	(11.8%)	(1 334)	(1 452)	(3.1%)	(1 408)	**(2 944)**	**(7.4%)**	**(2 742)**
EBITDA	1 489	(5.2%)	1 570	1 563	15.8%	1 350	**3 052**	**4.5%**	**2 920**
Depreciation and amortisation	(464)	(12.6%)	(412)	(494)	(12.5%)	(439)	**(958)**	**(12.6%)**	**(851)**
Property and equipment rentals	(73)	(102.8%)	(36)	(75)	(10.3%)	(68)	**(148)**	**(42.3%)**	**(104)**
Profit from operations	952	(15.2%)	1 122	994	17.9%	843	**1 946**	**(1.0%)**	**1 965**
Foreign exchange profits	–	(100.0%)	8	(1)	(110.0%)	10	**(1)**	**(105.6%)**	**18**
Net interest paid	(239)	(4.8%)	(228)	(241)	(17.6%)	(205)	**(480)**	**(10.9%)**	**(433)**
Profit before tax	713	(21.0%)	902	752	16.0%	648	**1 465**	**(5.5%)**	**1 550**
Tax	(255)	15.6%	(302)	(224)	(29.5%)	(173)	**(479)**	**(0.8%)**	**(475)**
Minorities	(110)	37.9%	(177)	(193)	(14.9%)	(168)	**(303)**	**12.2%**	**(345)**
Adjusted headline earnings	348	(17.7%)	423	335	9.1%	307	**683**	**(6.4%)**	**730**

Indirect costs, which included a full year's trading of both the Maslow and Boardwalk hotels, increased by 7.4%. Depreciation and amortisation increased by 12.6% due to additional depreciation charges from the new property openings (Boardwalk and Maslow hotels) and the implementation of the Group's Enterprise Gaming System (EGS). Property and equipment rentals increased due to higher variable rentals on the Maslow and Table Bay properties.

The Group incurred a R1 million foreign exchange loss compared to a gain of R18 million in the prior year. Net interest paid of R480 million was 10.9% ahead of last year due to no longer capitalising interest on the Boardwalk and Maslow developments, higher average debt as a result of these developments and higher local interest rates.

The tax charge of R479 million was marginally up on last year largely due to a one-off foreign tax credit in the prior year relating to investment allowances in Nigeria and the reversal of an overprovision. The effective tax rate, excluding non-deductible preference share dividends and withholding taxes, was 32% (2013: 30%).

ADJUSTED HEADLINE EARNINGS ADJUSTMENTS

The Group incurred a number of expense and income items that have been classified as headline earnings and adjusted headline earnings adjustments, the most significant of which are as follows:

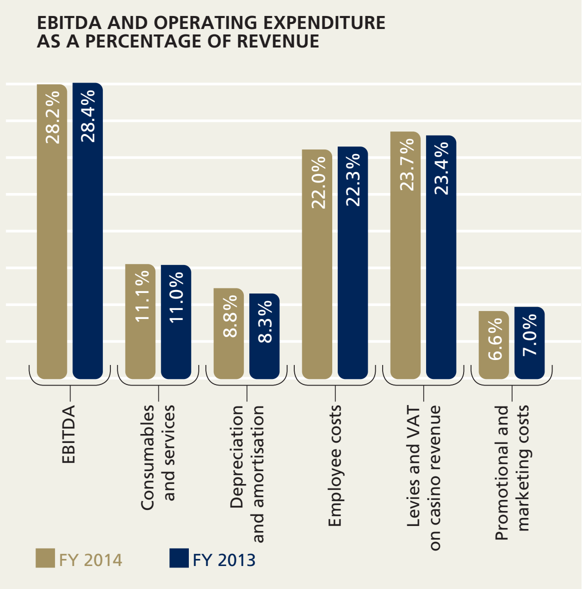
- **Restructure costs – R165 million:**
  During the current financial year, the Group embarked on a significant restructure of its labour force in Chile and South Africa. A provision of R112 million has been raised for employees who had accepted voluntary retrenchment and early retirement as at 30 June 2014 and an additional R53 million was incurred and paid on retrenchments during the course of the financial year.
- **Impairment of Maslow assets – R39 million:**
  Based on the current trading of The Maslow and the future lease payments, the assets have been impaired as it is unlikely that their book value will be realised.
- **Pre-opening expenses – R36 million:**
  These expenses primarily relate to the pre-opening phase of the Ocean Sun Casino in Panama and the pre-launch costs of the Vacation Club.

EXPENSES BY NATURE

To give investors a better understanding of the costs included in the statutory statement of comprehensive income, the table below sets out the costs including adjusted headline earnings adjustments, split between the first and second half:

	Six months ended 31 December			Six months ended 30 June			Year ended 30 June		
R million	2013	% change	2012	2014	% change	2013	**2014**	**% change**	**2013**
Consumables and services	604	9.6%	551	601	3.8%	579	**1 205**	**6.6%**	**1 130**
Depreciation and amortisation	464	12.6%	412	494	12.5%	439	**958**	**12.6%**	**851**
Employee costs	1 206	9.6%	1 100	1 171	(1.3%)	1 187	**2 377**	**3.9%**	**2 287**
Levies and VAT on casino revenue	992	0.3%	989	1 011	8.9%	928	**2 003**	**4.5%**	**1 917**
Promotional and marketing costs	391	0.5%	389	326	(0.6%)	328	**717**	**–**	**717**
Property and equipment rentals	73	108.6%	35	75	8.7%	69	**148**	**42.3%**	**104**
Property costs	291	11.5%	261	286	2.1%	280	**577**	**6.7%**	**541**
Other operational costs	434	19.9%	362	460	17.0%	393	**894**	**18.4%**	**755**
Total expenses	4 455	8.7%	4 099	4 424	5.3%	4 203	**8 879**	**7.0%**	**8 302**

The focus on cost containment is clearly highlighted in the previous table, in particular employee costs which were down 1.3% in the second half and promotional and marketing costs which were kept in line with the prior year. The increase in other operating costs is attributable to higher IT costs (relating to the implementation of the Group's EGS and software licence increases due to the weaker Rand), significant increases in rates and taxes, increased corporate social investment and socioeconomic development contributions and a full year's trading at both the Boardwalk and Maslow hotels.



SEGMENTAL ANALYSIS

SEGMENTAL ANALYSIS BY REGION

	Revenue			EBITDA			EBITDA margin	
R million	**2014**	% change	2013	**2014**	% change	2013	**2014**	2013
South Africa	**8 266**	6.1%	7 788	**2 334**	6.0%	2 201	**28.2%**	28.3%
Other Africa	**1 071**	13.0%	948	**195**	12.7%	173	**18.2%**	18.2%
Monticello	**1 443**	(3.7%)	1 498	**303**	(5.0%)	318	**21.0%**	21.2%
Management activities	**612**	6.3%	610	**248**	1.2%	245	**40.5%**	40.2%
Total operating segments	**11 392**	5.1%	10 844	**3 080**	4.8%	2 937	**27.0%**	27.1%
Central office and other eliminations	**(567)**	1.7%	(577)	**(28)**	(54.7%)	(17)	**4.9%**	2.9%
	10 825	5.4%	10 267	**3 052**	4.5%	2 920	**28.2%**	28.4%

MASLOW GAUTENG

The Maslow is the ultimate business hotel situated in the heart of Sandton's commercial district.

The South African performance is heavily distorted by Sun City, which is a high revenue/low margin operation. Excluding Sun City from the South African numbers, the EBITDA margin for the rest of the South African business increases to 31.4% and including the management company the margin increases to above 34%. Margins in Chile are impacted by the higher levels of gaming taxes/levies, which are around 11% higher than in South Africa.

SEGMENTAL ANALYSIS BY NATURE

Revenue by region and nature is set out below:

	Gaming			Rooms			F & B and other			Total		
R million	**2014**	% change	2013	**2014**	% change	2013	**2014**	% change	2013	**2014**	% change	2013
South Africa*	**6 738**	4%	6 457	**764**	17%	652	**809**	14%	712	**8 311**	6%	7 821
First half	**3 371**	3%	3 286	**379**	30%	292	**406**	13%	360	**4 156**	6%	3 938
Second half	**3 367**	6%	3 171	**385**	7%	360	**403**	14%	352	**4 155**	7%	3 883
Other African	**428**	11%	385	**342**	13%	303	**301**	16%	260	**1 071**	13%	948
First half	**222**	15%	193	**175**	15%	152	**152**	16%	131	**549**	15%	476
Second half	**206**	7%	192	**167**	11%	151	**149**	16%	129	**522**	11%	472
Monticello	**1 303**	(4%)	1 353	**8**	300%	2	**132**	(8%)	143	**1 443**	(4%)	1 498
First half	**628**	(14%)	729	**4**	–	–	**70**	(10%)	78	**702**	(13%)	807
Second half	**675**	8%	624	**4**	100%	2	**62**	(5%)	65	**741**	7%	691
	8 469	3%	8 195	**1 114**	16%	957	**1 242**	11%	1 115	**10 825**	5%	10 267

* *Includes management activities and central office and other eliminations.*

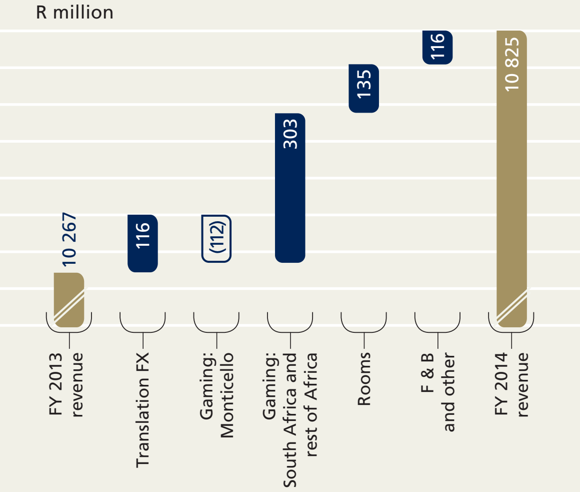
The improvement in gaming revenue growth in the second half of the year in South Africa and Monticello is clearly demonstrated in the table above. Monticello has continued to recover from the smoking ban instituted in March 2013 and on a like-for-like basis (March to June) gaming revenues in Chilean Pesos are up 23% on last year and 2.4% below revenue levels in the pre-smoking ban era.

Rooms' revenue grew strongly, with the first half assisted by the opening of the Boardwalk and Maslow hotels in December 2012 and January 2013 respectively. On a comparative basis rooms' revenue was up 10% for the year. Key properties' occupancies and average daily rates (ADRs) are set out below:

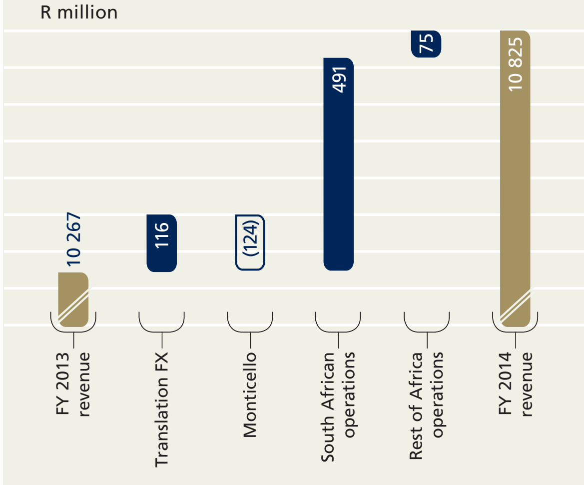
	Occupancy		ADR	
	2014	2013	**2014**	2013
Sun City	**64.3%**	63.6%	**R1 639**	R1 616
Wild Coast Sun*	**80.6%**	78.3%	**R445**	R647
The Table Bay Hotel	**68.3%**	53.0%	**R2 121**	R2 086
The Maslow	**56.0%**	36.3%	**R1 098**	R1 130
Royal Livingstone and Zambezi Sun	**43.1%**	39.8%	**R1 965**	R1 827
Gaborone Sun	**71.6%**	77.4%	**R889**	R792
The Federal Palace	**63.8%**	67.6%	**R2 486**	R2 142

* *The Wild Coast ADR is well below last year due to a significant increase in discounted gaming room nights.*

GROWTH IN GROUP REVENUE BY NATURE (IN CONSTANT CURRENCY)
R million



GROWTH IN GROUP REVENUE BY REGION (IN CONSTANT CURRENCY)
R million



OPERATIONAL REVIEW

SOUTH AFRICAN PROPERTIES

GrandWest revenue was 8% ahead of last year at R2 020 million. EBITDA however increased by only 6% due to a 2% increase (an additional R26 million) in gaming levies with effect from 1 September 2013, which were increased in lieu of GrandWest's ongoing exclusivity. Cost savings helped offset the increase in levies and as a result the EBITDA margin only declined 1.0% to 41.2%.

Sun City revenue at R1 403 million and EBITDA at R176 million were up 9% on last year. The current year included R12 million sales costs relating to the refurbished phase 1 Vacation Club units. If excluded, EBITDA would have been up 16%. Although costs are recognised when incurred, the revenue from the sale of Vacation Club units (R105 million achieved to date) is deferred and will be recognised over the ten year contract period. The casino has shown a strong improvement with revenue up 16% to R519 million. Rooms' revenue was only up 1% at R434 million due to weak local demand.

Sibaya revenue was 5% up at R1 095 million and through excellent cost containment EBITDA increased by 10% to R398 million, despite an increase in gaming levies in November 2012 which resulted in an additional cost of R4.1 million. The EBITDA margin improved by 1.6% to 36.3%. Sibaya's 35.9% share of the KwaZulu Natal gaming market was 0.6% higher than last year.

Carnival City revenue declined 2% for the year to R1 042 million. While Carnival City continues to be impacted by increased competition from electronic bingo terminals (EBTs) and limited payout machines (LPMs) it has refocused its marketing efforts and is starting to gain market share which in the second half of the year increased 1% to 15.0%. EBITDA was down 1% for the year, despite a strong second half in which revenues increased by 3% and, due to cost savings, EBITDA for the second half of the year improved by 10%.

Boardwalk revenue increased 12% to R554 million, with casino revenue up 8% to R512 million. The property is starting to benefit from the new hotel but its gaming business is going to face competition in the future from EBT operations that have opened and will be opening in its catchment area. Through excellent cost control the Boardwalk increased EBITDA 18% and the EBITDA margin 1.7% to 30.3%.

In the Group's hotel operations, **The Table Bay** hotel achieved excellent revenue growth with revenues up 29% to R233 million driven by a 40% increase in international room nights sold which accounted for 73% of rooms' revenue. EBITDA was up 127% to R50 million (2013: R22 million) with the EBITDA margin improving 9.3% to 21.5%.

The recently opened **Maslow** has established itself in the Johannesburg corporate market and managed to achieve a profit before rentals and depreciation. The high rental charge due to straight lining accounting over the period of the lease results in an operating loss.

AFRICAN PROPERTIES

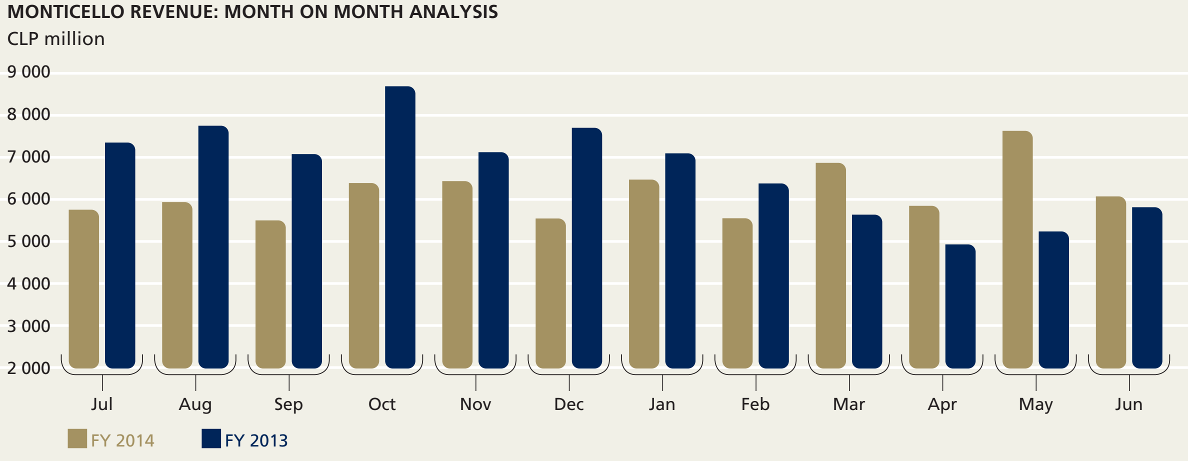
The Royal Livingstone and **Zambezi Sun's** revenue in local currency was up 15% with EBITDA up 21%. In Rand, revenue at R222 million and EBITDA at R52 million were up 22% and 27% respectively. The improvement in revenue is due to an increase in conferences and events hosted at the properties.

The Federal Palace experienced a decline in hospitality revenues due to the opening of two 180 room five star hotels in Lagos and the continued turmoil in the country. Gaming revenue was maintained in line with the prior year in local currency. EBITDA declined 40% in local currency to NGN421 million (R28 million). The outbreak of the Ebola virus in West Africa is likely to impact trading at the Federal Palace in the year ahead.

LATIN AMERICA

Monticello has been dealing with the severely negative impact of anti-smoking legislation which caused revenue at the half year to be down 22%. Due to corrective action taken, casino revenue was up 10% in the second half. This recovery in revenue is partly due to customers getting used to the new laws but primarily due to the construction and opening of four new smoking decks in September and October 2013. Overall revenue for the year was down 8% on the previous year at CLP74.2 billion

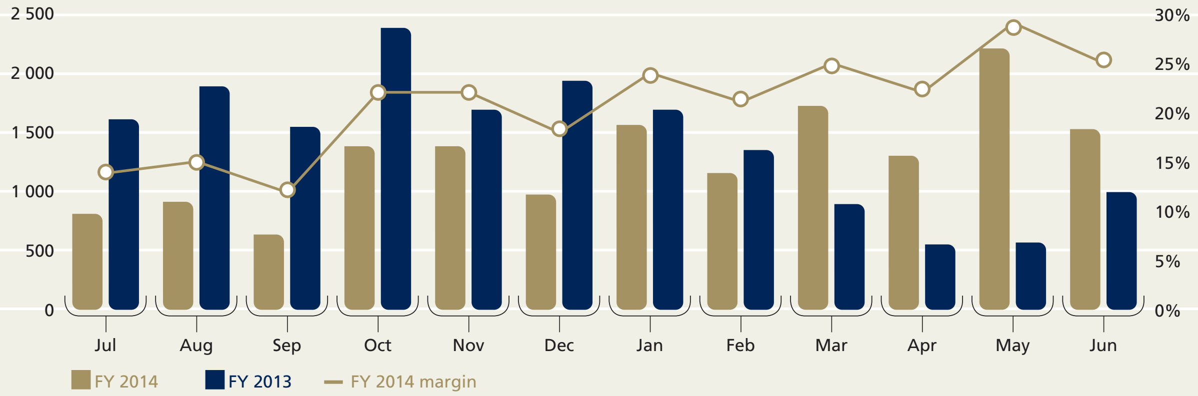
MONTICELLO REVENUE: MONTH ON MONTH ANALYSIS



MONTICELLO CHILE

Chile's largest integrated casino resort.

MONTICELLO EBITDA: MONTH ON MONTH ANALYSIS
CLP million



but despite the significant drop in revenue the reduction in EBITDA for the year was contained to 8.8% (CLP15.7 billion). The recovery in revenues in recent months and a comprehensive restructure of the business resulted in EBITDA in the second half of the year increasing by 56% to CLP9.5 billion on the previous year at an EBITDA margin of 24.8%, which bodes well for the year ahead.

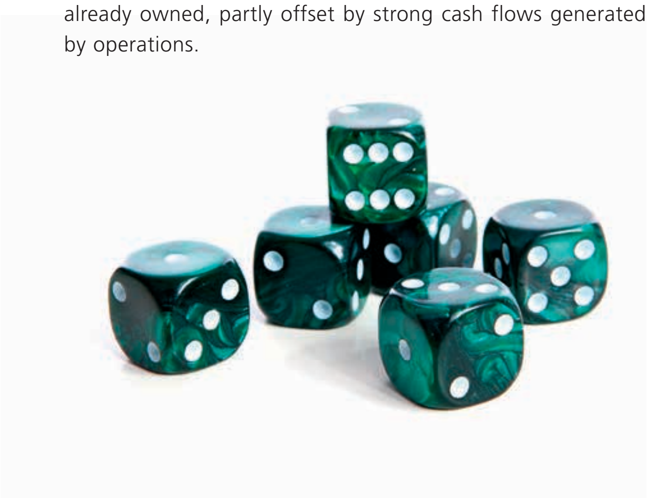
MANAGEMENT ACTIVITIES

R million	2014	% change	2013
Revenue			
Sun International Management Limited (SIML)	**573**	5%	547
Management fees and licence fees	**568**		536
Project fees	**5**		11
Manco	**39**	(38%)	63
	612	0%	610
EBITDA			
SIML	**218**	11%	196
Manco	**30**	(39%)	49
	248	1%	245

Management fees and related income at R612 million were in line with last year, with EBITDA up 1% at R248 million. Non-recurring project fees for 2013 included R7 million at Boardwalk. Manco revenue and EBITDA in the prior year included R24 million of revenue and R19 million of EBITDA relating to the Afrisun Gauteng and Teemane Manco contracts which were cancelled in the prior year as part of an initiative to simplify the Group structure.

FINANCIAL POSITION AND CAPITAL FUNDING

The Group's borrowings at 30 June 2014 of R7.6 billion are R663 million above last year. The increase is primarily due to the Ocean Sun Casino development in Panama (R719 million) as well as the raising of R120 million preference funding to acquire the remaining 23.2% interest in Afrisun Leisure not already owned, partly offset by strong cash flows generated by operations.



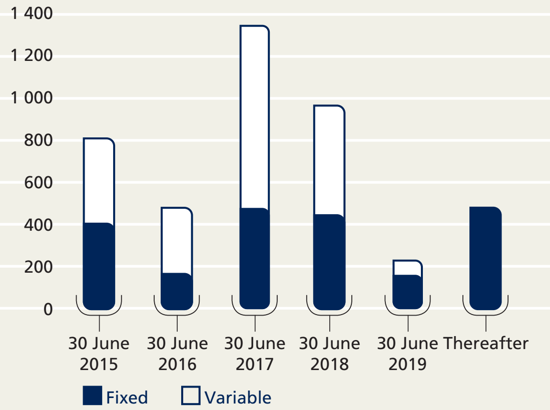
Set out in the next table is a summary of the Group's net debt position and debt covenants:

	2014	2013
Long-term debt	**3 772**	3 753
Short-term debt	**3 810**	3 166
Less Dinokana debt	**(511)**	(488)
Less cash (excluding cash floats)	**(834)**	(841)
Net debt	**6 237**	5 590

	Debt covenant	2014	2013
Debt ratios			
Debt to EBITDA	<3.0	**2.3**	2.2
Net debt to EBITDA		**2.0**	1.9
EBITDA to interest	>3.0	**6.1**	6.4
Additional debt capacity		**2 085**	2 329

The marginal increase in debt ratios is due to the funding of the Ocean Sun Casino in Panama which only opened on 12 September 2014 and consequently generated no EBITDA in the period under review. The debt ratios remain well within the debt covenant ratios agreed with the banks. At the 3 times debt to EBITDA cover level we have R2.1 billion in additional debt capacity based on 2014 EBITDA.

TERM DEBT PROFILE AND FIXED VS VARIABLE FUNDING
R million



The Group has announced a number of transactions and developments over the past year including the acquisition of a further 54.7% interest in Monticello and a 25% interest in GPI Slots, the US$105 million investment in its Ocean Sun Casino in Panama and the soon-to-commence development of a casino in Cartagena, Colombia at a cost of US$30 million. The transactions and developments will be funded out of new debt facilities, cash on hand and the proceeds from the Minor and SunWest/Worcester transactions (described in further detail on pages 33 to 35).

The net funding requirement is set out below:

	Rm
Completion of Ocean Sun Casino	**463**
Colombia	**315**
Monticello (net of cash)	**1 381**
GPI Slots	**280**
	2 439
SunWest and Worcester 14.9% disposal	**(635)**
Minor transaction	**(664)**
	1 140

The net funding is well within the Group's current debt capacity. The funding of the Menlyn Maine development (discussed further on page 34) will only likely ramp up to any significant levels in the 2017 financial year and consequently will be considered nearer the time.

Given the strong cash generation of the Group, we are comfortable with the current and anticipated financial gearing and at the current debt to EBITDA levels the Group has sufficient capacity to fund the projects under consideration.

CAPITAL EXPENDITURE INCURRED DURING THE YEAR

	Rm
Expansionary	
Ocean Sun Casino	672
	672
Refurbishment	
Sun City	179
Zambia (Royal Livingstone)	14
Table Bay	9
	202
Ongoing asset replacement	878
IT	126
Slots	325
Other	427
Enterprise Gaming System	268
Enterprise Resource Planning	63
Total capital expenditure	**2 083**

FORECAST CAPITAL EXPENDITURE

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

			Forecast	
R million	Total	Spend to date	30 June 2015	30 June 2016
Ocean Sun Casino	1 135	672	463	–
Colombia	317	–	317	–
Sun City Vacation Club	300	179	121	–
Sun City Casino	50	–	50	–
Sun City Cabanas	100	–	40	60
Table Bay	9	9	–	–
Zambia	147	14	133	–
	2 058	**874**	**1 124**	**60**
Other minor refurbishments	185	–	185	–
Enterprise Gaming System	647	501	146	–
Enterprise Resource Planning System	157	67	63	27
	3 047	**1 442**	**1 518**	**87**

Ongoing asset replacement forecast for 2015:	
IT	157
Slots	202
Other	444
	803

SUN CITY NORTH WEST

Sun International's Sun City Resort is undergoing major refurbishments over the next few years to ensure it stays relevant.

FREE CASH FLOW

Free cash flow generated by the Group was as follows:

R million	2014	%	2013
Cash retained from operating activities	**2 555**		2 462
Interest paid	**(480)**		(433)
Replacement of PPE and computer software	**(1 390)**		(743)
	685	(47%)	1 286
Dividends paid			
Minorities	**(249)**		(273)
Shareholders	**(240)**		(252)
	196		761

Although cash retained from operations was up on last year, free cash flow declined to R196 million as a result of an increase in maintenance expenditure, Sun City Vacation Club refurbishment and the implementation of EGS and the Enterprise Resource Planning (ERP) system. The increased capital expenditure was in line with indications given to shareholders in 2013.

OUR APPROACH TO OUR BUSINESS

TO ACHIEVE OUR STRATEGY WE HAVE SET OURSELVES SHORT- AND MEDIUM-TERM OBJECTIVES AND INITIATIVES WHICH ARE REVIEWED AND UPDATED ON A YEARLY BASIS. THESE INITIATIVES AND OBJECTIVES ADDRESS OUR KEY RISKS, KEY STAKEHOLDER CONCERNS AND OUR STRATEGIC GROWTH ASPIRATIONS.

The strategic focus areas set in the prior year have remained largely unchanged and are the basis for measuring management's performance, starting with the Chief Executive then cascaded to direct reports, and in turn, throughout the organisation. These form our roadmap for the foreseeable future, with our progress in the past year and objectives ahead for each of the following five strategic pillars forming the basis for the rest of this management report:

IMPROVE OUR EXISTING OPERATIONS AND GUEST EXPERIENCE

In challenging the assumption that the markets in which we operate in are relatively mature, we are actively relooking how our business is structured and how we operate to maximise the value we can create and to improve the guest experience. Ensuring that existing and new guests keep choosing Sun International properties as their destination of choice – through offering a great experience – is core to this focus area.

P26

PROTECT AND LEVERAGE OUR EXISTING ASSET PORTFOLIO

We have a diverse portfolio of assets including world class five star hotels, modern and well located casinos, some of the world's premier resorts and some older legacy assets that for various reasons may not be positioned favourably any more. In evaluating our portfolio we have identified those properties that can be better leveraged, those that need protection and those that may no longer be core to our strategy.

P32

GROW OUR BUSINESS INTO NEW AREAS AND PRODUCTS

While we believe there is still latent growth to be had from our existing assets, to effectively grow our business we are considering other geographic areas that offer attractive opportunities for casinos. In particular we are focusing on Latin America. We are also looking at the alternative gaming market which continues to experience strong growth.

P36

OUR PEOPLE

Our people are the enabler of the Group's ability to achieve its strategic objectives. Given the highly competitive service-oriented industry we operate in, our people's motivation and competence to perform and provide a memorable guest experience are key determinants of the Group's ongoing success and sustainability.

P40

GOVERNANCE AND SUSTAINABILITY

As a responsible corporate citizen, the Group has developed a credible track record that underlies our corporate reputation. Governance and sustainability are fundamental to Sun International's operations and are interwoven into our strategy and decision-making process, from board and management level to our operations.

P44

01

Improve our existing operations and guest experience

CARNIVAL CITY

We restructured the senior operational management team during 2013, recruiting international expertise to assist in bringing our operations up to global best practice. We have also worked to improve the management approach by creating a wider management team that meets informally quarterly to deliberate on our operations and strategy. The benefit of this more inclusive group is being felt in greater participation in setting and understanding objectives, with strategic alignment starting to permeate throughout the business.

We also collapsed the historic divisional structure where gaming was managed separately from hotels/resorts. Gaming represents around 80% of our total business and it was our belief that we could improve our gaming revenues by removing the "silos" and giving our gaming customers better access to our unique hotels and resorts, in particular Sun City. Under the new structure it has been very pleasing to see Sun City's gaming revenues grow 16% – significantly better growth than prior years due to more frequent visits by our existing customers as well as new gaming customers.

Key initiatives currently underway to improve our operational performance include:

- Simplifying operational structures to achieve cost savings and efficiencies
- Restructuring the sales and marketing approach for gaming, hotels and our website
- Developing and launching our new brand
- Developing and launching our new loyalty programme
- Insourcing food and beverage and other services

Update on operational restructure

Following the restructure of the management team, we focused next on the organisational structures of the rest of the business, in particular to try and achieve better operational efficiencies. In Chile this could be achieved rapidly and was successfully implemented in September 2013, leading to a significant improvement in margins without negatively impacting on guest experience. In South Africa, this process, implemented in terms of section 189 of the Labour Relations Act, has involved a thorough and lengthy consultation process with unions and other stakeholders such as provincial gambling boards. We offered a voluntary retrenchment/early retirement programme which was accepted by approximately 700 of our 6 800 employees in South Africa. The cost associated with this programme (and other performance-related retrenchments) amounted to R165 million and this was provided for at 30 June 2014 (with the affected employees leaving then or shortly thereafter). A further 500 to 700 employees are likely to be retrenched following an extensive assessment. These employees have been identified and will leave the organisation by end October 2014, with associated costs of approximately R100 million. The anticipated benefits of the more efficient operational structure will start to flow through in the 2015 financial year.

As can be expected, it has been a very difficult time for all employees across the Group, exacerbated by the protracted time frame necessitated by the extensive consultation process. The improvement in operating results in recent months has been achieved in a very uneasy environment with staff morale at an all-time low and we would like to thank and commend everyone, including those no longer with us, for the immense effort in very trying conditions.

Q&A

Mervyn Naidoo

DIVISIONAL DIRECTOR: WESTERN AND EASTERN CAPE REGIONS

Q THERE HAVE BEEN SIGNIFICANT OPERATIONAL CHANGES OVER THE PAST YEAR. HOW HAS THIS IMPACTED YOU AS THE DIRECTOR OF THE WESTERN AND EASTERN CAPE REGION?

A Considering the lifespan of Sun International, it can be easy to get set in your ways and stop seeing problems or challenges for what they are – in truth, some complacency had crept in. I think a strong wake-up call came in positioning the Group for growth, considering our efforts in Latin America and aspirations in Asia. So we have had to get our house in order, in terms of revenue generation, costs, processes and efficiencies, and using technology to be smarter in our operations. We had to get the foundation right in our existing operations to win back our status as the leading gaming company in Africa. With the foundation in place we can focus on growth.

It has been a tough process, but I have found it reassuring that my team was ready for the challenge. In many ways, the previous structure, processes and policies were holding us back. With the change in operating philosophy in line with our new strategy, it is great to see the team playing in the same space without competing internally, taking up the focus on casinos, and taking on the challenge of the strategy. I say this cautiously, but it has been a smooth transition.

We are hard at work developing synergies and cross-marketing opportunities across casinos, hotels and resorts.

Q WE ARE MAKING FUNDAMENTAL CHANGES TO OUR MARKETING APPROACH. HOW IS THAT TAKING SHAPE IN YOUR PORTFOLIO?

A For one, we weren't using our biggest asset – our database – to full advantage. More than 80% of our spend is now on direct marketing. We are targeting specific segments, such as high-spend, low-frequency customers, with specific interventions to promote extra visits and higher spend. It is part of the shift from marketing in tiers to marketing to behaviours. In tiers, you are locked into artificial levels, but we are now getting to understand the real drivers of customer behaviour – from proximity to a casino and drive time, to their preferences in entertainment. In particular, leveraging our recent significant investment in technology, we can track behaviour before and after an offer, and thereafter with incremental earnings potential and spend.

We are working with the centralised marketing team to identify what media will have the most impact in terms of brand, casinos and hotels. The strategic focus on gaming is shifting our marketing from a space where it felt like we were masquerading as something else, to being proud of who we are and what we do. It is important not to create misconceptions in the market about what we offer.

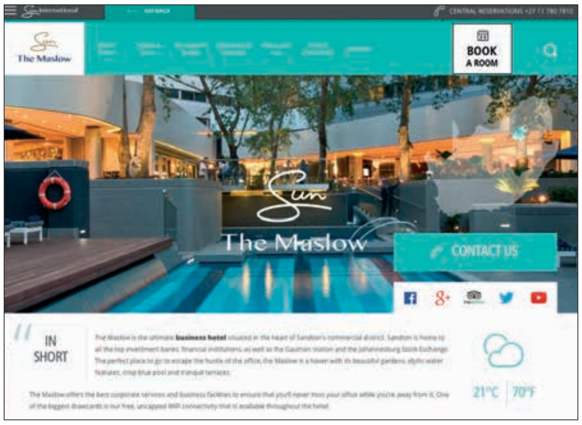
Cross-marketing is improving rapidly. We are running a shuttle between The Table Bay Hotel and GrandWest Casino, and are placing visible marketing collateral to cross-market gaming at GrandWest and the events and entertainment taking place at The Table Bay.

Besides ongoing work on our monthly property and Group events calendar, we have staffed our customer relationship management team and set monthly targets and budgets. They are already building and strengthening relationships – and after all, in our business, it all comes down to relationships.

Q ARE YOU SEEING A SHIFT IN THE CULTURE OF YOUR TEAM?

A With broadening the top management team, I believe the level of communication from a strategic perspective has increased dramatically. And with more direct access to the very top executives, I see a sense of accountability and ownership taking hold. The change in management style is more hands-on, with senior management prepared to set the tone and be held to that.

We are also being cautious in our approach to ensure that improvements are not "just a flash in the pan". Although we delivered a strong performance in the last six months, we are implementing strategy and assessing progress on a monthly basis.



Revitalising our brand

In line with our efforts to improve all aspects of our operations, we have also revitalised our brand strategy. We have interrogated our business, our market position and our values, and used these inputs to formulate a new brand. In developing a new brand proposition, we considered feedback from external stakeholders (including our most valued guests, provincial and national gambling boards, the media and investment analysts) and internal findings (such as the culture survey reported on last year). With the organisational restructure almost complete, the next phase is to develop and entrench new values and a performance-based culture which is a key focus for the year ahead. In the interim we have launched our new logo.

Our new brand identity

We understand the power of our brand. It is the promise that we make when we take ourselves to market. But we also know that we do not own our brand – it is owned by our employees, customers and other stakeholders. Our best brand ambassadors remain our employees, and our customers typically feel and experience the brand through them.

Sun International's new brand will be more than the colours and lines of a corporate identity; it is in essence a new positioning and business intervention that, like our revised strategy, is a critical foundation for taking the Group into a new era.

Over the years Sun International has developed a collection of different brands – each property individually named without any strong pull towards the mother brand. Our new brand architecture is based on a monolithic logo to unite these elements, and build the credibility of the overarching brand. It retains a strong connection to our established brand – "Sun" – and carries forward the nostalgia and value built up over our proud history of being a premier leisure and entertainment group.

The increasingly digital environment favours the simple and short; the new logo is instantly recognisable at any scale, and the brand architecture will follow in, for example, Sun City, SunBet, Sun Rewards, Sun Touch and Sun Cares.

In our shift to being a customer-focused marketing-driven company, our brand is "Sun", and our name and logo is "Sun". It is imbued with life, energy and consistency.

Improving our marketing and sales capability

The new branding strategy is just one component of the significant effort being put in by our marketing team, and in this regard we have strengthened our marketing and sales capability with the appointment of Rob Collins in January, as our Chief Marketing and Strategy Officer. Rob has a significant amount of experience in the hospitality, leisure and gaming industry and has already made an impact in this critical part of the business.

We have made good progress towards improving our marketing and sales capability – we have brought in new talent and centralised the team, grown sponsorships through higher-visibility partnerships, and have a major emphasis on digital. The real benefit of this should be seen in the year ahead where we expect that brand awareness will greatly improve.

Our review of the sales and distribution channels has resulted in significant change. To align with our strategy, we have closed the overseas marketing offices, which included offices in London and many countries in Europe. In light of the weakened Rand, closing this fixed- and high-cost network has also had a significant cost saving benefit. We are now marketing internationally through a fully integrated commission-based representation model in our core and growth markets. We have also concluded the disposal of Sun International Travel (Pty) Ltd (Dreams), our in-house tour operator.

Q&A

Rob Collins

CHIEF MARKETING AND STRATEGY OFFICER

Q ROB, YOU HAVE BEEN WITH SUN INTERNATIONAL FOR SIX MONTHS NOW AND YOU BRING CONSIDERABLE MARKETING AND OPERATIONAL EXPERIENCE TO THE GROUP. WHAT ARE YOUR KEY INSIGHTS FOR MARKETING SUN INTERNATIONAL?

A In all our core competencies – casinos, hotels, entertainment, food and beverage – marketing has come to play a critical role. In an increasingly competitive world we must have an attractive offering as consumers are blessed with more choice than ever in all aspects of gaming, entertainment, restaurants, television, internet – we have to be at the cutting edge.

Although Sun International has an attractive offering we have to understand that there is no annuity, contracted or subscription income – and consumers have no obligation to visit our properties. That means that we have to be a customer-centric business which differentiates and de-commoditises itself against the run of the mill. We have to offer a special service and experience to lure people to come to us.

Winning licences is capital intensive, and significant investment is made in building casinos, hotels, restaurants, bars, and conference venues. Once the bricks and mortar are complete, the trick in staying relevant is to grow business through increasing frequency of visitation and monetary spend per visit. Especially for repeat customers, we need to keep the offering fresh and relevant to win people's time and discretionary spend.

Q YOU HAVE SPOKEN ABOUT YOUR OBSESSION WITH "CONTENT" AT OUR PROPERTIES. HOW DOES THIS PLAY INTO MARKETING THE GROUP?

A For Sun International, although we have geographic exclusivity at many of our properties it is crucial that we remain customer-centric and marketing focused, we must be relevant to our community.

We can (and must) differentiate our business with mind and mood – bringing in acts, entertainment and events to make sure that the built environment offers a fresh experience with each visit. We need to maintain relevance, presence, coolness, and an "X factor". My view is that when the tide comes into the harbour, all ships rise – if we can drive footfall to the properties in general it will ultimately migrate onto the casino floor.

The digital age represents a massive change and opportunity for us. It gives us the ability to talk directly to the thousands of customers who frequent our properties – from a banner that gives updates on events or Sun Rewards, to an online booking engine that includes all concessions on our properties. We are rich in data but need to become content obsessive – to provide fresh and varied content that entertains and markets us – from CSI initiatives to events.

Q IN TERMS OF OUR APPROACH TO DIGITAL MARKETING, ARE WE STAYING ABREAST OF THIS FAST-CHANGING MEDIUM?

A We have overhauled our digital strategy, focusing on delivering immersive digital content across every channel, including web, mobile and social media. Importantly, this feeds into the changes we are making to upgrade our website and content management system. The website has a vital role beyond appeal – the online booking engine functionality is being improved so it becomes easier to transact with the Group, to book rooms, events and activities, check points and see the breadth of our offering internationally. Content will help drive traffic to the site, so it becomes a platform for the whole business.

We have completed a restructure of our sales approach in South Africa, which is improving the sales culture, conversion, workflow and administration.

In addition to managing our extensive distribution partner network of over 5 000 travel trade partners, we continue to leverage our affiliate partnerships and ventures to grow our direct exposure to corporates and consortia.

When it comes to creating general brand awareness, our two flagship events have received a lot of attention over the past year. The Nedbank Golf Challenge has entered a new era, with the event being co-sanctioned by both the Sunshine and European Tours, a change in format to 30 players and an increased prize fund of US$6.5 million. We also have made substantial changes to the 2014 Miss South Africa Pageant, with a new television and production format, and a total rebrand. This has attracted Cell C as the title sponsor. Both events were extremely well received by the media and public and generated significant media coverage for the Group across all platforms.

We view "Casino Marketing" as being distinct from the general marketing/brand awareness initiatives and this area has gone through a complete transformation over the past year. We have built an entirely new team that is focused on driving gaming customer revenue growth – our core business. We are utilising advanced customer analytics, consistent retail messaging and retail promotions across our casinos, as well as customer bonusing by harnessing the recently installed Bally gaming and customer relationship management systems.

The new casino marketing team now reports to the COO through the following focus areas:

- Casino marketing – managing property promotions, customer relationship management and direct mail, customer analytics, analysis, insight and research, loyalty programmes, and marketing services that focus on cost efficiency.
- VIP gaming – targeting South African VIP players to drive higher spend from our existing top players and attract new high-end players, identifying and attracting VIP customers from Africa and Asia, and attracting VIP customers to our Latin American properties (with a focus on Panama).
- Business intelligence – product development, price optimisation and the retail environment.

To keep our offering fresh we are launching an entirely new loyalty programme – Sun Rewards – that will replace the current MVG programme. It leverages the improvements we have made in our IT systems to extend beyond gaming to include hotels, restaurants and entertainment across the Group. It stands as an excellent example of the synthesis of brand, gaming and resorts, and aligns with the new brand architecture.

We are already seeing the benefit of a more focused approach to casino marketing, with the significant second half improvement in gaming revenue standing testimony to the hard work that has gone into this area. In the year ahead we hope to get a bit more traction in the VIP initiative which is still being developed.

Initiatives to insource key services

We have evaluated the possibility of insourcing key services that serve as key touch points in delivering a differentiated customer experience as well as other areas of the business as we seek to minimise the use of contractors and consultants and bring key contractor skills in-house. Where skills should logically be outsourced to consultants we are exploring options to improve aspects of their contracts including rewards or penalties based on performance.

In the food and beverage space, we have appointed specialist expertise, including a Group General Manager for food and beverage. He has engaged with key properties and developed a broad strategy for enhancing food and beverage to ensure consistency and excellence across our properties. In the year ahead we will be renovating and upgrading certain of our restaurants and anticipate that we will take ownership of a number of outlets.

We have made some progress in insourcing cleaning and housekeeping at The Table Bay Hotel, The Maslow and some smaller units in South Africa, and at The Royal Livingstone and Zambezi Sun in Zambia.

Update on IT initiatives

The implementation of EGS was concluded ahead of time and below budget. The focus is now on utilising its features to benefit from the significant investment made – and as reported above the recent increase in casino revenues can in part be attributed to this.

An important ongoing project for the IT team is the implementation of the ERP system. The analysis and design phases have been completed, identifying additional requirements and clarifying scope items. The change management team is ramping up and working closely with the pilot properties. We expect that implementation will be well advanced by the end of the 2015 financial year.

02

Protect and leverage our existing asset portfolio

During the past year we spent a significant amount of time strategically analysing our existing assets and have announced certain transactions and developments which we believe will assist in maximising the potential of our portfolio. The transactions concluded and announced are in various stages of implementation. Shareholder approval, where required, has been obtained and it is largely regulatory approvals that are outstanding. While our primary focus is on executing the transactions already announced, we continue to evaluate other opportunities to better leverage our assets and believe there are a number which will hopefully come to fruition in the year ahead.

GrandWest

There have been no further developments in the amendment of regional licence allocation policy and legislation to allow for the relocation of a licence in the Cape Metropole region. We still believe that there is no potential for significant additional gaming revenue to be had in the region to justify establishing another large casino in the catchment area of the city.

On 13 May 2014, the Group announced that it had concluded a transaction which will see GPI exit its investments in SunWest and Worcester. Tsogo will acquire a 40% shareholding in both properties including the acquisition from Sun International of a 14.9% interest in each of SunWest and Worcester for a combined cash consideration of R635 million. GPI has, since inception, been the primary BEE stakeholder in SunWest and Worcester and wishes to monetise its stake in these assets to pursue other interests. Tsogo has limited exposure to the Western Cape metropolitan markets and wishes to increase its presence in this market.

Sun International and GPI are of the considered view that Tsogo is the only party that can provide similar BEE ownership credentials to that of GPI, and furthermore, Tsogo has the financial capability to implement a transaction of this magnitude.

Sun International and its employee share trust will own 60% of SunWest and Worcester and will continue to control and consolidate these assets. Tsogo will have representation on the board of directors of SunWest and Worcester with typical minority shareholder protections. All operations will continue to be managed by Sun International Management Limited under each of its existing management contracts.

The proposed transaction is subject to competition commission and gambling board approval and the relevant submissions have been made. Shareholders voted in favour of the transaction at the general meeting held on 22 August 2014.

We believe that this deal is in the best long-term interest of SunWest and Worcester. The R635 million proceeds to be received will be useful in funding the Group's expansion plans and from an empowerment perspective, we are especially pleased with the R2.2 billion value created for GPI.

Monticello

As announced on SENS on 2 July 2014, Sun International reached agreement to acquire a further 54.7% interest in Monticello for approximately US$114 million on 30 June 2014. This gives the Group an effective 98.9% interest. In addition, Sun International will acquire shareholder loans and cash of approximately US$32 million.

The transaction provides the opportunity for Sun International to acquire an increased economic interest in, and gain strategic control over, what is regarded as one of Latin America's best casinos. The transaction acts as a catalyst for establishing a portfolio of premier assets in the region as well as providing the platform for further growth and consolidation of Sun International's strategic position in the casino industry.

Shareholder approval was received on 29 September 2014 and the purchase is now subject only to Chilean Gambling Board approval, for which the relevant submission has been made.

An accrual of R1 687 million has been raised in non current liabilities for the purchase consideration.

From an operational point of view we have had to take some swift and significant action during the year to mitigate the negative impact of the smoking ban introduced early in 2013. We downsized the work force to match the lower levels of revenue and four smoking decks with slot machines have been constructed allowing natural airflow and complying with the anti-smoking legislation. Our approach was to create an environment of comparable quality and experience with the non-smoking areas of the casino and this has been well-received by the Santiago market.

Since the opening of these decks, coupled with improved marketing focus, revenues have improved steadily. In March to June 2014, gaming revenue was up 23% on the prior year (the first four months subject to the smoking ban).

We are pleased to report that our market share in Santiago has climbed from 65% to over 70% over the course of 2014, a pleasing result for an asset that is critical to our Latin American strategy.

Sun City

The R300 million refurbishment of the Sun City phase 1 Vacation Club is well under way with R179 million spent and an expected completion date of November 2014. Sales of Vacation Club units of R105 million were achieved by 30 June 2014. With the completed units we now have the ability to offer "try and buy" options which should expedite sales and we have secured retail financing for prospective clients.

Sales and marketing teams for the Vacation Club have been established as well as marketing offices in Johannesburg and on-site at Sun City.

A long overdue R100 million refurbishment of the popular Cabanas hotel will also commence shortly and will be phased over the next two financial years. Further plans for the resort, in particular the convention and conferencing aspects of the business, are under consideration. Capacity not sold in the Vacation Club will be utilised by Cabana clients helping offset any loss of revenue during the refurbishment.

THE ORIGINAL SUN CITY VACATION CLUB UNITS ARE UNDERGOING A R300 MILLION REFURBISHMENT TO BRING THEM TO A WORLD CLASS STANDARD.

With encouraging growth in casino revenue we have commenced the refurbishment of the main casino at an estimated cost of R50 million. The refurbishment includes a significant modernisation of the casino floor and the development of food and beverage outlets in and around the casino to improve the gaming and entertainment experience. The refurbishment will be completed in time for the 2014 Nedbank Golf Challenge.

Morula relocation to Menlyn Maine

During April 2014, public hearings were held in relation to the Group's application to amend its Morula licence to allow the relocation to Menlyn Maine on the east side of Pretoria. On 31 July 2014, the Gauteng Gambling Board (GGB) announced that the Group's application had been approved thereby permitting the relocation of the casino from Mabopane to Menlyn. The approval is subject to conditions that are reflective of the commitments made in the application.

Detailed planning of the R3 billion development will now commence in conjunction with further engagement with the GGB to conclude detailed agreements for the amendment of the Morula licence conditions.

Notification has been received of certain legal objections to the proposed relocation and development and these are being addressed. Once the amendments to the Morula licence are issued by the GGB and in the absence of any legal impediment the detailed planning and construction of the casino is anticipated to take approximately 30 months.

Rest of Africa

We indicated in last year's report that Africa did not present many opportunities for the development of sizeable casinos and against this background we have been evaluating our existing presence on the continent. As announced on SENS on 18 August 2014, Sun International has now entered into agreements with Minor, whereby Sun International will dispose of a significant portion of its African portfolio to Minor. The interests Sun International will dispose of and its shareholding pre and post the transaction are set out in the table below:

SUN INTERNATIONAL'S EFFECTIVE OWNERSHIP

	Before the transaction	% disposed	After the transaction
Gaborone Sun – Botswana	80%	80%	16%
Kalahari Sands – Namibia	100%	80%	20%
Lesotho Sun and Maseru Sun – Lesotho	47%	80%	9%
Royal Swazi and Ezulwini Sun – Swaziland	51%	80%	10%
Royal Livingstone and Zambezi Sun – Zambia	100%	50%	50%

On conclusion of the transaction, the Royal Livingstone and Zambezi Sun will be accounted for as a joint venture, Gaborone Sun and Kalahari Sands as associates and Lesotho Sun, Maseru Sun, Royal Swazi and Ezulwini Sun as available-for-sale assets. The collective purchase consideration amounts to R664 million plus the face value of any shareholder loans.

Sun International will continue to manage the casino operations situated at each of the assets and Minor will assume day-to-day management responsibility for the hotel operations other than in Zambia, which will be jointly managed. The agreements reached cater for a sharing of management fees, the marketing of the properties, and the provision by Sun International of support services.

In parallel with our discussions with Minor, and with their approval, we have finalised the scope of the Zambezi Sun refurbishment, which is budgeted at R130 million and commenced in June 2014. In Nigeria, we have created a master plan for the development of the real estate and the Towers hotel. We continue to try and resolve certain shareholder disputes and regulatory issues before we can progress further with the development. The Minor group has expressed an interest in participating in Nigeria and investing into the property and these discussions are being fleshed out. The environment in Nigeria is however extremely challenging and the recent outbreak of Ebola will negatively impact the performance of the property in the 2015 year.

WHY CHOOSE MINOR INTERNATIONAL PCL AS A STRATEGIC PARTNER IN AFRICA?

From its founding in 1978 with a single beachfront resort in Pattaya, Minor is today one of the largest hospitality and leisure companies in the Asia Pacific region. With over 100 hotels and resorts, 1 500 restaurants and 250 retail trading outlets, Minor meets the growing needs of consumers in Thailand and in 25 markets from Africa to Australia.

Through its hotel operations, Minor has a portfolio of over 14 000 rooms under the Anantara, AVANI, Per AQUUM, Oaks, Elewana, Four Seasons, Marriott, St. Regis and Minor International brands. Its restaurants division is one of Asia's largest casual dining and quick-service restaurant companies, operating in 20 countries under The Pizza Company, Thai Express, The Coffee Club, Ribs and Rumps, Riverside, Swensen's, Sizzler, Dairy Queen and Burger King.

It is also one of Thailand's largest distributors of lifestyle brands with over 250 points of sale focusing primarily on fashion and cosmetics.

The deal with Sun International gives Minor greater access to hotel opportunities in southern Africa. With Minor's balance sheet strength and Sun International's existing relationships and understanding of these markets, we see the deal as an ideal opportunity to service and improve the offerings in these countries while rightsizing our interest in these African assets to align with our strategy.

There is strong rapport between the management and chairmen of the two groups, with the relationship built up over the course of the year. We look forward to working closely with Minor. Starting with the existing African assets, it is the intention of the alliance to explore other hotel and gaming opportunities that may arise, particularly in Africa and Asia.

03

Grow our business into new areas and products

MONTICELLO GRAND CASINO

We are pleased to report that we have made significant progress in growing our business in line with our strategy.

Expansion into new geographic areas

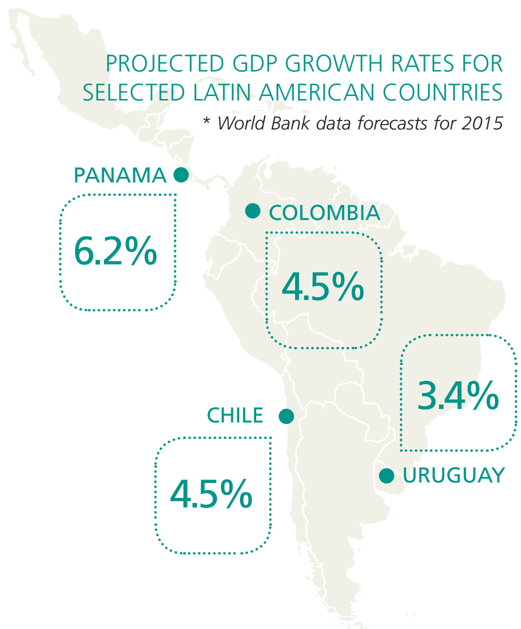
Given the subdued economic outlook for our core business in South Africa, a focused offshore strategy on higher-growth economies is clearly to our benefit.

Latin America has been a particular area of focus and, in addition to increasing our shareholding to gain control of Monticello, we have also developed and recently opened our casino in Panama and gained approval to proceed with our first project in Colombia. We expect to make further progress in establishing a meaningful presence on the continent in the year ahead. With critical mass starting to develop in Latin America we also hope to appoint a corporate management team in that part of the world which will then free up the South African-based executives to focus on providing strategic input and developing new opportunities – both in Latin America and possibly in Asia, which remains a region in which we would like to gain a presence.

With every new offshore development, we are growing brand recognition which leads to further opportunities being presented. We analyse these against our strategic intent to focus on emerging markets where we are able to compete – either on the basis of risk profile, balance sheet or expertise.

Panama

The development of the casino and apartments in the Trump Ocean Club International Hotel and Tower in Panama City, Panama was completed shortly after our year end. The Ocean Sun Casino opened its doors for business on 12 September 2014 and will have its grand opening on 24 October 2014.



ALLOCATING OUR CAPITAL

The casino has 600 slot machines and 32 tables allocated between the main casino on the ground floor and the "Panaveira" Privé situated on the top floor overlooking the Panama Canal and the city. Both facilities have entertainment and food and beverage offerings.

The development was completed on schedule and within budget.

While we watch every opening with great interest, Panama represents a new market where we do not have the same levels of geographic exclusivity as we do in South Africa and Chile. With this in mind, Panama was structured as a low-risk entry into the market, focusing on the casino component only. Given the great location, excellent product and strong brand association – with Trump International – we are excited by this offering that is without doubt the best casino product in the area.

We wish the new management and employees every success in this exciting new offering for Sun International.

Colombia

The Group's application for a casino licence in Cartagena was approved by the Colombian gaming regulator on 28 July 2014. This paves the way for our proposed casino, which forms part of a mixed use development in Cartagena, including a 284-room five star Intercontinental hotel. The casino will be developed at a cost of US$30 million, with 220 slot machines and 16 tables. The Group will lease the casino component of the development, which includes the hotel, convention centre, shops, theatres, apartments and offices.

While relatively small, this opportunity, like Panama, is focused on the casino component only and is a low-risk entry into the very attractive Colombian market. We expect the casino to open towards the end of our 2015 financial year.

Expansion into new product lines

As indicated in last year's report, the proliferation of EBTs in South Africa continues despite objections from land-based casino operators. In effect, EBTs are operated in bingo halls which are mini casinos. We certainly support growing overall gaming revenue, but given that the rollout of EBTs to date has focused on existing catchment areas for land-based casino operators, they do prejudice our existing operations.

As the vast majority of the land-based casinos were invested in and developed on the basis of geographical exclusivity, Sun International and the other casino operators, through the Casino Association of South Africa (CASA), made calls to national government for a national framework to be put in place to regulate EBTs but certain provinces are moving ahead regardless. For example, at the Boardwalk in the Eastern Cape, where we have recently invested almost R1 billion as part of our licence renewal, the gaming board has gone ahead with allowing EBT operators into our catchment area. This new, and unforeseen, commercial challenge makes it harder for us to grow in this market, however we believe that while we undoubtedly will lose some revenue, ultimately the majority of our existing and new players will choose the far superior experience offered at our properties.

To mitigate the risk of EBTs and LPMs in a constrained local economy with a limited pool of players, the Group has taken a defensive stance and has concluded the acquisition of an interest in GPI Slots as detailed below. This gives us the opportunity to participate in this segment, which is growing faster than our existing casinos, while operating within the spirit and framework of local regulations.

GPI Slots acquisition

As announced on SENS on 13 May 2014, Sun International will acquire up to a 70% interest in GPI Slots, the holding company of GPI's limited payout gaming operations that own and operate LPMs. GPI Slots presents an excellent vehicle for future growth in LPMs and potentially EBTs. Shareholders voted in favour of the transaction at the general meeting held on 22 August 2014.

The acquisition will be made in three tranches, with an initial acquisition of a 25.1% interest in GPI Slots for a cash consideration of R225 million plus 25.1% of the face value of shareholder loans. The Group has options to acquire a further 25% interest in one year's time and an additional 20% one year thereafter.

The relevant submissions to the Competition Commission and gambling boards have been made. While the regulatory process may still take some time we expect all approvals to be received by November 2014.

We have developed a broader strategy for EBTs and LPMs, with other opportunities being investigated and pursued.

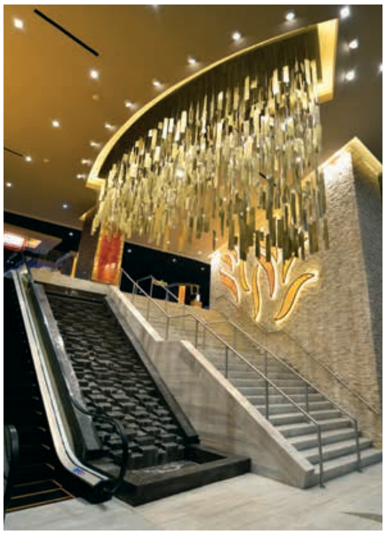
Online sports betting

The acquisition of Powerbet Gaming Proprietary Limited was concluded on 31 October 2013. To align with our brand architecture, it was rebranded as SunBet and the new site was launched. While still small, business levels have grown strongly within this fast-growing industry, with turnover of R13 million over the period 1 November 2013 to 30 June 2014 and showing good potential for growth.

Strategically, SunBet provides an entry for the Group to internet-based gaming in anticipation of online gaming being legalised, with draft legislation reportedly to be announced in the new financial year. Through SunBet, the Group has launched a brand in the market, giving us the opportunity to develop the expertise and offering as legislation evolves. The strategy to drive the sports betting business is being refined and will be implemented in the new financial year.

PANAMA SOUTH AMERICA

The Ocean Sun Casino opened its doors for business on 12 September 2014.



04
Our people

PALACE OF THE LOST CITY – SUN CITY

Key achievements in 2014

- Critical skill gaps closed:
  - Appointed Chief Marketing and Strategy Officer
  - Appointed new head of food and beverage
  - Set up VIP team
  - Gaming marketing team established
- Aligned performance contracts to Group strategic objectives
- Implemented new short- and long-term incentive schemes with a portion of the award based on personal key performance indicators
- Commenced operational restructure
- Ocean Sun Casino (Panama) staffed and trained with 331 employed
- Restructure of Monticello completed in September 2013

FOCUS FOR 2015

- IMPROVE ORGANISATIONAL CULTURE FOLLOWING SECTION 189 RESTRUCTURE
- DEVELOP AND SUBMIT THREE YEAR EMPLOYMENT EQUITY PLAN
- INCREASE UNION ENGAGEMENT AND ADDRESS STAFF ISSUES AND CHALLENGES
- EMBED HUMAN RESOURCES PRACTICES AND CONTINUE TO DEVELOP A HIGH-PERFORMANCE CULTURE
- IMPLEMENT INSOURCING WHERE APPROPRIATE

As we enter into a new era for Sun International it is imperative that we have the necessary local and international competencies to achieve our strategic objectives and that we provide an environment for all employees to thrive in their personal capacities. To achieve this we need to have an appropriately experienced, highly competent and engaged workforce that takes accountability for its actions and creates a high-performance culture throughout the Group. Without this we have little chance of creating sustainable and meaningful growth for all stakeholders.

In the past year we have largely addressed the critical skills shortage and as mentioned previously have embarked on a section 189 restructure process to address outdated management structures and to rightsize our operations. This process has been an enormously challenging time for all employees and we are mindful of the negative impact the process has had on employee morale and culture within the Group.

Now that the section 189 process is almost complete, we are placing significant focus on developing new shared values and an organisational culture to reintegrate and reinvigorate our people to support our strategy and ambitions. Talent management, succession planning, transformation and learning and development will underpin the desired Group culture and values. We have made significant progress in these areas but there is still a lot to be done; in the year ahead we expect to make further progress in all areas of human capital management.

Improving organisational culture

We are making good progress in improving the Group culture. This includes promoting regular and improved communication at all levels such as regular conference calls to the Group's senior managers (some 250 people) to update them on strategy and progress. We have also improved frequent and informative email written communication to all employees – in particular explaining the progress on the restructure and other strategic initiatives that have been announced. Simultaneously with any SENS announcement to the JSE, we release an internal explanation so that employees hear the news from us first. We have also included general managers of our larger properties on the Group executive management team to ensure Group and unit initiatives and strategic direction are aligned.

More responsibility and accountability has been placed on senior head office and unit general managers through setting appropriate levels of authority and empowering managers to make and take responsibility for decisions. While it has not been measured directly, we can see levels of improved accountability and cooperation.

The organisational development and change management competency established last year has been crucial in supporting (and where required, driving) Group initiatives. Change management workshops have been building the capability of leaders to manage change and support their teams.

A new performance management methodology was introduced to cultivate and enhance performance as a key building block for the future of the Group. The performance requirements of employees are now directly linked to business objectives through key performance indicators (KPIs). The performance scorecard includes areas on managing and developing our people and transformation, demonstrating the importance and strategic value we place on these vital areas of the business.

As part of the section 189 process, individual performance contracts will include minimum requirements and standards per role. Employees will be expected to perform against these standards, to improve the performance and productivity of the business, as well as to realise the benefits of the restructure. This is key to managing effective and efficient operations and improving guest experience.

We have linked performance more directly to reward, at a Group, team and, importantly, an individual level. To support this, the performance feedback discussions include reviews and undertakings on development needs, talent and career management discussions.

It signals a shift in culture and approach, driven by robust discussions and direct rewards for good individual performance. Conversely, performance that does not meet required standards will also be covered in these conversations. We are dealing decisively with under-performers through the KPI process. This commenced at executive level, where around half of the executive team has been replaced over the past 18 months.

The shift in our strategic focus has made it imperative to review capabilities at a senior level through a structured talent management framework. The internal talent pipeline has been reviewed against strategic business objectives, with all Group executives and employees forming part of the business unit executive operations committee evaluated. Career and development discussions have been completed across this layer.

We identified senior employees for further accelerated development, redeployment and performance coaching. As part of that process, we also identified employees for exiting.

To grow talent from within the Group, a SIML talent review confirmation session will be held after the restructure is completed to assess the talent pool and talent decisions that were made during the previous review. During the year ahead, the talent management process will be introduced at a unit level to develop leadership talent across the Group, and support early identification of internal talent for leadership roles in future. Acknowledging internal high performers and achievers not only keeps our leadership pipeline strong, but promotes a culture of performance and builds on our employee value proposition of offering opportunities to grow within Sun International.

Learning and development

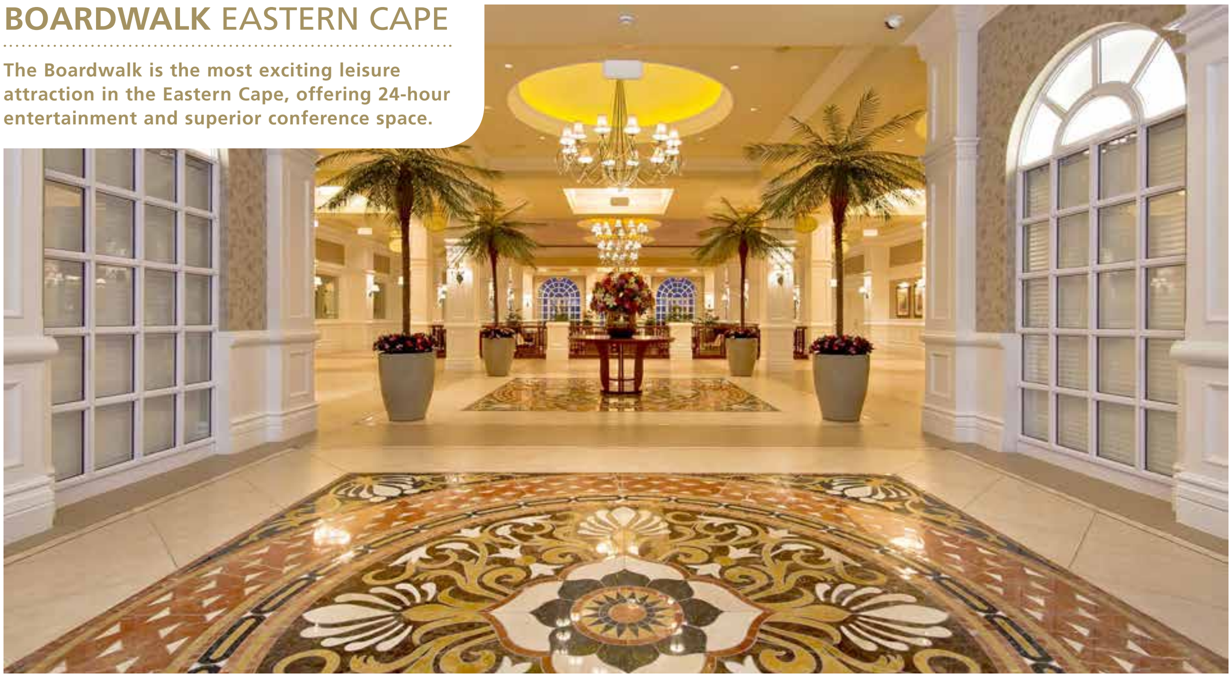
The restructuring of Group Learning and Development and the resourcing of the function to deliver against the agreed mandate was a key priority for the year. A new learning design methodology was introduced to ensure a standardised approach to programme design and delivery.

To build capability after the restructure, the team will continue with the programme to strengthen casino, hospitality and functional skills and competencies across the units. We are particularly focusing on leadership at all management levels in the Group. We believe that this is a key skill that is lacking in our business and through strengthening our leadership we will create an empowered organisation with an engaged workforce.

In our application for the relocation of the Morula casino licence we committed, if successful, to establish a gaming and hospitality training academy at the Morula premises. The intention is to partner with other learning institutions to establish accredited courses for not only our employees but also for anyone aspiring to enter the gaming and hospitality industries in South Africa.

BOARDWALK EASTERN CAPE

The Boardwalk is the most exciting leisure attraction in the Eastern Cape, offering 24-hour entertainment and superior conference space.



Transformation

We have made good progress with our transformation targets over the past few years. Our approach to transformation moving forward will not be a short-term solution but will be to achieve meaningful transformation over the medium term through the setting of realistic and achievable transformation targets that will be aligned to our strategic objectives. We will closely align our initiatives and strategies to address transformation to our agreed targets and these will be included in management's performance contracts and will from part of our consolidated employment equity (EE) plan.

We will be submitting a comprehensive three year EE plan shortly that will consider all transformation strategies across talent management, succession planning, talent attraction, career progression, retention and importantly the Group's strategic objectives. Our plan will also take into account the demographics of the provinces in which we operate.

Management is also assessing the impact of the revised BEE codes on the Group and has reconstituted the broad-based black economic empowerment (B-BBEE) committee which reports to the social and ethics committee. The B-BBEE committee has accountability for ensuring that the Group successfully achieves its targets. This has brought discipline to the way we approach transformation, and being composed of members of the senior and executive team, it is demonstrating our commitment to the spirit of transformation.

In broadening the management team, we are pleased that our EE profile has improved at management level. Through our efforts in succession planning, we have identified a diverse pool of potential future executives and will continue to support and develop their progress to executive level.

As the Group continues to expand internationally while simultaneously striving to meet and maintain international benchmarks for best practice, it is inevitable that we will employ international expertise. We welcome this input to the way we do business and our South African employee base will benefit and learn from it.

05
Governance and sustainability

Key achievements in 2014

- Appointed a Latin American non-executive director as the Group's expansion gains momentum
- Integrated governance, legal, compliance and socioeconomic development (SED) into one department
- Re-launched our SED strategy under the banner of Sun Touch
- Significant improvements made in environmental management with reduced energy and water usage targets achieved
- Improved engagements with key stakeholders including gaming regulators and certain provincial governments
- Retained inclusion in the JSE's 2013 SRI index

FOCUS FOR 2015

- FINALISE CARBON FOOTPRINT STRATEGY
- IMPROVE GROUP COMPLIANCE FUNCTION
- BUILD ON SED AND ENTERPRISE DEVELOPMENT INITIATIVES AND ENSURE REAL AND SUSTAINABLE VALUE DELIVERY
- CONTINUE TO BUILD RELATIONSHIPS WITH GAMING BOARDS

Sun International has long been at the forefront of governance, being an early adopter of King III and having well established processes that interweave our governance and sustainability principles into our strategy and decision-making processes. Our credible track record that underlies our corporate reputation protects our current business and supports our expansion into new territories, given the focus of governments and regulators on operators who understand and deliver on their responsibilities as responsible corporate citizens.

Given the strategic importance of attaining a solid corporate reputation, the challenge for the Group this year was to move beyond the realm of just compliance and to build an integrated platform to support the Group's strategic objectives. The many good initiatives that have previously been undertaken by the Group, were at times driven in isolation and hence we were achieving good but fragmented results in the sustainability domain. We found that as we started to consider the elements of governance and sustainability as one, a process which we reported on last year, the more naturally certain elements and processes lent themselves to a way of integrated thinking and doing.

At the heart of this integrated thinking is the premise that the development, operation and management of our hotels, resorts and gaming operations have ethical, environmental and social implications on the communities within which we operate. Not only do we have a responsibility to these communities, we are also aware that our corporate behaviour within these communities, tells a story that forms the perceptions of our many stakeholders and informs our reputation as we seek to expand into new territories.

Our legal licence to operate is informed by our social licence and hence our approach to governance and sustainability will always remain an imperative to the Group. Evolving our integrated approach has already demonstrated the benefits that make this objective well worth pursuing.

We have commenced by entrenching our governance and sustainability principles within the Group's corporate sustainability strategy (CSS) which reflects Sun International's commitment to integrated sustainable development and is underpinned by the following key tenets:

- Maintaining an ethical climate throughout our operations
- Engaging with stakeholders at all levels
- Touching our communities positively by creating shared value for our business and communities
- Implementing environmental management systems that are aligned with international best practice
- Promoting environmental and social responsibility among guests, employees, suppliers, contractors and concessionaires
- Applying social and environmental criteria to the sourcing of goods and services wherever practical
- Demonstrating environmentally and socially responsible behaviour
- Practicing good corporate governance

Corporate responsibility

The Group was again included in the JSE's 2013 SRI Index. Only 73 of the publically listed companies on the JSE qualified for inclusion in 2013. Given that the SRI Index is globally recognised as an indicator of high levels of governance, our continued inclusion in the SRI Index remains a strategic imperative.

ABOUT THE SRI INDEX

THE JSE'S SRI INDEX OFFERS AN ASPIRATIONAL BENCHMARK AND MEASURES COMPANIES' POLICIES, PERFORMANCE AND REPORTING IN RELATION TO ENVIRONMENTAL, SOCIAL AND ECONOMIC SUSTAINABILITY, AS WELL AS CORPORATE GOVERNANCE PRACTICES, BASED ON PUBLIC DISCLOSURE.

Environmental management

While the Group is not the heaviest user of natural resources nor does it have the biggest impact on the environment, we nevertheless believe that we need to play our part in protecting the environment and preserving the natural capital that forms part of the attraction of our unique property destinations. In doing so, we are also able to achieve meaningful financial savings and further reinforce our commitment as a responsible operator to our varied stakeholders. There is a growing market segment that appreciates and supports green companies and we will continue to ensure that these guests have reason to support our properties.

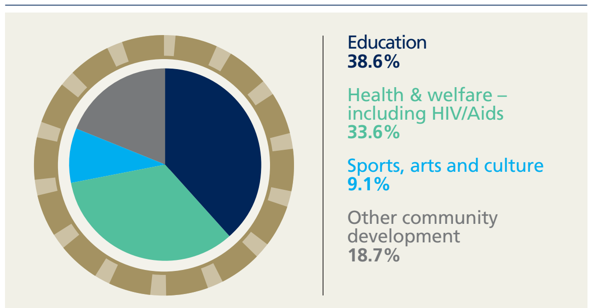
A comprehensive energy management strategy that actively targets certain energy initiatives and savings was approved and rolled out to all South African properties during the year. Properties outside South Africa will be targeted during the next financial year as we learn from our local implementation. The National Business Initiative (NBI), a sustainability partner of Sun International, has in support of our efforts also contributed financially towards conducting energy audits that form part of the Group's energy strategy.

Over the past year we have improved the accuracy and reliability of our data collection which is key to understanding our energy usage and impact on the environment. We have implemented a monthly monitoring process to ensure data reported is accurate and consistent throughout the Group. This will be augmented by incorporating environmental requirements into the functionality of our ERP system, which will also meet the requirements across all pillars of ISO14001 compliance and data required for GRI and SRI reporting.

As part of our focus on environmental management, we have appointed a Group Environmental Manager who is making great progress in taking Sun International forward on these initiatives.

Socioeconomic development (SED)

In the year under review, the Group's total SED spend amounted to R21.3 million with the funds spent as follows:



Further to our aim to integrate our governance and sustainability platforms, SED has been moved to corporate services as part of an overall sustainability offering. A comprehensive review of the Group's SED initiatives and spend has since been undertaken and we have appointed a Group SED Manager to focus our various SED initiatives and assist in implementing a revised SED strategy.

Our revised SED strategy is housed under the banner of "Sun Touch" and is underpinned by the concept of shared value creation, which we have customised according to Sun International's environment. To create shared value, we start with considering the business need and then find a societal concern that addresses the business need thereby creating value for both business and our stakeholders.

An example in brief:

- The business need: a shortage of qualified and experienced chefs in the Group (indeed in South Africa)
- The societal need: education and employment
- Creating shared value: Sun International has launched the hospitality and cooking school classroom project across eight provinces and will provide the facilities for high school learners to go through an approved curriculum that involves learning culinary skills. We will also train the relevant educators by giving them exposure to our kitchens. The top graduating learners will be offered bursaries with tertiary hospitality institutions and will serve their internships with the Group which in turn will lead to employment within the Group.

Both the community and our business would have benefitted from the creation of shared value.

Leading the creation of our shared value principles, is the Group's newly appointed SED Manager, Ms Nancy Ncube.

ENTERPRISE DEVELOPMENT (ED)

With the changes to the B-BBEE codes, we are making a significant shift in direction and effort. The Chief Financial Officer, Commercial Manager and procurement team have been tasked to reformulate the Group's strategy for ED and supplier development, which will give intent to the spirit of the new B-BBEE codes. While the Group has already been active in the ED space and facilitated the creation of new, albeit smaller businesses, we are ambitiously targeting bigger projects in the year ahead.

As one example, we are supporting the development of local manufacture and assembly of slot machines in South Africa by encouraging international machine suppliers to support our supplier development initiatives. Our intention is to drive local skills development and create much-needed employment in South Africa.

Developing and influencing our supply chain will be an area of focus in the new financial year.

STAKEHOLDER ENGAGEMENT

We have made good progress in advancing our stakeholder engagement strategy, most notably with the following key stakeholders:

Unions: Relationships have evolved with the Chief Executive and Chief Financial Officer having met with the South African Commercial, Catering and Allied Workers Union (SACCAWU) national executives on a number of occasions. The Group has stayed true to its commitment to interact only with SACCAWU, our official union, unless they request the involvement of Congress of South African Trade Unions (COSATU).

While the restructuring process has at times been stressful, we are pleased that discussions have been robust and we thank SACCAWU for the constructive engagement and spirit throughout the consultation process. There is evidence of a growing level of understanding of the business as we engage with this important stakeholder. We will continue building productive relationships that are in the best interests of the business and unionised employees.

National and provincial gambling boards and government: A Group Compliance Manager has been appointed within the corporate services department. Together with the executive team, in particular Khati Mokhobo (Director: Special Projects), management have been tasked to build relationships with each of the relevant provincial gambling boards and to significantly improve compliance throughout the Group. The Chief Executive is also focused on building these relationships on a strategic level.

We have had constructive and robust engagement with the gaming boards during the restructure. It required great effort on their part with helping to refine the structure, ensure compliance and arrive at a satisfactory result.

We have also engaged with government at national and provincial level who played their part during industrial action, to ensure that engagements with unions and staff were conducted appropriately and fairly.

It is evident that building good stakeholder relationships across the Group is imperative. We have found in the year under review that our regulators appreciate the management time, effort and energy in engaging proactively on matters of substance.

Analysts and shareholders: The executive team has focused on engaging with analysts and shareholders to ensure that strategy is understood and regular updates are provided. Key relationships have been developed and the feedback and responses from these stakeholders has been positive in terms of openness and transparency. The Group's results presentations have evolved in terms of content and detail and we are seeing support for the clear strategic objectives that we have set for the Group.

Q&A

Mandy Clifton-Smith

GROUP ENVIRONMENTAL MANAGER

Q YOU HAVE COME UP TO JOHANNESBURG FROM THE WILD COAST SUN, WHERE YOU HAD A REAL PASSION FOR ENVIRONMENTAL ISSUES. WHAT HAS BEEN THE CHALLENGE TO TAKE THIS ON AT A GROUP LEVEL?

A Sun International has traditionally had a strong focus on the environment. We have a number of remarkable properties in pristine areas – for instance, Sun City in the Pilanesberg, the Wild Coast Sun on a protected marine environment, the Fish River Sun and our properties in Zambia. I have also been exposed to small initiatives that show real commitment, such as the owl breeding programme to control snakes at Golden Valley. We really manage biodiversity well. But two issues come to mind – we are not as good at communicating these stories and our data is inconsistent across the Group.

In respect of telling these stories – of our commitment and successes in managing environmental risks – I am pleased that we are seeing greater collaboration with the marketing team. We have great content to share with our guests, communities and the market.

We will be utilising our soon to be implemented ERP system to collect environmental data which will go a long way to standardise collection as well as reduce a good deal of manual inputting and paper use.

Q WHAT IS SUSTAINABILITY REALLY ABOUT IN OUR BUSINESS?

A It is about creating shared value between business, environment and people. We all have to take ownership of those elements, irrespective of our roles. With the Group's strategic focus on sustainability, I can already see a shift in mind set – it is becoming the way we do business, in that the distinction between profit and purpose is no longer in opposition. For instance, at our new head office, the environmental impact was considered from the beginning – with the added benefit of lower energy and water costs. And in working through the supply chain, we can make a real impact by choosing, for instance, fish from sustainable sources.

It is about understanding the risks and working together as responsible individuals and corporate citizens.

Q&A

Nancy Ncube

GROUP SOCIOECONOMIC DEVELOPMENT MANAGER

Q WHERE DO YOU SEE IMPROVEMENTS TO OUR APPROACH?

A We have always spent more than the prescribed amount required for SED, but while we have passionate people doing great work, a coordinated approach is vital for the greatest impact. A focus for me is to align the passion we have to our core business. Our approach is focused on growth and empowerment, rather than charity.

Partnerships with other organisations are also gaining ground. It is becoming less about owning a SED initiative, but about more effective spend by combining resources and skills. This requires input from all players across the private sector, government and communities.

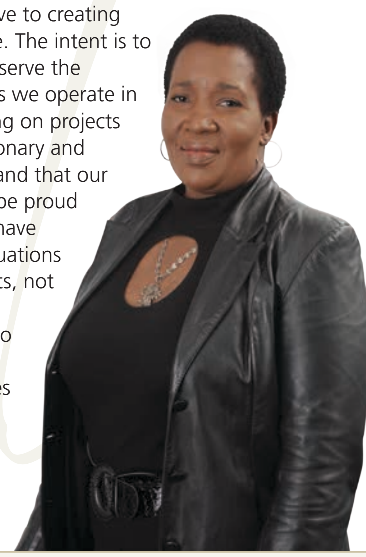
Q WHAT WILL THE RELATIONSHIP BE BETWEEN GROUP AND THE UNITS?

A There will be Group initiatives that require the involvement of all our properties. For instance, Mandela Day is celebrated internationally, and we have poverty alleviation initiatives across our international footprint. But the properties will also have resources to apply with discretion, to meet the specific needs of local communities and licence conditions.

In one example, a vegetable garden was established at a prison on Mandela Day in partnership with the Department of Correctional Services. Produce is being supplied to a local school. It not only supports the food scheme at the school, but gives inmates at the prison a greater sense of purpose. It is an excellent example of combining our core SED focus on education with the development of two communities.

Q WE ARE SHIFTING OUR CSI AND SED SPEND – WHERE ARE YOU HOPING TO SEE IT LEAD?

A We have developed a brand to carry our initiatives forward, called Sun Touch. It marks a move to creating shared value. The intent is to measurably serve the communities we operate in by embarking on projects that are visionary and innovative, and that our people can be proud of. We will have regular evaluations of all projects, not just to track spend, but to ensure that our initiatives are having a real impact.



THE TABLE BAY CAPE TOWN

The Table Bay Hotel is the ultimate in five star luxury accommodation.

Outlook

OVER THE PAST YEAR THERE HAS BEEN LITTLE CHANGE IN THE OPERATING ENVIRONMENT WHICH REMAINS SUBDUED, WITH MINIMAL IMPROVEMENT EXPECTED IN THE MEDIUM-TERM.

Despite the poor economic conditions, the second half of the financial year has reflected an encouraging improvement in both revenue and EBITDA as a result of the revenue enhancing and cost-cutting initiatives implemented during the year and the significantly improved trading of Monticello.

The benefit of these initiatives should continue to have a positive effect in the new financial year, in particular with the conclusion of the restructure in South Africa. As detailed above, these initiatives have brought about significant change in the Group and a key focus of management in the year ahead will be ensuring that the benefits achieved are sustainable.

On balance, the Group is confident that it will achieve growth in both EBITDA and adjusted headline earnings in the 2015 financial year.

We are excited by the prospects for our projects coming on stream in higher-growth economies, which we expect to build up in the year ahead. We expect to see the impact from 2016 onwards.

My thanks to the board for their support and advice during a year of change, and to the management team and the people of Sun International for their commitment and focus in the face of uncertainty. We can be proud of what we have achieved to date and I look forward to building a sustainable and truly international company with you.

GE (GRAEME) STEPHENS
Chief Executive

ABRIDGED FINANCIAL INFORMATION

The complete set of Group and Company Annual Financial Statements can be found online.

SIBAYA

Highlights and salient features

R million	2014	2013	2012	2011	2010
TRADING					
Revenue	**10 825**	10 267	9 494	8 651	7 797
Gaming	**8 469**	8 195	7 645	6 981	6 212
Rooms	**1 114**	957	838	744	757
Food and beverage and other	**1 242**	1 115	1 011	926	828
Revenue (US$ million)	**1 023**	970	897	818	737
EBITDA	**3 052**	2 920	2 642	2 555	2 533
EBITDA (US$ million)	**288**	276	250	241	239
EBITDA margin (%)	**28.2%**	28.4%	27.8%	29.5%	32.5%
Non-South African share of EBITDA (%)	**16.3%**	16.8%	14.0%	11.0%	8.0%
Adjusted headline earnings	**683**	730	616	512	506
ORDINARY SHARE PERFORMANCE					
Diluted adjusted headline earnings per share (cents)	**655**	705	606	504	501
Dividends per share (cents)	**245**	265	240	200	100
Share price at 30 June (R)	**110.00**	95.61	89.35	91.60	82.50
Market capitalisation at 30 June	**11 438**	9 903	9 197	9 210	8 295
Market capitalisation at 30 June (US$ million)	**1 081**	936	869	871	784
CASH FLOW, BORROWINGS AND FINANCIAL RATIOS					
Free cash flow	**685**	1 286	1 147	990	672
Borrowings (excl. Dinokana)	**7 071**	6 431	6 449	5 695	6 065
Borrowings to EBITDA	**2.3**	2.2	2.5	2.2	2.4
EBITDA to interest	**6.1**	6.4	5.4	5.5	4.7
INVESTING ACTIVITIES					
Capital expenditure					
Expansion	**672**	557	586	201	354
Replacement	**1 212**	711	514	695	677
Acquisition of minority interests	**126**	73	817	–	34
New business acquisitions	**27**	–	–	–	56
TAXES PAID					
Levies and VAT on casino revenues	**2 003**	1 917	1 774	1 583	1 364
Corporate taxes	**503**	497	502	521	452
Employees' taxes	**332**	308	271	246	210
EMPLOYEES AND TRANSFORMATION					
Number of employees	**10 417**	11 049	10 866	10 897	10 738
Black employees (%)*	**87.0%**	86.0%	85.0%	84.2%	83.5%
Black employee representation in senior management (%)*	**47.7%**	43.4%	42.7%	42.5%	35.6%
Employee remuneration	**2 159**	1 902	1 799	1 522	1 387
B-BBEE score*	**91.0%**	88.8%	90.1%	84.5%	72.3%

US$ translated at the 30 June 2014 closing exchange rate of US$1: R10.58.
** In South Africa*

Group statements of comprehensive income

for the year ended 30 June

R million	2014	2013 Restated
Revenue	**10 825**	10 267
Casino	**8 469**	8 195
Rooms	**1 114**	957
Food, beverage and other revenue	**1 242**	1 115
Consumables and services	**(1 205)**	(1 130)
Depreciation and amortisation	**(958)**	(851)
Employee costs	**(2 544)**	(2 272)
Levies and VAT on casino revenue	**(2 003)**	(1 917)
Promotional and marketing costs	**(718)**	(717)
Property and equipment rentals	**(148)**	(128)
Property costs	**(580)**	(541)
Other operational costs	**(990)**	(831)
Operating profit	**1 679**	1 880
Foreign exchange profits	**12**	57
Interest income	**25**	31
Interest expense	**(550)**	(505)
Profit before tax	**1 166**	1 463
Tax	**(417)**	(473)
Profit for the year	**749**	990
Other comprehensive income:		
Items that will not be reclassified to profit or loss		
Remeasurements of post employment benefit obligations	**17**	16
Tax on remeasurements of post employment benefit obligations	**(5)**	(4)
Items that may be reclassified to profit or loss		
Net profit on cash flow hedges	**1**	3
Tax on net profit on cash flow hedges	**–**	(1)
Transfer of hedging reserve to statements of comprehensive income	**4**	2
Tax on transfer of hedging reserve to statements of comprehensive income	**(1)**	–
Currency translation reserve	**(45)**	550
Total comprehensive income for the year	**720**	1 556
Profit for the year attributable to:		
Minorities	**231**	293
Ordinary shareholders	**518**	697
	749	990
Total comprehensive income for the year attributable to:		
Minorities	**221**	592
Ordinary shareholders	**499**	964
	720	1 556
Earnings per share		
Basic (cents per share)	**555**	753
Basic diluted (cents per share)	**553**	749

Group statements of financial position

as at 30 June

R million	2014	2013 Restated	2012 Restated
ASSETS			
Non current assets			
Property, plant and equipment	**11 380**	10 594	9 595
Intangible assets	**721**	494	479
Available-for-sale investment	**48**	48	48
Loans and receivables	**10**	13	23
Pension fund asset	**45**	29	38
Deferred tax	**249**	214	148
	12 453	11 392	10 331
Current assets			
Loans and receivables	**4**	52	38
Inventory	**97**	81	70
Accounts receivable	**517**	476	473
Tax	**42**	41	57
Cash and cash equivalents	**958**	1 024	753
	1 618	1 674	1 391
Total assets	**14 071**	13 066	11 722
EQUITY AND LIABILITIES			
Capital and reserves			
Ordinary shareholders' equity	**1 497**	2 033	1 309
Minorities' interests	**491**	1 632	1 176
	1 988	3 665	2 485
Non current liabilities			
Deferred tax	**460**	501	423
Borrowings	**3 772**	3 753	4 496
Other non current liabilities	**2 316**	440	506
	6 548	4 694	5 425
Current liabilities			
Accounts payable and accruals	**1 516**	1 424	1 246
Provisions	**130**	48	43
Borrowings	**3 810**	3 166	2 422
Tax	**79**	69	101
	5 535	4 707	3 812
Total liabilities	**12 083**	9 401	9 237
Total equity and liabilities	**14 071**	13 066	11 722

Group statements of cash flows

for the year ended 30 June

R million	2014	2013 Restated	2012 Restated
Cash flows from operating activities			
Cash receipts from customers	**10 811**	10 223	9 742
Cash paid to suppliers, government and employees	**(7 722)**	(7 143)	(7 008)
Cash generated by operations	**3 089**	3 080	2 734
Tax paid	**(494)**	(498)	(531)
Cash generated by operating activities	**2 595**	2 582	2 203
Settlement of long service award obligation	**(40)**	(120)	–
Net cash inflow from operating activities	**2 555**	2 462	2 203
Cash flows from investing activities			
Purchase of property, plant and equipment			
Expansion	**(672)**	(557)	(586)
Replacement	**(1 212)**	(711)	(514)
Purchase of intangible assets	**(210)**	(32)	(60)
Proceeds on disposal of property, plant and equipment	**61**	13	4
Acquisition of subsidiary	**(27)**	–	–
Disposal of shares in subsidiaries	**4**	–	–
Disposal of subsidiary	**(10)**	–	–
Investment income	**25**	31	37
Other non current loans repaid/(raised)	**22**	31	(1)
Net cash outflow from investing activities	**(2 019)**	(1 225)	(1 120)
Cash flows from financing activities			
Minority share capital reduction	**(84)**	–	–
Purchase of shares in subsidiaries	**(126)**	(73)	(817)
Net increase/(decrease) in borrowings	**633**	(59)	589
Interest paid	**(532)**	(478)	(495)
Dividends paid	**(489)**	(525)	(506)
Deferred payment	**48**	–	–
Increase in minority funding	**–**	80	–
Increase in share capital	**–**	32	131
Purchase of treasury shares and share options	**(60)**	(8)	(32)
Net cash outflow from financing activities	**(610)**	(1 031)	(1 130)
Effects of exchange rate changes on cash and cash equivalents	**8**	65	57
Net (decrease)/increase in cash and cash equivalents	**(66)**	271	10
Cash and cash equivalents at beginning of year	**1 024**	753	743
Cash and cash equivalents at end of year	**958**	1 024	753

Group statements of changes in equity

for the year ended 30 June

R million	Share capital and premium	Treasury shares and share options	Foreign currency translation reserve	Share based payment reserve	Available for sale investment reserve	Reserve for non-controlling interests*	Hedging reserve	Retained earnings	Ordinary shareholders' equity	Minorities' interests	Total
Balance at 30 June 2012 (as previously reported)	277	(1 600)	228	161	4	(2 206)	(2)	4 634	1 496	1 227	2 723
Effect of changes in accounting policies	–	(187)	–	–	–	–	–	–	(187)	(51)	(238)
Balance at 30 June 2012 (restated)	**277**	**(1 787)**	**228**	**161**	**4**	**(2 206)**	**(2)**	**4 634**	**1 309**	**1 176**	**2 485**
Deemed treasury shares purchased		(3)							(3)		(3)
Treasury share options purchased		(34)							(34)		(34)
Treasury share options exercised		29							29		29
Shares issued	32								32		32
Vested share awards		14		(14)					–		–
Employee share based payments				46					46		46
Release of share based payment reserve				(32)				32	–		–
Release of SFIR equity option reserve				(75)				33	(42)	42	–
Delivery of share awards								(11)	(11)		(11)
Acquisition of minorities' interests						(13)		8	(5)	95	90
Profit for the year								697	697	293	990
Other comprehensive income			254				3	10	267	299	566
Dividends paid								(252)	(252)	(273)	(525)
Balance at 30 June 2013 (restated)	**309**	**(1 781)**	**482**	**86**	**4**	**(2 219)**	**1**	**5 151**	**2 033**	**1 632**	**3 665**
Deemed treasury shares purchased		**(41)**							**(41)**		**(41)**
Treasury share options purchased		**(29)**							**(29)**		**(29)**
Deemed treasury shares disposed		**9**							**9**		**9**
Vested share awards		**13**		**(13)**					**–**		**–**
Employee share based payments				**53**					**53**		**53**
Release of share based payment reserve				**(14)**				**14**	**–**		**–**
Monticello acquisition consideration						**(673)**			**(673)**	**(1 014)**	**(1 687)**
Minority share capital reduction									**–**	**(84)**	**(84)**
Delivery of share awards								**(7)**	**(7)**		**(7)**
Acquisition of minorities' interests						**(107)**			**(107)**	**(15)**	**(122)**
Profit for the year								**518**	**518**	**231**	**749**
Other comprehensive income			**(33)**				**2**	**12**	**(19)**	**(10)**	**(29)**
Dividends paid								**(240)**	**(240)**	**(249)**	**(489)**
Balance at 30 June 2014	**309**	**(1 829)**	**449**	**112**	**4**	**(2 999)**	**3**	**5 448**	**1 497**	**491**	**1 988**

* *Reserve for non-controlling interests relates to the premiums paid on purchases of minorities' interests and profits and losses on disposals of interests to minorities.*

Segmental report

R million	Revenue 2014	Revenue 2013	EBITDA 2014	EBITDA 2013	EBITDAM 2014	EBITDAM 2013	Depreciation and amortisation 2014	Depreciation and amortisation 2013
SEGMENTAL ANALYSIS								
South African operations	**8 266**	7 788	**2 334**	2 201	**2 816**	2 687	**664**	581
GrandWest	**2 020**	1 866	**833**	788	**934**	881	**104**	94
Sun City	**1 403**	1 291	**176**	162	**229**	211	**132**	118
Sibaya	**1 095**	1 040	**398**	361	**501**	456	**76**	64
Carnival City	**1 042**	1 061	**312**	315	**376**	403	**81**	73
Boardwalk	**554**	496	**168**	142	**208**	176	**79**	70
Wild Coast Sun	**400**	389	**70**	65	**93**	87	**47**	40
Carousel	**311**	322	**56**	64	**70**	79	**30**	25
Meropa	**278**	292	**106**	114	**133**	143	**19**	17
Windmill	**257**	255	**96**	93	**119**	116	**17**	15
Table Bay	**233**	181	**50**	22	**62**	31	**12**	11
Morula	**208**	230	**16**	26	**23**	35	**17**	16
Flamingo	**152**	152	**49**	44	**59**	56	**11**	11
Golden Valley	**144**	128	**27**	28	**35**	35	**13**	14
Maslow	**113**	41	**6**	(6)	**6**	(5)	**23**	11
Other operating segments	**56**	44	**(29)**	(17)	**(32)**	(17)	**3**	2
Other African operations	**1 071**	948	**195**	173	**242**	223	**108**	87
Zambia	**222**	182	**52**	41	**65**	52	**22**	18
Federal Palace	**216**	198	**28**	40	**30**	52	**49**	32
Botswana	**186**	178	**44**	50	**53**	59	**9**	8
Swaziland	**172**	161	**13**	8	**19**	14	**5**	6
Kalahari Sands	**148**	111	**39**	18	**49**	24	**10**	10
Lesotho	**127**	118	**19**	16	**26**	22	**13**	13
Latam operation	**1 443**	1 498	**303**	318	**377**	395	**166**	159
Monticello	**1 443**	1 498	**303**	318	**377**	395	**166**	159
Management activities	**612**	610	**248**	245	**248**	245	**19**	22
Total operating segments	**11 392**	10 844	**3 080**	2 937	**3 683**	3 550	**957**	849
Other	**(567)**	(577)	**(28)**	(17)	**(595)**	(594)	**1**	2
Central office and other			**(28)**	(17)	**(28)**	(17)	**1**	2
Elimination of intragroup	**(567)**	(577)			**(567)**	(577)		
Other income								
Other expenses								
Total	**10 825**	10 267	**3 052**	2 920	**3 088**	2 956	**958**	851
Other								
Net interest expense and foreign exchange profits								
Management fees paid to minorities					**(36)**	(36)		
Tax								
Minorities' interests								
	10 825	10 267	**3 052**	2 920	**3 052**	2 920	**958**	851

Adjusted headline earnings include adjustments made for certain items of income or expense. These adjustments include pre-opening expenses and material items considered to be outside the normal operating activities of the Group and/or of a non-recurring nature.

EBITDA: Earnings before interest, tax, depreciation and amortisation. EBITDA is stated before property and equipment rentals and items adjusted for adjusted headline earnings. Property and equipment rentals are considered to be a form of funding and are therefore categorised after EBITDA with depreciation and interest.

EBITDAM: EBITDA before management fees.

Operating profit and segment results		Net Interest paid		Minorities interest		Tax		Adjusted headline earnings#	
2014	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013
1 562	1 568	**243**	213	**222**	224	**385**	386	**914**	967
723	690	**27**	21	**123**	128	**197**	179	**496**	490
38	39	**–**	–	**–**	–	**–**	–	**38**	39
318	292	**25**	20	**69**	67	**84**	81	**205**	190
217	231	**40**	32	**5**	7	**49**	61	**123**	139
87	71	**51**	35	**4**	3	**3**	2	**31**	29
22	24	**26**	28	**(3)**	(4)	**(3)**	6	**(4)**	(10)
24	37	**–**	1	**–**	–	**–**	–	**24**	37
86	96	**8**	7	**15**	19	**22**	26	**55**	64
77	77	**6**	6	**13**	14	**19**	20	**50**	51
23	2	**47**	48	**(6)**	(12)	**–**	–	**(24)**	(46)
(2)	10	**–**	1	**–**	–	**–**	–	**(1)**	10
37	33	**4**	5	**5**	5	**9**	8	**23**	20
13	14	**9**	9	**–**	–	**3**	3	**1**	2
(70)	(29)	**–**	–	**–**	–	**–**	–	**(70)**	(29)
(31)	(19)	**–**	–	**(3)**	(3)	**2**	–	**(33)**	(19)
68	68	**27**	26	**(17)**	11	**25**	18	**22**	28
30	23	**–**	–	**–**	–	**9**	32	**26**	(6)
(21)	8	**27**	23	**(25)**	4	**(1)**	(21)	**(46)**	8
31	39	**(3)**	(2)	**5**	6	**8**	9	**26**	28
8	2	**2**	2	**2**	1	**2**	(1)	**4**	2
15	(6)	**–**	1	**–**	–	**5**	(2)	**10**	(4)
5	2	**1**	2	**1**	–	**2**	1	**2**	–
126	149	**55**	116	**44**	35	**(40)**	(21)	**99**	60
126	149	**55**	116	**44**	35	**(40)**	(21)	**99**	60
216	197	**23**	–	**12**	18	**36**	66	**120**	119
1 972	1 982	**348**	355	**261**	288	**406**	449	**1 155**	1 174
(293)	(102)	**177**	119	**(30)**	5	**11**	24	**(169)**	(99)
(26)	(17)	**177**	119	**(30)**	5	**11**	24	**(169)**	(99)
–	21								
(267)	(106)								
1 679	1 880	**525**	474	**231**	293	**417**	473	**986**	1 075
(513)	(417)								
(417)	(473)								
(231)	(293)							**(303)**	(345)
518	697	**525**	474	**231**	293	**417**	473	**683**	730

R million	Casino 2014	Casino 2013	Tables 2014	Tables 2013	Slots 2014	Slots 2013
SEGMENTAL REVENUE ANALYSIS continued						
South African operations	**6 738**	6 457	**965**	879	**5 773**	5 578
GrandWest	**1 991**	1 834	**251**	226	**1 740**	1 608
Sun City	**519**	446	**120**	83	**399**	363
Sibaya	**1 070**	1 011	**224**	206	**846**	805
Carnival City	**1 014**	1 031	**160**	163	**854**	868
Boardwalk	**512**	476	**50**	41	**462**	435
Wild Coast Sun	**304**	294	**35**	35	**269**	259
Carousel	**297**	311	**26**	27	**271**	284
Meropa	**275**	289	**27**	31	**248**	258
Windmill	**257**	254	**39**	33	**218**	221
Table Bay	**–**	–	**–**	–	**–**	–
Morula	**196**	215	**15**	16	**181**	199
Flamingo	**150**	150	**11**	11	**139**	139
Golden Valley	**132**	125	**7**	7	**125**	118
Maslow	**–**	–	**–**	–	**–**	–
Other operating segments	**21**	21	**–**	–	**21**	21
Other African operations	**428**	385	**90**	78	**338**	307
Zambia	**–**	–	**–**	–	**–**	–
Federal Palace	**94**	80	**24**	18	**70**	62
Botswana	**109**	103	**16**	15	**93**	88
Swaziland	**80**	80	**20**	22	**60**	58
Kalahari Sands	**99**	75	**18**	11	**81**	64
Lesotho	**46**	47	**12**	12	**34**	35
Latam operation	**1 303**	1 353	**349**	369	**954**	984
Monticello	**1 303**	1 353	**349**	369	**954**	984
Management activities	**–**	–	**–**	–	**–**	–
Total operating segments	**8 469**	8 195	**1 404**	1 326	**7 065**	6 869
Other	**–**	–	**–**	–	**–**	–
Elimination of intragroup						
Total	**8 469**	8 195	**1 404**	1 326	**7 065**	6 869

Rooms		Food & Beverage		Other		Total	
2014	2013	**2014**	2013	**2014**	2013	**2014**	2013
764	652	**400**	336	**364**	343	**8 266**	7 788
2	1	**–**	–	**27**	31	**2 020**	1 866
434	430	**228**	210	**222**	205	**1 403**	1 291
11	12	**5**	7	**9**	10	**1 095**	1 040
3	3	**–**	–	**25**	27	**1 042**	1 061
29	10	**–**	–	**13**	10	**554**	496
29	24	**40**	37	**27**	34	**400**	389
5	4	**–**	–	**9**	7	**311**	322
–	–	**–**	–	**3**	3	**278**	292
–	–	**–**	–	**–**	1	**257**	255
174	133	**50**	42	**9**	6	**233**	181
2	3	**8**	9	**2**	3	**208**	230
–	–	**–**	–	**2**	2	**152**	152
3	2	**8**	–	**1**	1	**144**	128
63	20	**50**	20	**–**	1	**113**	41
9	10	**11**	11	**15**	2	**56**	44
342	303	**254**	219	**47**	41	**1 071**	948
119	102	**80**	60	**23**	20	**222**	182
76	69	**41**	44	**5**	5	**216**	198
46	44	**27**	29	**4**	2	**186**	178
39	36	**48**	39	**5**	6	**172**	161
27	21	**19**	14	**3**	1	**148**	111
35	31	**39**	33	**7**	7	**127**	118
8	2	**102**	103	**30**	40	**1 443**	1 498
8	2	**102**	103	**30**	40	**1 443**	1 498
				612	610	**612**	610
1 114	957	**756**	658	**1 053**	1 034	**11 392**	10 844
–	–	**–**	–	**(567)**	(577)	**(567)**	(577)
				(567)	(577)	**(567)**	(577)
1 114	957	**756**	658	**486**	457	**10 825**	10 267

	Assets		Borrowings		Liabilities		Capital expenditure	
R million	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013
SEGMENTAL ANALYSIS								
South African operations	**7 539**	7 326	**3 160**	3 113	**1 570**	1 215	**1 087**	1 122
GrandWest	**1 295**	1 164	**430**	380	**201**	177	**263**	68
Sun City	**1 705**	1 583	**–**	–	**403**	303	**361**	152
Sibaya	**749**	713	**357**	318	**112**	136	**109**	61
Carnival City	**662**	673	**575**	539	**116**	207	**71**	130
Boardwalk	**1 093**	1 116	**657**	708	**92**	69	**59**	312
Wild Coast Sun	**538**	547	**337**	343	**111**	96	**48**	31
Carousel	**313**	349	**–**	–	**47**	62	**12**	57
Meropa	**173**	160	**118**	118	**22**	31	**21**	16
Windmill	**197**	239	**98**	162	**44**	26	**37**	14
Table Bay	**121**	102	**391**	344	**34**	31	**28**	12
Morula	**116**	126	**–**	–	**45**	37	**14**	33
Flamingo	**103**	89	**69**	66	**24**	15	**27**	7
Golden Valley	**187**	179	**128**	135	**28**	17	**26**	8
Maslow	**203**	259	**–**	–	**231**	8	**6**	217
Other operating segments	**84**	27	**–**	–	**60**	–	**5**	4
Other African operations	**1 569**	1 602	**380**	354	**257**	278	**75**	53
Zambia	**403**	443	**–**	–	**33**	38	**24**	26
Federal Palace	**717**	715	**362**	324	**84**	96	**22**	9
Botswana	**152**	146	**–**	2	**22**	25	**9**	5
Swaziland	**63**	69	**16**	23	**31**	33	**3**	2
Kalahari Sands	**128**	122	**–**	1	**59**	57	**10**	6
Lesotho	**106**	107	**2**	4	**28**	29	**7**	5
Latam operations	**3 387**	2 494	**1 275**	498	**263**	244	**826**	92
Monticello	**2 590**	2 494	**556**	498	**212**	244	**154**	92
Ocean Club Casino	**797**	–	**719**	–	**51**	–	**672**	–
Management activities	**477**	745	**356**	409	**299**	472	**95**	33
Total operating segments	**12 972**	12 167	**5 171**	4 374	**2 389**	2 209	**2 083**	1 300
Other	**808**	644	**2 411**	2 545	**1 573**	(297)	**–**	–
Central office and other	**808**	644	**1 900**	2 057	**1 984**	110	**–**	–
Dinokana	**–**	–	**511**	488	**–**	–	**–**	–
Elimination of intragroup	**–**	–	**–**	–	**(411)**	(407)	**–**	–
Total	**13 780**	12 811	**7 582**	6 919	**3 962**	1 912	**2 083**	1 300
Other								
Tax	**42**	41			**79**	69		
Deferred tax	**249**	214			**460**	501		
Borrowings					**7 582**	6 919		
	14 071	13 066	**7 582**	6 919	**12 083**	9 401	**2 083**	1 300

Value added statement

R million	GROUP 2014	2013	% change
CASH GENERATED			
Cash derived from revenue	**10 811**	10 223	
Income from investments	**25**	31	
Cash value generated	**10 836**	10 254	6
Paid to suppliers for materials and services	**(3 228)**	(3 016)	
Total cash value added	**7 608**	7 238	5
CASH DISTRIBUTED TO STAKEHOLDERS			
Employees	**(2 159)**	(1 918)	(13)
Government taxes	**(2 838)**	(2 722)	(4)
Shareholders	**(525)**	(534)	2
Lenders	**(532)**	(459)	(16)
	(6 054)	(5 633)	(7)
Cash retained in the business to fund replacement of assets, facilitate future growth and repay borrowings	**1 554**	1 605	(3)
RECONCILIATION WITH CASH GENERATION			
Total cash value added (above)	**7 608**	7 238	
Employee remuneration	**(2 159)**	(1 902)	
Employee tax	**(332)**	(308)	
Income from investments	**(25)**	(31)	
Levies and VAT on casino revenue	**(2 003)**	(1 917)	
Cash generated by operations (per Group cash flow statements)	**3 089**	3 080	–
GOVERNMENT TAXES SUMMARY			
Income tax	**(481)**	(471)	
PAYE	**(332)**	(308)	
Levies and VAT on casino revenue	**(2 003)**	(1 917)	
Other taxes	**(22)**	(26)	
	(2 838)	(2 722)	(4)

Notice of the Sun International ANNUAL GENERAL MEETING

Sun International Limited

Registration Number 1967/007528/06
Share Code: SUI
ISIN: ZAE000097580
("Sun International" or "the Company")

Notice is hereby given that the thirtieth annual general meeting of the shareholders of Sun International will be held on **Friday, 21 November 2014 at 09h00 Chilean time, (which is 14h00 South African time),** in the Conference Centre, Monticello Grand Casino, Panamericana Sur Km 57 San Fco. de Mostazal VI Región Chile, to among other things, consider, and if deemed fit, to pass (with or without modification) the ordinary and special resolutions set out below. A local dial-in facility will also be made available for shareholders who wish to participate via teleconference, at the Maslow Hotel, corner Grayston and Rivonia Drive, Sandton, South Africa at **14h00 (South African time).**

The record date for determining which shareholders are entitled to: **(i) receive notice of the annual general meeting is Friday, 17 October 2014; and (ii) participate in and vote at the annual general meeting is Friday, 14 November 2014,** in terms of section 62(3)(a), as read with section 59 of the Companies Act, 2008 as amended (Companies Act). Accordingly, the last day to trade in the Company's shares in order to be recorded on the securities register of Sun International in order to be able to participate, attend and vote at the annual general meeting is **Friday, 7 November 2014.**

Kindly take note that all participants who are in attendance will be required to provide reasonable, satisfactory identification in the form of a valid identity document, passport or drivers license, prior to being entitled to participate in the meeting.

PRESENTATION OF THE ANNUAL FINANCIAL STATEMENTS

To present the audited annual financial statements for the year ended 30 June 2014, together with the reports of: the directors; the external auditors; the audit committee; and the social and ethics committee of the Company as made available on the Company's website: **ir.suninternational.com**. A copy of the abridged set of annual financial statements is set out on pages 50 to 61 of this Integrated Annual Report.

Ordinary resolution numbers 1, 2 and 3 deal with the election and re-election of directors and the relevant directors' résumés can be accessed via the Company's website: ir.suninternational.com

ORDINARY RESOLUTION NUMBER 1: ELECTION OF NON-EXECUTIVE DIRECTOR

To elect by way of ordinary resolution Mr E Cibie as a non-executive director of the Company, who retires in accordance with the provisions of article 39.9 of the provisions of the Company's Memorandum of Incorporation, by virtue of his appointment being made pursuant to the last annual general meeting. Mr E Cibie being eligible for election as a non-executive director of the Company, offers himself for election to the board.

QUORUM FOR RESOLUTION

In order for this resolution to be adopted, the support of more than 50% of the voting rights exercised on the resolution by shareholders present or represented by proxy at the annual general meeting and entitled to exercise voting rights on the resolution is required.

ORDINARY RESOLUTION NUMBER 2: RE-ELECTION OF NON-EXECUTIVE DIRECTORS

To re-elect as directors by way of separate resolutions:

2.1 Ms B Modise
2.2 Mr MV Moosa
2.3 Mr GR Rosenthal

who retire by rotation at this annual general meeting, in accordance with the provisions of article 39.3 of the Company's Memorandum of Incorporation. The non-executive directors, each being eligible, offer themselves for re-election to the board.

QUORUM FOR RESOLUTION

In order for these resolutions to be adopted, the support of more than 50% of the voting rights exercised on the resolution by shareholders present or represented by proxy at the annual general meeting and entitled to exercise voting rights on the resolution is required.

ORDINARY RESOLUTION NUMBER 3: ELECTION OF AUDIT COMMITTEE MEMBERS

To elect, by way of separate resolutions, the following independent, non-executive directors, as members of the Company's audit committee and to hold such appointment as a member of the audit committee until the conclusion of the next annual general meeting:

3.1 Ms ZBM Bassa
3.2 Mr PL Campher
3.3 Ms B Modise*
3.4 Mr GR Rosenthal*

* *Subject to his/her re-election as a non-executive director pursuant to ordinary resolution number 2.*

QUORUM FOR RESOLUTION

In order for these resolutions to be adopted, the support of more than 50% of the voting rights exercised on the resolution by shareholders present or represented by proxy at the annual general meeting and entitled to exercise voting rights on the resolution is required.

ORDINARY RESOLUTION NUMBER 4: ENDORSEMENT OF THE REMUNERATION POLICY

To consider and endorse, by way of a non-binding advisory vote, the Company's remuneration policy as set out in the remuneration report available via: **ir.suninternational.com**

Ordinary resolution number 4 is of an advisory nature and is non-binding. The failure to pass this resolution will not have any legal consequences on the Company, however, the board will address any matters of concern that may be raised by shareholders.

QUORUM FOR RESOLUTION

In order for this resolution to be endorsed, the support of more than 50% of the voting rights exercised on the resolution by shareholders present or represented by proxy at the annual general meeting and entitled to exercise voting rights on the resolution is required.

ORDINARY RESOLUTION NUMBER 5: RE-APPOINTMENT OF THE INDEPENDENT EXTERNAL AUDITORS

To re-appoint PricewaterhouseCoopers Incorporated (PwC) as independent external auditors of the Company, to hold office until the conclusion of the next annual general meeting, in accordance with the audit committee's nomination. Mr ER Mackeown is the individual registered auditor and member of the aforegoing firm who undertakes the audit.

QUORUM FOR RESOLUTION

In order for this resolution to be adopted, the support of more than 50% of the voting rights exercised on the resolution by shareholders present or represented by proxy at the annual general meeting and entitled to exercise voting rights on the resolution is required.

Special Business – Special Resolutions

SPECIAL RESOLUTION NUMBER 1: APPROVAL OF INCREASE OF COMMITTEE FEES

1.1 APPROVAL OF INCREASE OF THE SOCIAL AND ETHICS COMMITTEE FEES

To consider and, if deemed fit, to pass, with or without modification, the following special resolution:

Resolved that in terms of section 66(9) of the Companies Act, the fees payable to the Chairperson and members of the social and ethics committee be increased as set out below:

	2013/2014^ financial year		**Proposed 2014/2015 financial year**	
	Base fee	Attendance fee	**Proposed base fee**	**Proposed attendance fee**
Social & Ethics Committee** – Chairperson	38 500	19 300	**42 600**	**24 500**
Social & Ethics Committee** – Members	19 300	9 700	**21 300**	**12 300**

*** Based on 3 meetings per year.*
^ The 2013/2014 fees as approved by shareholders appear for comparative purposes only.

REASON AND EFFECT FOR SPECIAL RESOLUTION 1.1

At the time of constituting the social and ethics committee in 2011, the fees for this committee were aligned to that of the nomination committee. The social and ethics committee fees have since increased by the same salary increment as the Group. The nature of the committee's work has grown more expansive and intensive and accordingly the fees have been aligned with the scope of the committee's mandate and in accordance with their statutory obligations. It is proposed that the social and ethics fees be increased in order to reflect the extent of the committee's duties.

1.2 APPROVAL OF THE INVESTMENT COMMITTEE FEES

To consider and, if deemed fit, to pass, with or without modification, the following special resolution:

Resolved that in terms of section 66(9) of the Companies Act, the fees payable to the Chairperson and members of the investment committee for meetings in person as set out below:

	Proposed for the 2014/2015 financial year**	
	Proposed base fee	**Proposed attendance fee**
Investment Committee – Chairperson	**42 600**	**24 500**
Investment Committee – Members	**21 300**	**12 300**

*** Based on 4 meetings per year.*

REASON AND EFFECT FOR SPECIAL RESOLUTION 1.2

The purpose of the investment committee is to consider and evaluate the viability of proposed investment opportunities, disposals and expansion projects for recommendation to the board for their consideration and approval. The investment committee meetings have been held via teleconference on a monthly basis and accordingly an hourly fee of R3 700 for the Chairman and R2 700 per member will be applicable, as previously approved by shareholders. The investment committee will now be convening quarterly committee meetings in person and as a result the investment committee meeting fees are proposed as set out above.

QUORUM FOR SPECIAL RESOLUTIONS 1.1 AND 1.2

In order for these resolutions to be adopted, the support of more than 75% of the voting rights exercised on the resolution by shareholders present or represented by proxy at the annual general meeting and entitled to exercise voting rights on the resolutions are required.

SPECIAL RESOLUTION NUMBER 2: APPROVAL OF NO MORE THAN 10% FOR NON-EXECUTIVE DIRECTOR AND COMMITTEE FEES

To consider and, if deemed fit, to pass, with or without modification, the following special resolution:

Resolved that in terms of section 66(9) of the Companies Act, the fees payable to non-executive directors as set out below may be increased by no more than 10% each year for the two year period for which this resolution remains valid unless revoked before the expiry of the two year period.

REASON AND EFFECT FOR SPECIAL RESOLUTION 2

As the approval for director fees is valid for a period of two years, it is recommended that shareholders approve a 10% increase for each of the two forthcoming years unless an alternative proposal is tabled at any general or annual general meeting before the expiry of two years. An increase of no more than 10% each year is not considered excessive and the Company has adopted this model since 2012.

In order to demonstrate the effect of a 10% increase on the current fees, should shareholders approve this resolution, the table below indicates the increased fee that will be applicable for the 2015/2016 financial year, should the maximum increase be applied. The 2014/2015 board and committee fees appear for comparative purposes only.

	2014 – 2015 financial year		**2015 – 2016 financial year**	
	Base fee	Attendance fee	**Base fee**	**Attendance fee**
Chairman's Fees^	770 200	44 900	**847 200**	**49 400**
Lead Independent Director's Fees^	295 300	25 700	**324 800**	**28 300**
Directors' Fees^	122 000	25 700	**134 200**	**28 300**
Audit Committee# – Chairman	102 700	28 900	**113 000**	**31 800**
Audit Committee# – Members	51 500	14 500	**56 700**	**16 000**
Risk Committee** – Chairman	56 600	30 900	**62 300**	**34 000**
Risk Committee** – Members	28 300	15 500	**31 100**	**17 100**
Remuneration Committee** – Chairman	46 300	28 300	**50 900**	**31 100**
Remuneration Committee** – Members	23 300	14 200	**25 600**	**15 600**
Social and Ethics Committee** – Chairman	42 600	24 500	**46 900**	**27 000**
Social and Ethics Committee** – Members	21 300	12 300	**23 400**	**13 500**
Investment Committee# – Chairman	42 600	~24 500 for physical meetings and R3 700 per hour for teleconferences	**46 900**	**27 000**
Investment Committee# – Members	21 300	~12 300 for physical meetings and R2 700 per hour for teleconferences	**23 400**	**13 500**
Nomination Committee** – Chairman	38 500	19 300	**42 400**	**21 200**
Nomination Committee** – Members	19 400	9 700	**21 300**	**10 700**

~ pursuant to the approval of special resolution 1.2 above.

Fees are paid as follows:

Base fee	Paid quarterly
Attendance fee	Paid at the end of the month following the relevant meetings. For indicative purposes the number of planned meetings for each category are set out below. The attendance fee will be applicable to any additional meetings convened during the year. # 4 scheduled meetings per year ** 3 scheduled meetings per year
Chairman, Director & Lead Independent Director's Fees	^ 5 scheduled meetings per year
Ad-hoc meetings	Will be paid at the attendance rate as set out for that relevant meeting

QUORUM FOR SPECIAL RESOLUTION 2

In order for this resolution to be adopted, the support of more than 75% of the voting rights exercised on the resolution by shareholders present or represented by proxy at the annual general meeting and entitled to exercise voting rights on the resolutions are required.

SPECIAL RESOLUTION NUMBER 3: GENERAL AUTHORITY TO REPURCHASE SHARES

To consider and, if deemed fit, to pass, with or without modification, the following special resolution:

Resolved that the directors be and are hereby authorised to approve and implement the acquisition by the Company or by a subsidiary of the Company up to a maximum of 10% (ten percent) of the number of issued ordinary shares of the Company as at the beginning of the financial year by way of a renewable general authority, which shall only be valid until the Company's next annual general meeting, provided that it shall not extend beyond 15 (fifteen) months from the date of the passing of the special resolution, whichever period is the shorter, in terms of the Companies Act and the JSE Listings Requirements which provide, inter alia, that the Company may only make a general repurchase of its ordinary shares subject to:

- the repurchase being implemented through the order book operated by the JSE trading system, without prior understanding or arrangement between the Company and the counterparty (reported trades are prohibited);
- the Company being authorised thereto by its Memorandum of Incorporation;
- repurchases not being made at a price greater than 10% (ten percent) above the weighted average of the market value of the ordinary shares for the 5 (five) business days immediately preceding the date on which the repurchase was effected; an announcement being published as soon as the Company has repurchased ordinary shares constituting, on a cumulative basis, 3% (three percent) of the initial number of ordinary shares, and for each 3% (three percent) in aggregate of the initial number of ordinary shares repurchased thereafter, containing full details of such repurchases;
- repurchases in any one financial year not exceeding 20% (twenty percent) in aggregate of the Company's issued ordinary share capital as at the beginning of the financial year;
- the passing of a resolution by the board of directors that it has authorised the repurchase, that the Company and its subsidiary/ies have passed the solvency and liquidity test and that, since the test was performed, there have been no material changes to the financial position of the Group;
- the Company and/or its subsidiaries not repurchasing ordinary shares during a prohibited period as defined in paragraph 3.67 of the JSE Listings Requirements, unless it has in place a repurchase programme where the dates and quantities of securities to be traded during the relevant period are fixed (not subject to any variation) and details thereof have been submitted to the JSE in writing. In this regard, the Company will instruct an independent third party, which makes its investment decisions in relation to the Company's securities independently of, and uninfluenced by, the Company, prior to the commencement of the prohibited period to execute the repurchase programme submitted to the JSE;
- the number of shares purchased and held by a subsidiary or subsidiaries of the Company shall not exceed 10% (ten percent) in the aggregate of the number of issued shares in the Company at the relevant times;
- any such general repurchases are subject to exchange control regulations and approval, if applicable, at that point in time; and
- the Company only appointing one agent to effect any repurchases on its behalf.

STATEMENT BY DIRECTORS PERTAINING TO THE SOLVENCY AND LIQUIDITY OF THE COMPANY

As at the date of this resolution, the Company's directors undertake that, having considered the effect of repurchasing the maximum number of shares (as contemplated above), they will not implement any such repurchase unless for a period of 12 months following the date of the general repurchase:

- the Company and the Group shall satisfy the solvency and liquidity test in the manner contemplated by the Companies Act;
- the Company and the Group will be able, in the ordinary course of business, to pay its debts;
- the working capital of the Company and the Group will be adequate for ordinary business purposes;
- the assets of the Company and the Group, fairly valued in accordance with generally accepted accounting practice, will exceed the liabilities of the Company and the Group; For this purpose the assets and liabilities will be recognised and measured in accordance with the accounting policies used in the latest audited financial statements which comply with the Companies Act; and
- the Company's and the Group's ordinary share capital and reserves will be adequate for ordinary business purposes.

For purposes of considering this special resolution and in compliance with paragraph 11.26 of the JSE Listings Requirements, information on the Company's share capital and major shareholders is available for inspection via the following link: **ir.suninternational.com**

DIRECTOR'S RESPONSIBILITY STATEMENT

The aforesaid directors of the Company, collectively and individually accept full responsibility for the accuracy of the information pertaining to this special resolution and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the special resolution contains all information required by law and the JSE Listings Requirements.

MATERIAL CHANGES

Other than the facts and developments reported on in this Integrated Annual Report together with the 2014 combined reporting available via: **ir.suninternational.com** there have been no material changes in the affairs or financial position of the Company and its subsidiaries since the date of signature of the external audit report and up to the date of this notice.

REASON FOR AND EFFECT OF SPECIAL RESOLUTION NUMBER 3:

The directors consider that such general authority should be put in place should an opportunity present itself for the Company or a subsidiary thereof to purchase any of its shares during the year, and which may be in the best interests of the Company and its shareholders. The directors of the Company have no specific intention to effect the provisions of special resolution number 3 but will however, continually review the Company's position, having regard to prevailing circumstances and market conditions, in considering whether to effect the provisions of this special resolution.

The reason for and effect of special resolution number 3 is to grant the directors of the Company a general authority in terms of the Companies Act and the JSE Listings Requirements for the repurchase by the Company (or by a subsidiary of the Company) of the Company's shares.

QUORUM FOR SPECIAL RESOLUTION 3

In order for this resolution to be adopted, the support of more than 75% of the voting rights exercised on the resolution by shareholders present or represented by proxy at the annual general meeting and entitled to exercise voting rights on the resolution is required.

ORDINARY RESOLUTION NUMBER 6: AUTHORITY FOR DIRECTORS OR COMPANY SECRETARY TO IMPLEMENT RESOLUTIONS

To consider, and if deemed fit to pass, with or without modification, the following ordinary resolution:

Resolved as an ordinary resolution that any director of the Company or the Company Secretary be and is hereby authorised to do all such things and sign all such documents as may be required to give effect to the ordinary and special resolutions.

QUORUM FOR RESOLUTION NUMBER 6

In order for this resolution to be adopted, the support of more than 50% of the voting rights exercised on the resolution by shareholders present or represented by proxy at the annual general meeting and entitled to exercise voting rights on the resolution is required.

STATEMENT IN TERMS OF SECTION 62(3)(e) OF THE COMPANIES ACT:

Sun International shareholders holding certificated shares and/or shares in dematerialised form in "own name":

a) may attend, participate in, speak and vote at the annual general meeting; alternatively;
b) may appoint an individual as a proxy, (who need not also be a shareholder of Sun International) to attend, participate in, speak and vote in your place at the annual general meeting by completing the attached form of proxy and returning it to the registered office of Sun International or to the transfer secretaries, by no later than **09h00 on 18 November 2014.**
c) Alternatively, the form of proxy may be handed to the Chairman of the annual general meeting at the meeting at any time prior to the commencement of the annual general meeting. Please note that your proxy may delegate his/her authority to act on your behalf to another person, subject to the restrictions set out in the attached form of proxy. Please also note that the attached form of proxy must be delivered to the registered office of Sun International or to the transfer secretaries or handed to the Chairman of the annual general meeting, before your proxy may exercise any of your rights as a Sun International shareholder at the annual general meeting. Please note that any shareholder of Sun International that is a juristic entity may authorise any person to act as its representative at the annual general meeting. Please also note that section 63(1) of the Companies Act, requires that persons wishing to participate in the annual general meeting (including the aforementioned representative) must provide satisfactory identification before they may so participate.

NOTICE TO OWNERS OF DEMATERIALISED SHARES:

Please note that if you are the owner of dematerialised shares held through a CSDP or broker (or their nominee) and are not registered as an "own name" dematerialised shareholder then you are not a registered Sun International shareholder, as your CSDP or broker (or their nominee) would be. Accordingly, in these circumstances, subject to the mandate between yourself and your CSDP or broker as the case may be:

a) if you wish to attend the annual general meeting you must contact your CSDP or broker, and obtain the relevant letter of representation from it; alternatively
b) if you are unable to attend the annual general meeting but wish to be represented at the meeting, you must contact your CSDP or broker, and furnish it with your voting instructions in respect of the annual general meeting and/or request it to appoint a proxy. You must not complete the attached form of proxy. The instructions must be provided in accordance with the mandate between yourself and your CSDP or broker, within the time period required by your CSDP or broker. CSDP's, brokers or their nominees, as the case may be, recorded in Sun International's sub-register as holders of dematerialised shares should, when authorised in terms of their mandate or instructed to do so by the owner on behalf of whom they hold dematerialised shares, vote by either appointing a duly authorised representative to attend and vote at the annual general meeting or by completing the attached form of proxy in accordance with the instructions thereon and returning it to the registered office of Sun International or to the transfer secretaries, by no later than **09h00 on 18 November 2014.** Alternatively, the form of proxy may be handed to the Chairman of the annual general meeting at any time prior to the commencement of the annual general meeting.

VOTING AT THE MEETING:

In order to more effectively record the votes and give effect to the intentions of shareholders, voting on all resolutions will be conducted by way of a poll. It being noted that ordinary shares held in treasury, by a share trust or scheme, and unlisted securities will not have their votes taken into account at the annual general meeting for the purposes of resolutions proposed in terms of the JSE Listings Requirements.

ELECTRONIC PARTICIPATION IN THE ANNUAL GENERAL MEETING:

Sun International intends to make provision for its shareholders, or their proxies, to participate in the annual general meeting by way of electronic communication in two forms. The first is by making available a facility at the Maslow Hotel in South Africa which will permit the dial-in to the annual general meeting venue in Chile. In the second instance, Sun International intends making a dial-in facility available to all shareholders that will be linked to the venue at which the annual general meeting will take place, on the date of, and from the time of commencement of, the annual general meeting. This dial-in facility will enable all persons to participate electronically in the annual general meeting and to communicate concurrently with each other without an intermediary, and to participate reasonably effectively in the annual general meeting.

Shareholders wishing to participate electronically in the annual general meeting are required to deliver the "Electronic Notice" which appears on page 71 of this Integrated Annual Report to Sun International's registered address at 6 Sandown Valley Crescent, Sandton, Gauteng, Republic of South Africa (marked for the attention of Ms CA Reddiar, Company Secretary) or email the Electronic Notice to **investor.relations@suninternational.com** by no later than **18 November 2014 at 09h00** indicating that they wish to participate via electronic communication in the annual general meeting.

In order for the Electronic Notice to be valid it must contain: (a) if the shareholder is an individual, a certified copy of his identity document and/or passport; (b) if the shareholder is not an individual, a certified copy of a resolution or letter of representation by the relevant entity and a certified copy of his/her identity documents or passports of the persons who passed the relevant resolution. The relevant resolution must set out the details of the person that is authorised to represent the entity at the annual general meeting via electronic communication; (c) a valid email address (the "Contact Details").

By no later than 24 (twenty four) hours before the annual general meeting, Sun International shall use its reasonable endeavours to notify a shareholder via the Contact Details provided in a valid Electronic Notice of the relevant details to participate via electronic communication. Should you wish to participate in the annual general meeting by way of electronic communication as aforesaid, you, or your proxy, will be required to dial-in on the date of the annual general meeting.

By order of the board

CA Reddiar
Company Secretary

16 October 2014

Delivery and postal address for Proxy or Electronic Notices
Computershare Investor Services Proprietary Limited
PO Box 61051, Marshalltown 2107
Gauteng, Republic of South Africa
investor.relations@suninternational.com

CARNIVAL CITY BRAKPAN

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

Sun International

SUN INTERNATIONAL LIMITED

(INCORPORATED IN SOUTH AFRICA)
(Registration number 1967/007528/06)
Share code: SUI
ISIN: ZAE000097580
("Sun International" or "the Company")

FORM OF PROXY – SUN INTERNATIONAL LIMITED ANNUAL GENERAL MEETING

For use by certificated shareholders or own name dematerialised shareholders at the thirtieth annual general meeting of shareholders of Sun International to be held on **Friday, 21 November 2014 at 09h00 Chilean time (which is 14h00 South African time)**, in the Conference Centre, Monticello Grand Casino, Panamericana Sur Km 57 San Fco. de Mostazal VI Región Chile, to among other things, consider, and if deemed fit, to pass (with or without modification) the ordinary and special resolutions set out below. A local dial-in facility will also be made available for shareholders who wish to participate via teleconference, at the Maslow Hotel, Corner Grayston Drive and Rivonia Road, Sandton, South Africa at **14h00 (South African time).**

This form of proxy is not to be used by beneficial owners of shares who have dematerialised their shares ("dematerialised shares") through a Central Securities Depository Participant ("CSDP") or broker, as the case may be, unless you are recorded on the sub-register as an own name dematerialised shareholder. Generally, you will not be an own name dematerialised shareholder unless you have specifically requested your CSDP to record you as the holder of the shares in your own name in the Company's sub-register.

This form of proxy is only for use by certificated, own name dematerialised shareholders and CSDPs or brokers (or their nominees) registered in the Company's sub-register as the holder of dematerialised shares.

Each shareholder entitled to attend and vote at the annual general meeting is entitled to appoint a proxy (who need not also be a shareholder of the Company) to attend, participate in and speak and vote in place of that shareholder at the annual general meeting, and at any adjournment thereafter.

Please note the following:

- the appointment of your proxy may be suspended at any time to the extent that you choose to act directly and in person in the exercise of your rights as a shareholder at the annual general meeting;
- the appointment of the proxy is revocable; and
- you may revoke the proxy appointment by: (i) cancelling it in writing, or making a later inconsistent appointment of a proxy and (ii) delivering a copy of the revocation instrument to the proxy, and to the Company.

Any shareholder of the Company that itself is a company may authorise any person to act as its representative at the annual general meeting. Section 63(1) of the Companies Act requires that persons wishing to participate in the annual general meeting (including the aforementioned representative) must provide satisfactory identification before they may so participate.

Note that voting will be performed by way of a poll and, accordingly, any person who is present at the annual general meeting, whether as a shareholder or as proxy for a shareholder, shall have the number of votes determined in accordance with the voting rights associated with the Sun International Limited ordinary shares held by that shareholder.

I/We (full names of shareholder)		
of (address)		
Telephone: (work) (area code)	Telephone: (home) (area code)	
Fax: (area code)	Cell number:	
Email address:		
Holding	ordinary shares in the Company hereby appoint:	
Name of Proxy OR	Name:	Identity Number:
Name of Proxy OR	Name:	Identity Number:
The Chairman of the annual general meeting		

as my/our proxy to attend, participate in, speak and vote at the annual general meeting in my/our place and on my/our behalf at the Sun International annual general meeting which will be held for the purpose of considering and, if deemed fit, passing, with or without modification, the ordinary and special resolutions to be proposed thereat and at any adjournment thereof and to vote for or against such resolutions or to abstain from voting in respect of the shares in the issued capital of the Company registered in my/our name/s, in accordance with the instructions set out below (refer to note 2):

my/our proxy:

- may delegate to another person his/her authority to act on my/our behalf at the Sun International annual general meeting, provided that my/our proxy may only delegate his/her authority to act on my/our behalf at the annual general meeting to a director of the Company;
- must provide written notification to the transfer secretaries of the Company, namely Computershare Investor Services Proprietary Limited, of the delegation by my/our proxy of his/her authority to act on my/our behalf at the Sun International annual general meeting by no later than **09h00 on 18 November 2014.** Alternatively, the written notification must be handed to the Chairman of the annual general meeting at any time prior to the commencement of the annual general meeting to be held in Chile at **09h00 (Chilean time) on 21 November 2014;** and
- must provide to his/her delegate a copy of his/her authority to delegate his/her authority to act on my/our behalf at the annual general meeting.

	Number of ordinary shares		
Resolution reference	For	Against	Abstain
Ordinary resolution number 1 – election of non-executive director – Mr E Cibie			
Ordinary resolution number 2 – re-election of non-executive directors retiring by rotation by way of separate resolutions			
2.1 Ms B Modise			
2.2 Mr MV Moosa			
2.3 Mr GR Rosenthal			
Ordinary resolution number 3 – election and appointment of Audit Committee members by way of separate resolution			
3.1 Ms ZBM Bassa			
3.2 Mr PL Campher			
3.3 Ms B Modise			
3.4 Mr GR Rosenthal			
Ordinary resolution number 4 – endorsement of the remuneration policy			
Ordinary resolution number 5 – re-appointment of independent external auditors			
Special resolution number 1 – approval of increase of committee fees			
Special resolution number 1.1 – approval of increase of social and ethics committee fees			
Special resolution number 1.2 – approval of investment committee fees			
Special resolution number 2 – approval of no more than 10% for non-executive director and committee fees			
Special resolution number 3 – general authority to repurchase shares			
Ordinary resolution number 6 – authority for directors or Company Secretary to implement resolutions			

Signed this ______ day of ______ 2014

Signature of member(s) ______

Assisted by me (where applicable) ______

Please read the notes and instructions overleaf.
Note: Voting on all resolutions will be conducted by way of a poll.

INSTRUCTIONS ON SIGNING AND LODGING THE FORM OF PROXY

A shareholder entitled to attend and vote at the annual general meeting may appoint one or more persons as his/her proxy to attend, speak or vote in his/her stead at the annual general meeting.

A proxy need not be a shareholder of the Company.

On a poll, every Sun International shareholder shall have for each share held by him/her that proportion of the total votes in the Company which the aggregate amount of the nominal value of that share held by him/her bears to the aggregate amount of the nominal value of all the shares issued by the Company.

Notes:

1. A shareholder may appoint and insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space/s provided overleaf, with or without deleting "the Chairman of the annual general meeting".
2. If no proxy is inserted in the spaces provided, then the Chairman shall be deemed to be appointed as the proxy to vote or abstain as the Chairman deems fit.
3. A shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that shareholder in the appropriate box provided. If there is no clear indication as to the voting instructions to the proxy, this form of proxy will be deemed to authorise the proxy to vote or to abstain from voting at the annual general meeting as he/she deems fit in respect of all the shareholder's votes exercisable thereat.
4. A shareholder or his/her proxy is not obliged to use all the votes exercisable by the shareholder or by his/her proxy, but the total of the votes cast and in respect of which abstention is recorded may not exceed the total of the votes exercisable by the shareholder or by his/her proxy.
5. Completed forms of proxy must be lodged at the registered office of the Company, 6 Sandown Valley Crescent, Sandton, Gauteng, South Africa or posted to the Company Secretary, PO Box 782121, Sandton 2146, or lodged with or posted to the transfer secretaries, Computershare Investor Services Proprietary Limited, Ground Floor, 70 Marshall Street, Johannesburg 2001 (PO Box 61051, Marshalltown 2107, South Africa) so as to be received by no later than **09h00 on Tuesday, 18 November 2014.** Alternatively, the form of proxy must be handed to the Chairman of the annual general meeting at the general meeting at any time prior to the commencement of the annual general meeting to be held in Chile at **09h00 (Chilean time which is 14h00 South African time) on Friday, 21 November 2014.**
6. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the Company Secretary or waived by the Chairman of the annual general meeting if the Chairman is reasonably satisfied that the right of the representative to participate and vote has been reasonably verified. CSDP's or brokers registered in the Company's sub-register voting on instructions from beneficial owners of shares registered in the Company's sub-register, are requested that they identify the beneficial owner in the sub-register on whose behalf they are voting and return a copy of the instruction from such owner to the Company Secretary or to the transfer secretaries, Computershare Investor Services Proprietary Limited, Ground Floor, 70 Marshall Street, Johannesburg 2001 (PO Box 61051, Marshalltown 2107, South Africa), together with this form of proxy.
7. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so.
8. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies, but any such alteration or correction will only be validly made if it is accepted by the Chairman.
9. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the Company Secretary.
10. If the instrument appointing the proxy or proxies has been delivered to the Company, any notice that is required by the Companies Act or the Company's Memorandum of Incorporation to be delivered by the Company to the shareholder must (for so long as the proxy or proxies appointment remains in effect) be delivered by the Company to: (i) the shareholder or (ii) the proxy or proxies, if the shareholder has directed the Company to do so, in writing, and paid any reasonable fee charged by the Company for doing so.
11. The authority of a person signing the form of proxy in a representative capacity must be attached to the form of proxy unless that authority has already been recorded by the Company's transfer secretaries, alternatively waived by the Chairman of the annual general meeting.

Electronic notice

for shareholders to participate electronically in the annual general meeting

SUN INTERNATIONAL LIMITED

Registration number 1967/007528/06
Share code: SUI
ISIN: ZAE000097580

Shareholders or their duly appointed proxy(ies) ("participants") who wish to participate in the annual general meeting via electronic communication, being via teleconference, must apply to the Company Secretary using this application form. Participants are advised that they will not be able to vote during the meeting. Such participants, should they wish to have their vote counted at the meeting, must act in accordance with the general instructions contained on vote on the proxy form.

Shareholders must take note of the following:

A. A limited number of telecommunication lines will be available;
B. Each participant will be contacted 24 hours before the annual general meeting via email and/or SMS. Participants will be provided with a code and the relevant telephone number to allow them to dial-in; and
C. The cut-off time for dialling-in on the day of the meeting will be at **08h30 (Chilean time) and 13h30 (South African time) on Friday, 21 November 2014** and no late dial-in will be possible.

Application form: electronic participation

To be returned to the Company Secretary (Ms CA Reddiar) situated on the 5th Floor at 6 Sandown Valley Crescent, Sandton, Gauteng, Johannesburg or email investor.relations@suninternational.com by no later than **Tuesday, 18 November 2014 at 09h00**.

Full name of shareholder	
Identity number/Registration number of shareholder	
Email address	
Mobile number	
Telephone number (including dialling code from South Africa and other countries where applicable)	
Name of CSDP/broker (if shares are in dematerialised form)	
Contact number of CSDP/broker	
Contact person at CSDP/broker	
Number of share certificate (if applicable)	
Signature of shareholder	
Date (DD/MM/YY)	

Election form

SUN INTERNATIONAL LIMITED

(Incorporated in the Republic of South Africa)
(Registration number: 1967/007528/06)
(Share code: SUI) (ISIN: ZAE000097580)
("Sun International" or "the Company")

To:
The Directors
Sun International

I/We, the undersigned

(please print)

reference number:

(if available, please review the reference number listed on the envelope your Integrated Annual Report arrived in)

of address

being the registered holder(s) of: ordinary shares in the issued share capital of the Company

do hereby elect to receive any documents or notices from Sun International, by electronic post, to the extent that the Company is permitted to so distribute any notices, documents, records or statements in terms of the Companies Act, No 71 of 2008, as amended, and any and every other statute, ordinance, regulation or rule in force from time to time, including the JSE Listings Requirements, concerning companies and affecting Sun International.

I/We hereby furnish the following email address for such electronic communication:

Email address:

Any written amendment or withdrawal of any such notice of consent by me/us, shall only take effect if signed by me/us and received by the Company.

Signed at on 2014

Signature

Assisted by me (where applicable)

Please complete, detach and return this election form to Sun International's transfer secretaries, Computershare Investor Services Proprietary Limited, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) or by telefax to +27 (11) 370 5271.

Shareholders' diary

ANNUAL GENERAL MEETING:

Date: Friday, 21 November 2014
Time: 09h00 (Chilean time and 14h00 South African time)
Venue: Conference Centre, Monticello Grand Casino, Panamericana Sur Km 57 San Fco. de Mostazal VI Región Chile.

A local dial-in facility will also be made available for shareholders who wish to participate via teleconference, at the Maslow Hotel, corner Grayston Drive and Rivonia Road, Sandton, South Africa at 14h00 (South African time).

Reports/Activity	**2015**
Announcement of interim results and interim dividend (if declared) for half year ending 31 December	February
Financial year end	30 June
Announcement of reviewed annual results and final dividend (if declared) for the year ending 30 June	August
2015 Integrated Annual Report published	October/November
Annual general meeting	November

Abbreviations

Afrisun Leisure: Afrisun Leisure Investments Proprietary Limited
AGM: Annual General Meeting
AHEPS: Adjusted headline earnings per share
B-BBEE: Broad-Based Black Economic Empowerment
Boardwalk: The Boardwalk Casino and Entertainment World
Carousel: The Carousel Casino and Entertainment World
CASA: Casino Association of South Africa
CDP: Carbon Disclosure Project
CGU: Cash Generating Unit
Company: Sun International Limited
Companies Act: Companies Act No 71 of 2008, as amended
CSDP: Central Securities Depository Participant
CSI: Corporate Social Investment
Dinokana: Dinokana Investments Proprietary Limited
EBT: Electronic Bingo Terminal
EGS: Enterprise Gaming System
ERP: Enterprise Resource Planning
Employee Share Trusts: Sun International Employee Share Trust and Sun International Black Executive Management Trust
GIA: Group internal audit
GRI: Global Reporting Initiative
Group: Sun International Group
HEPS: Headline earnings per share
IFRS: International Financial Reporting Standards
IT: Information technology
JSE: Johannesburg Stock Exchange Limited
King III/King III principles: King Report on Governance for SA and King Code of Governance Principles for South Africa 2009
LATAM: Latin America
LPMs: Limited payout machines
LTI: Long-term incentive
NAV: Net asset value
NRGP: National Responsible Gambling Programme
Own: Ownership
PAYE: Pay As You Earn
PPE: Property, plant and equipment
RAH: Real Africa Holdings Limited
SENS: Security Exchange News Service
SFIR: SFI Resorts S.A. (Monticello)
SIL: Sun International Limited
SIML: Sun International Management Limited
SISA: Sun International (South Africa) Limited
SRI Index: Socially Responsible Investment Index
STI: Short-term incentive
SunWest: SunWest International Proprietary Limited
TCN: Tourist Company of Nigeria Plc
VAT: Value Added Tax
Wild Coast Sun: Transkei Sun International Limited
Worcester: Worcester Casino Proprietary Limited

Administration

SUN INTERNATIONAL LIMITED

Incorporated in the Republic of South Africa
Registration number: 1967/007528/06
JSE Share Code: SUI
ISIN: ZAE000097580

Company Secretary

CA Reddiar BA, LLB, LLM, MBA
Telephone (+27) 11 780 7762
Telefax (+27) 11 780 7716

Public Officer

AM Leeming BCom, BAcc, CA(SA)

Auditors

PricewaterhouseCoopers Inc.
2 Eglin Road
Sunninghill 2157, Gauteng
South Africa
Telephone (+27) 11 797 4000

Principal bankers

ABSA Bank Limited
First National Bank Limited
Investec Bank Limited
Nedbank Limited
Rand Merchant Bank (a division of FirstRand Bank Limited)
The Standard Bank of South Africa Limited

Corporate law advisors and attorneys

DLA Cliffe Dekker Hofmeyr Inc.
1 Protea Place
Corner Fredman Drive and Protea Place
Sandton 2196, Gauteng
South Africa
Telephone (+27) 11 562 1000

Investor relations

Telephone (+27) 11 780 7762
Email investor.relations@suninternational.com

Sponsor

Rand Merchant Bank (a division of FirstRand Bank Limited)
1 Merchant Place
Corner Fredman Drive and Rivonia Road
Sandton 2196, Gauteng
South Africa
Telephone (+27) 11 282 8000

Registered office

6 Sandown Valley Crescent
Sandton 2196, Gauteng
South Africa
Telephone (+27) 11 780 7000
Telefax (+27) 11 780 7716
Website www.suninternational.com

Postal address

PO Box 782121, Sandton 2146, Gauteng
South Africa

Transfer secretaries

Computershare Investor Services Proprietary Limited
70 Marshall Street, Johannesburg 2001, Gauteng
South Africa

PO Box 61051, Marshalltown 2107, Gauteng
South Africa
Telephone (+27) 11 370 5000
Telefax (+27) 11 370 5271
Email web.queries@computershare.co.za

ADR depositary

New York

BNY Brokerage Inc., 101 Barclay St. – Fl. 12W,
New York, NY, 10286, USA
Telephone (+1) 800 255 828

Johannesburg

Contact: Lauren de Klerk
Telephone (+27) 11 217 7162
Email lauren.deklerk@bnymellon.com

Reservations and national sales

Telephone (+27) 11 780 7810

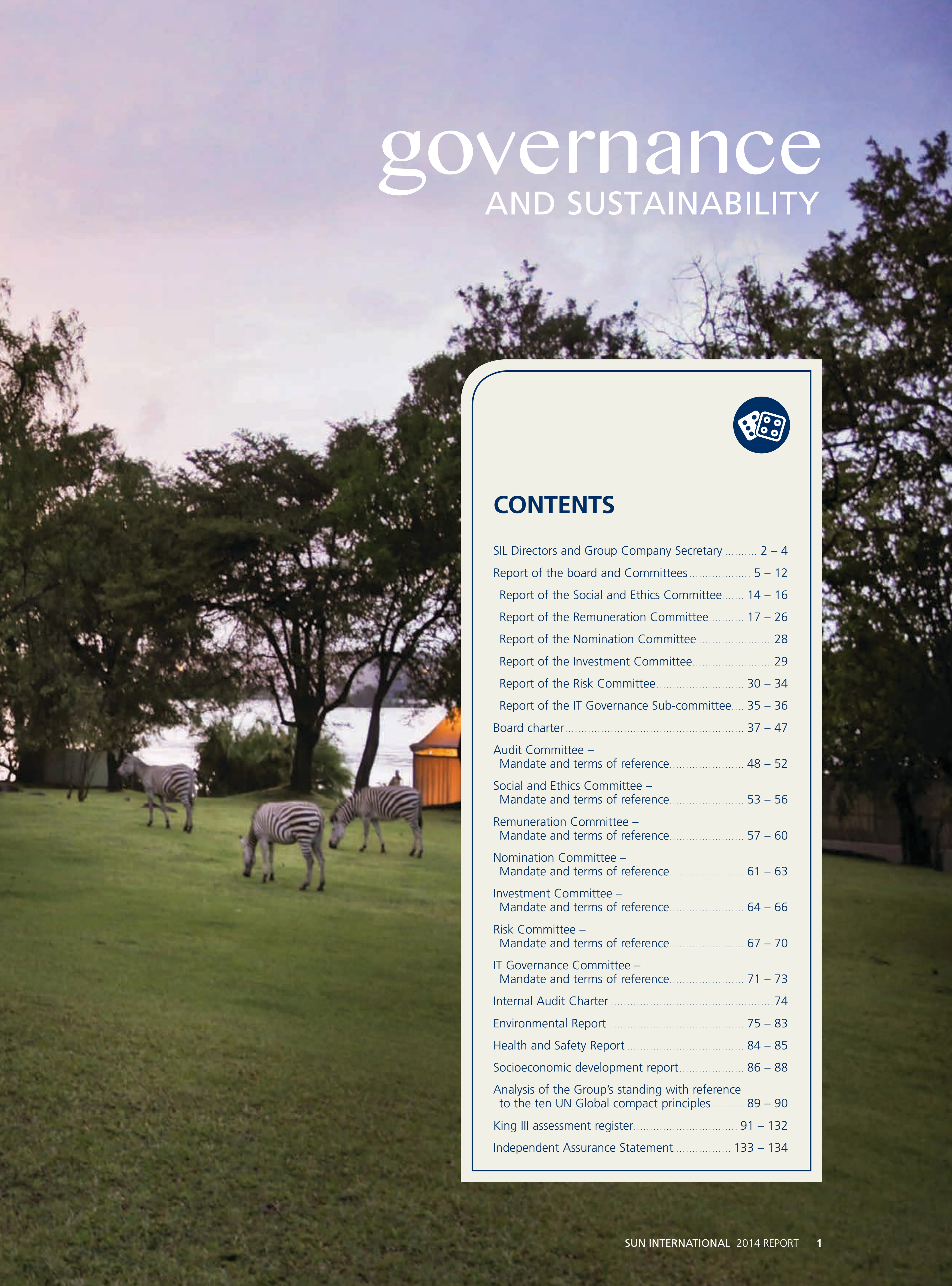
Notes

Sun International

6 Sandown Valley Crescent ❖ Sandown Sandton 2196 ❖ Republic of South Africa ❖ PO Box 782121
Sandton 2146 Gauteng ❖ Republic of South Africa ❖ Tel + 27 11 780 7000 ❖ Fax +27 11 780 7716

www.suninternational.com

Royal Livingstone



governance
AND SUSTAINABILITY

CONTENTS

SIL Directors and Group Company Secretary

MV (Valli) MOOSA (57)
Chairman
BSc (Mathematics, Physics)

Valli was appointed to the board in 2005 and as board Chairman on 1 July 2009. He served as Minister of Constitutional Development from 1996 to 1999 and as Minister of Environmental Affairs and Tourism from 1999 to 2004. Valli previously served as Chairman of the United Nations Commission on Sustainable Development, Chairman of Eskom Holdings, as a national executive committee member of the African National Congress and as president of the International Union for the Conservation of Nature. He currently holds directorships, among others, in Anglo Platinum (non-executive Chairman), Imperial Holdings, Sanlam and Sappi. He is also the Chairman of the environmental organisation WWF (SA).

Board meeting attendance: 6/6

Committee Membership: remuneration, nomination, social & ethics and investment

IN (Nigel) MATTHEWS (69)
Lead Independent Director
MA (Oxon), MBA

Nigel was appointed to the board in 1996 and as the Lead Independent Director with effect from 1 July 2009. Nigel holds a number of non-executive directorships including City Lodge Hotels Limited, Metrofile Holdings Limited, Lion Sands Private Game Reserve (Pty) Limited, Tsebo Outsourcing Group (Pty) Limited and is also Chairman of the Sun International Employee Share Trust. Nigel was previously Chairman of Sentry Group Limited and Lenco Holdings Limited and managing director of Holiday Inn Limited.

Board meeting attendance: 6/6

Committee Membership: investment, nomination, risk and remuneration

PDS (Peter) BACON (68)
FIH
National Diploma in Hotel Keeping and Catering, Stanford Executive Programme.

Peter was appointed independent non-executive director of the Company with effect from 1 February 2013. Peter has over 35 years' experience in the hospitality, resorts and gaming industry. He previously served as Managing Director of Sun International (South Africa) Limited from 1994 and as the Group's Chief Executive from 2003 until his retirement in June 2006. Peter serves as a director of Woolworths Holdings Limited, Elgin Wine Company (Pty) Ltd and Atlantic Leaf Properties Ltd. In addition, he serves as Chairman of the National Sea Rescue Institute and previously served as Chairman of Cape Town Routes Unlimited and Chairman of the Tourism Grading Council Awards Committee.

Board meeting attendance: 6/6

Committee Membership: risk

ZBM (Zarina) BASSA (50)
BAcc, Dip Acc, CA(SA)

Zarina was appointed to the board in 2010. Zarina is the executive Chairperson of Songhai Capital. She also serves as a non-executive director of Kumba Iron Ore Limited, Vodacom South Africa, Woolworths, the Lewis Group, the Oceana Group, the Financial Services Board and Senwes. She is also the Chairperson of Yebo Yethu Limited and has recently been appointed to Investec Bank Limited and Investec Plc as a non-executive director.

She has also previously chaired the Public Accountants' and Auditors' Board and the Auditing Standards Board and has been a member of the Accounting Standards Board, the JSE's GAAP Monitoring Panel, the board of the SA Institute of Chartered Accountants' and Vice President of ABASA. Zarina was named Top Women in Business and Government in 2007 and Top Business Personality in Financial Services: Banking in 2008.

Board meeting attendance: 6/6

Committee Membership: audit, investment and remuneration

PL (Leon) CAMPHER (66)
BEcon

Leon was appointed to the board in 2002. Leon has extensive experience in investment management with Old Mutual, Syfrets Managed Assets, Coronation and African Harvest. He is the CEO of the Savings and Investment Association of South Africa, director of the International Investment Funds Association, a director of STRATE Limited, Brimstone Investment Corp Limited and Safex Clearing Company (Pty) Limited (this is now JSE Clear), Chairman of Equites Property Fund Limited.

Board meeting attendance: 6/6

Committee Membership: audit, investment, nomination, remuneration and social & ethics

E (Enrique) CIBIE (61)
BA, CA (Stanford University), MBA (Pontificia Universidad Católica de Chile, Santiago)

Enrique was appointed to the board with effect from 22 August 2014. Enrique is a Chilean national and currently serves as a non-executive director on various boards in Chile, having previously served as the Chief Executive of various multi-national and Chilean companies.

Board meeting attendance:1/1

Committee Membership: None

DR NN (Lulu) GWAGWA (55)
BA, MTRP, MSc (London), PhD (London)

Lulu was appointed to the board in November 2005. Lulu served as a deputy director general in the National Department of Public Works and served a five-year term as CEO of the Independent Development Trust. She currently also holds directorships, among others, in FirstRand, Massmart and Tsebo Outsourcing and was previously on the board of ACSA. She is the CEO of Lereko Investments.

Board meeting attendance: 5/6

Committee Membership: Risk

BLM (Tumi) MAKGABO-FISKERSTRAND (40)

Appointed to the board in 2010, Tumi Makgabo is the founder and executive director of Africa Worldwide Media, a Johannesburg-based production company, and founder of Tumi Makgabo Enterprises, focused on identifying investment opportunities throughout the African continent. Tumi also worked for CNN International and the FIFA 2010 World Cup Organising Committee South Africa, and serves on the boards of South African Tourism and the Foschini Group. She is also a member of the Forum of Young Global Leaders and the World Economic Forum's Global Agenda Council on Africa.

Board meeting attendance: 5/6

Committee Membership: social & ethics

B (Bridgette) MODISE (47)
CIMA, BCompt (Hons), CA(SA)

Bridgette was appointed to the board in September 2011. Bridgette is the founder and non-executive Chairperson of investment holding company Kutira Capital and the Managing Director of the retail business, Sugarberry Trading. She is a non-executive director in, among others, PPC Limited, Nestlife Assurance Limited, Tellabs South Africa (Pty) Limited and Kanhym Estates (Pty) Limited. She is a member of the board committees (audit, risk, social and ethics and remuneration) of various companies.

Board meeting attendance: 5/6

Committee Membership: audit

LM (Louisa) MOJELA (58)
BCom

Louisa was appointed to the board in 2004. Louisa is group CEO of WIPHOLD of which she is a founder member, and holds non-executive directorships in, among others, Adcorp Holdings, Distell Group, Life Health Care Group Holdings Limited and USB-ED Limited. She previously held positions at Lesotho National Development Corporation, DBSA and SCMB.

Board meeting attendance: 6/6

Committee Membership: investment and nomination

GR (Graham) ROSENTHAL (70)
CA(SA)

Graham was appointed to the board in 2002. Graham is a non-executive director of three listed companies, including Investec Property Fund Limited, and chairs their audit committees. He serves on credit committees and is a trustee of staff share schemes of Investec Bank. He retired in 2000 from Arthur Andersen after being in charge of their South African audit and business advisory practice. He served as Chairman of the Investigations Committee of the South African Institute of Chartered Accountants.

Board meeting attendance: 6/6

Committee Membership: audit, risk and social & ethics

GE (Graeme) STEPHENS (51)
Chief Executive
BCom, HDip Acc, CA(SA)

Graeme joined Sun International on 1 October 2011 as New Business Development director. He has spent 15 years as a financial services advisor focused in particular on the tourism and leisure industry and was with Kerzner International Limited for seven years as the Senior Vice President: Project Development. Graeme was appointed as Chief Executive and to the Company's board with effect from 1 February 2013.

Board meeting attendance: 6/6

Committee Membership: risk

AM (Anthony) LEEMING (44)
Chief Financial Officer
BCom, BAcc, CA(SA)

Anthony was appointed as the Chief Financial Officer and an executive director of the board with effect from 1 March 2013. Anthony is a director of various Group companies including SIML, where he was appointed on 1 July 2009 with responsibility for the Group's corporate and SIML finance and has been integrally involved in all aspects of the Group's financial affairs. He has over 15 years' experience in the hotels, resorts and gaming industries, having joined the Group in 1999 as the Group Financial Manager.

Board meeting attendance: 6/6

Committee Membership: risk and IT governance

KH (Kele) MAZWAI (45)
Director: Group Human Resources
BBus Admin, BCom, BCom (Hons), MBA

Kele joined Sun International in 2008 and has over 20 years' experience in human resources management. Prior to joining Sun International she worked for MNet, Supersport and Oracle as human resources director. She has held various positions in human resources with PG Autoglass, Markhams, Woolworths and the Department of Foreign Affairs.

Board meeting attendance: 6/6

Committee Membership: risk

GROUP COMPANY SECRETARY

CA (Chantel) REDDIAR (38)
Director: Corporate Services and Legal
BA, LLB, LLM, MBA

Chantel joined Sun International in 2004 as a senior legal advisor and has 14 years' experience as a corporate lawyer. She was appointed as Group Company Secretary in April 2010, with oversight for corporate governance, statutory, regulatory, gaming and other licensing processes, intellectual property rights, as well as the Group's share plans. Chantel holds directorships in various Group companies and was appointed as director of corporate services with effect from 1 February 2012 with oversight of legal, compliance and socioeconomic development in 2013.

Board meeting attendance: 6/6

Committee membership: risk

Report of the board

INTRODUCTION

In providing effective and responsible leadership, the board remains the custodian of the Group's ethics and values, and is the centre of the Group's corporate governance system. The board is ultimately accountable and responsible for the key governance processes and the sustainable growth, performance and affairs of the Group, taking into account the legitimate interests and expectations of all stakeholders.

This year the board has once again had to apply its collective mind to an array of strategic developments, particularly on the transactional front. To this end, it has established a new standing investment subcommittee of the board to robustly interrogate the Group's new investments and divestments. We have supplemented the board membership with a director with Latin American experience; his contributions to board deliberations will no doubt be invaluable as the Group forges ahead with its Latin American expansion.

There has been a marked increase in stakeholder engagement, particularly with the Group's employees and unions during the Group's restructuring exercise. While unsettling for many, the restructure had become a very real necessity for the long-term sustainability of the Group. Engagement with the Group's gambling board regulators has also been emphasised this year as on-going compliance in each of the Group's jurisdictions remains a key imperative.

The board has satisfied itself with the extent of the Group's compliance with King III, the Group's regulatory universe, and with the JSE Listings Requirements as articulated in this report.

The Group is pleased to report that there have been no serious instances of non-compliance during the year under review. While the board is satisfied with the Group's level of compliance in accordance with applicable governance and regulatory requirements, it recognises that governance practices can always be improved. Accordingly, the board has and will continue to review the Group's governance framework against best practices.

This report details the board's position on matters ranging from governance to administration, and is provided to stakeholders with a view to highlighting the board's position and *mandate* in terms of its overall responsibilities. Details of the matters canvassed by the various board committees can be found in their individual reports.

GOVERNANCE

ETHICAL LEADERSHIP

The Sun International Group remains committed to ethical and responsible leadership. We aim to demonstrate sound corporate governance practices and embed these throughout the Group companies. The Group's key tenet is to do the right thing, and its governance practices are integral to its licence to operate across all jurisdictions in which it operates.

The Group's code of ethics ("the code") commits management and employees to the highest ethical standards of conduct and has been reviewed during the year, without amendment. The code articulates the Group's commitment to all its stakeholders and is available on the Sun International website. During the year, the principles of the code were applied successfully in the manner in which management conducted the restructuring exercise. With the board's oversight, the process has been conducted fairly, ethically and with due consideration to the dignity and rights of all employees.

In the Group's pursuit of ethical practices, whistle blowing and fraud response policies are encapsulated in clear guidelines which have been disseminated throughout the Group. These provide an infrastructure and mechanism for protected disclosure to executive management or an independent third party (via the KPMG hotline) for investigation and action. Employees are encouraged to report any criminal, illegal, discriminatory or other improprieties by any associated person, as well as fraud and misconduct, without fear of occupational detriment. Employees who are aware of any crime or fraud within the Group may also contact the Ethics Line anonymously. This toll-free number is staffed by operators employed by an external service provider, and is available to staff on a 24-hour basis.

Our commitment to good governance remains underpinned by the pillars of responsibility, fairness, transparency and accountability to all stakeholders. These pillars preserve the Group's long-term sustainability, thereby delivering value to all stakeholders. The board will continue to oversee that management abide by these pillars in their dealings.

ETHICAL PRACTICES

COMMUNICATION ON PROGRESS

This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

The Group's approach to ethical leadership is translated into demonstrable ethical practices. Sun International is a member of the UN Global Compact and supports the ten principles of the Global Compact on human rights, labour, environment and anti-corruption. An analysis which describes our efforts to implement the ten principles is available for the *review* of our stakeholders.

Sun International remains committed to making the principles of the UN Global Compact part of the strategy, culture and day-to-day operations of our Group. In addition and where appropriate, this commitment extends to engaging in collaborative projects which advance the broader development goals of the United Nations, particularly the Millennium Development Goals. We have already collaborated with the National Business Initiative in certain *environmental initiatives* that reinforce the principles of People, Planet and Profit.

SUPPORTING SUSTAINABLE BUSINESS PRACTICES

The Group remains cognisant of its responsibility towards People, Planet and Profit. The Group considers the sustainability of its business practices and its potential impact on all stakeholders and on the environment. The achievement of the Group's key strategic imperatives are underpinned by the Group's sustainable business practices and are often an enabler by ensuring that a sound corporate reputation and the Group's brand are synonymous.

The board has again engaged the services of an external assurance provider to provide an *independent assurance statement* on the Group's sustainability reporting as advocated by King III. Even though the Group has had several independent assessments done, particularly in the areas of environmental management and risk, an external assurance assessment of this nature is beneficial in indicating areas where the Group's business practices meet sustainability criteria, and in identifying those areas where there is room for improvement.

Furthermore, the Group continues to use the *Global Reporting Initiative (GRI) framework* as the basis of its integrated sustainability reporting.

KING III CODE OF GOVERNANCE

The Group has long embraced the principles of sound governance and adherence to regulatory frameworks, as well as corporate best practice. This is evidenced in the *King III assessment register*, which documents the assessment of 75 principles of King III for the year ended 30 June 2014. The board confirms that the Group complied with the Code of Governance Principles ("King III Code") as set out in the King III assessment register and that the spirit of the King III Code is preserved and entrenched in the manner in which the Group operates.

In anticipation of the revisions to the King III Code, for the year under review the Group has utilised the governance assessment tool published by the Institute of Directors to comprehensively record *King III assessment*, thereby facilitating the Group's readiness to adopt relevant provisions of any revisions to the King III Code.

BOARD COMPOSITION

Sun International has a unitary board structure comprising a mix of executive and non-executive directors, the majority of whom are independent non-executive directors. The board presently comprises three executive and eleven non-executive directors, nine of who are considered independent in terms of governance criteria. The non-executive directors have the necessary skills, qualifications and experience, as is evident from their resumes, to provide judgment independent of management on material board issues. We value diversity on our board and of the 14 directors, six are women.

- **Executive and non-executive directors:** Non-executive directors: 78%/Executive directors: 22%
- **Independence:** Independent directors: 64%/Non-independent directors: 14%/Executive: 22%
- **Gender:** Female: 43%/Male: 57%
- **Race:** Black: 50%/White: 50%

DIRECTORATE APPOINTMENT

This year, the board welcomed Mr Enrique Cibie as a non-executive director to the board with effect from 22 August 2014. Enrique is a Chilean national and currently serves as a non-executive director on various boards in Chile, having previously served as the chief executive of various multi-national and Chilean companies. With the group's increasing exposure to Latin America, Enrique's experiences and in-depth knowledge of business in Latin America is of significant value to the Group.

BOARD OVERVIEW

CHAIRMAN

The board is chaired by Mr Valli Moosa, a non-executive director, who has annually been reappointed as board Chairman since 1 July 2009. The Chairman of the board is responsible for, inter alia, ensuring the integrity and effectiveness of the board's governance processes. In terms of the Company's Memorandum of Incorporation, the board Chairman is subject to annual election from among its members. The Chairman's reappointment follows an evaluation of his performance by all directors during the year under review.

LEAD INDEPENDENT DIRECTOR

The board charter requires the appointment of a Lead Independent Director ("LID") in the event that the board Chairman does not meet the independence criteria in terms of the requisite governance principles.

Mr Nigel Matthews has annually been reappointed as the LID with effect from 1 July 2009. The LID provides leadership and guidance at any meetings or in consultations with other directors or executives in circumstances where the board Chairman may be subject to a conflict of interest. The LID is instrumental in leading and introducing discussion at board and committee meetings regarding the performance and evaluation of the board Chairman.

CHIEF EXECUTIVE AND DELEGATION OF AUTHORITY

Mr Graeme Stephens was appointed as Chief Executive on 1 February 2013. The board's governance and management functions are linked through the Chief Executive, who is tasked with running the business and implementing the policies and strategies adopted by the board. The role and function of the Chief Executive is formalised, and the board, through the remuneration committee, annually evaluates the performance of the Chief Executive against specified criteria. In addition, the Chief Executive's performance in his capacity as a director of the board is assessed by the nomination committee. The Chief Executive delegates the appropriate authority to his management team in terms of defined levels of authority and retains accountability to the board.

GROUP COMPANY SECRETARY

Ms Chantel Reddiar was appointed as the Group company secretary in April 2010. She provides a central source of advice to the board on the requirements of the JSE Listings Requirements, the Companies Act, King III, sustainability considerations and corporate governance.

In addition to the Group Company Secretary's statutory and other duties, she provides the board (as a whole, individual directors and the committees) with guidance as to the manner in which their responsibilities should be discharged in the best interests of the Company. The appointment and removal of the Group company secretary is a matter for the board as a whole.

The board is satisfied that, following an assessment conducted by the nomination committee, the Group Company Secretary has the requisite knowledge, qualifications and experience to carry out the duties of a company secretary of a listed company. The board is of the opinion that the Group company secretary maintains an arm's length relationship with the board and its directors.

i. BOARD PROCESSES

BOARD APPOINTMENTS AND ROTATION OF DIRECTORS

Procedures for appointment to the board are formal and transparent, and are a matter for the board as a whole. The board is assisted in this process by the nomination committee which has clear criteria for the selection of board directors. In terms of the Company's Memorandum of Incorporation, new directors appointed since the last annual general meeting (AGM) may only hold office until the next AGM at which time they will be required to retire and offer themselves for election. Accordingly, Mr Enrique Cibie, having been appointed with effect from 22 August 2014, will stand for election at the forthcoming AGM. Mr Cibie's ***résumé*** summarises his experience.

In addition, directors retire by rotation at least once every three years in accordance with the Company's Memorandum of Incorporation. The nomination committee assesses the performance of those directors and recommends their re-election to the board and shareholders. In this regard, the nomination committee, having concluded its performance assessments, recommends the re-election of the retiring directors – Mr Valli Moosa, Mr Graham Rosenthal and Ms Bridgette Modise – all of whom, being eligible, have offered themselves for re-election at the 2014 AGM. Their ***résumés*** are available for review.

NOMINATION AND SELECTION PROCESS FOR BOARD APPOINTMENTS

The nomination committee is mandated by the board and its terms of reference to regularly review the composition of the board and committees. If deemed necessary, the nomination committee makes recommendations to the board on its composition, the appointment of new directors and the composition of the board committees.

INDEPENDENCE

The board, through the nomination committee, annually assesses the independence of the non-executive directors against the criteria set out in King III, the JSE Listings Requirements and the Companies Act. The board confirms that two of its non-executive directors, Mr Valli Moosa and Dr Lulu Gwagwa, are not considered independent as they are shareholders and directors of Lereko Investments (Pty) Limited, which is a material shareholder of Dinokana Investments (Pty) Limited, the Group's empowerment partner. The remaining nine non-executive directors are considered independent, eight of whom were assessed in terms of the 2014 annual independence assessment and the remaining member upon his assessment for appointment to the board.

The nomination committee conducted a rigorous independence assessment of the non-executive directors who have served on the board for nine years or more (these being Messrs Leon Campher, Nigel Matthews and Graham Rosenthal) and concluded that these directors retain their independence in character and judgement, notwithstanding their length of service, and that there were no relationships or circumstances that were likely to affect or be perceived to affect their independence. The board concurred with these findings and is of the view that the aforesaid non-executive directors bring valuable experience and skill to the board, and that they will continue to exercise independent judgement.

SUCCESSION PLANNING

Succession planning, which involves identifying, developing and advancing future leaders and executives of the Group, is an on-going responsibility of the board and is carried out through the remuneration committee. Detailed succession plans are presented annually to the remuneration committee in this regard. Board committee succession planning is carried out through the nomination committee. The nomination committee reviews the composition of all committees and the committee members' readiness to succeed a committee Chairman if the need arises.

CONFLICTS OF INTEREST

Directors are required to inform the board of any conflicts or potential conflicts of interest which they may have in relation to any particular area of business. Directors are required to recuse themselves from discussions or decisions on those matters where they have conflicts or potential conflicts of interest.

BOARD MEETINGS

A minimum of four board meetings are scheduled for each financial year. In addition, the board holds a fifth meeting, in the form of an annual strategy meeting together with executive management, to deliberate the Group's strategic direction and agree the Group's annual budget as proposed by management. The Group's key strategic objectives are set at the strategy meeting and progress is reported at each board meeting. This year the board convened an additional special meeting to consider the transactions pertaining to the Group's disposal of a 14.9% interest in each of SunWest International (Pty) Limited and Worcester Casino (Pty) Ltd.

BOARD CHARTER

The board's role is to exercise ethical leadership and sound judgment in directing Sun International to achieve sustainable growth in the best interests of its stakeholders. The board is regulated by a ***board charter*** which details the manner in which the business should be governed by the board in accordance with the principles of sound corporate governance and organisational integrity.

The board charter is reviewed annually to ensure its relevancy.

BOARD, DIRECTORS AND COMMITTEE EVALUATIONS

The board, the board Chairman, LID, board committees and the board members are evaluated annually on their performance in relation to their governance of economic, environmental and social sustainability issues, as well as the board and committee processes and procedures. This evaluation is conducted by way of an online self-evaluation, with the last evaluation carried out during April 2014. The board intends to conduct an independent external assessment during 2015.

All committee evaluations are reviewed by the board and action plans, when required, are implemented to improve any areas of development that are raised in the results. The nomination committee appraises the performance of the board Chairman, the LID, the board and each board member, based on the evaluation results. The board Chairman meets with each board member to provide feedback on their assessment and discuss any areas for improvement.

Based on the results of the 2014 evaluations, the directors are of the opinion that the board and its various committees have effectively discharged their responsibilities in accordance with their respective written terms of reference.

STAKEHOLDER ENGAGEMENT

The board has delegated the responsibility to deal with stakeholder relationships in a proactive and constructive manner to management. The risk and the social and ethics committees review the initiatives and activities on an annual basis.

The board ensures that the relevant stakeholder engagements that are emphasised in the year are aligned to achieving the Group's strategic objectives. The table below is reflective of some of the stakeholder engagements undertaken during the year.

STRATEGIC OBJECTIVES	KEY RISK MATTERS	KEY STAKEHOLDERS	ENGAGEMENT	DESIRED OUTCOME
Improve our existing operations and guest experience	Successful completion of the S189A restructure in the South African gaming operations The restructure was considered necessary in order to achieve the efficiencies brought about by technology and outdated business processes.	Employees; Unions; and Regulators	Extensive consultation with our employees and unions in terms of seeking alternatives to the number of impacted positions. The process is close to finalisation and efforts will now be focused on rebuilding Sun International's culture and employee morale. Concerted engagement with our regulators has ensured that the Group is not compromising any legal/regulatory considerations.	Efficient, improved and simplified business processes. Staff morale and Sun International culture is rebuilt. Guest experience is improved. Our smart technology is fully utilised. Our best practices in gaming are imported to our new businesses.
	Negative impact on business through onerous travel restrictions imposed by the Department of Home Affairs The Group has already received cancellations from certain international groups that arise from the increased travel restrictions. Several service providers in the tourism industry are projecting a significant decline in the number of tourism visitors as a result of the travel restrictions.	Departments of Home Affairs and Tourism; and Government	Representations have been made to Government to highlight the significant impact that biometric visas will have on tourism. In addition there is industry collaboration to represent the real impact on tourism to the Country. Engagement with service providers.	Alternative solution is obtained to address concerns of the Department of Home Affairs without the significant impact on business. The outcome of the process is yet to be determined however the Group acknowledges the postponement of certain restrictions insofar as this relates to travel with minors and welcomes the Department of Home Affairs looking into alternative viable solutions.

STRATEGIC OBJECTIVES	KEY RISK MATTERS	KEY STAKEHOLDERS	ENGAGEMENT	DESIRED OUTCOME
Protect and leverage our existing asset portfolio	The successful amendment of the Morula Casino licence conditions thereby permitting a relocation of the casino licence to Menlyn Maine The inaccessibility of Morula Casino and the emergence of other urban gaming have resulted in an existing asset that is underperforming. The ability to amend the casino licence conditions and the resultant R3 billion Time Square at Menlyn Maine development has significant benefits for all stakeholders.	Gauteng Gambling Board; other Regulators; National and Provincial Government; Communities; and Staff	Widespread engagement with the relevant stakeholders and communities which culminated in public hearings. Continued engagement with relevant stakeholders.	The outcome of the Group's application to the Gauteng Gambling Board was successful. Certain legal challenges have been received and are being dealt with. The Group remains confident with the merits of its application and the findings of the Gauteng Gambling Board.
	Impact of EBTs and further rollouts within our casino catchment areas EBTs impact on our casinos given the relative convenience and ease of accessing these terminals.	Gambling Boards; Government; CASA; and Equity partners	Engagement with the various stakeholders to explain the Group's position and the reasons for the Group's objections to EBTs being situated within the Group's catchment areas. CASA as an industry has made similar representations on behalf of the casino operators. The Group has launched legal proceedings in KwaZulu-Natal and will continue to consult and legally object if there is no other recourse.	The roll-out of EBTs be properly regulated and no EBTs are permitted within the catchment areas of our casinos. The current outcomes vary in each province dependent on the view taken by provincial regulators. EBT rollout is curtailed and is eventually rolled out in under serviced areas under the appropriate restrictions.

STRATEGIC OBJECTIVES	KEY RISK MATTERS	KEY STAKEHOLDERS	ENGAGEMENT	DESIRED OUTCOME
Grow our business into new areas and products	Maturity of the South African land-based casino market There is a national cap on land-based casinos and no further ability to grow the number of land based casinos. Focus must be to grow our business into new areas and products that are linked to our core competencies.	Regulators; Shareholders; and Equity partners	Continued engagement with regulators and interested parties as to new avenues within the alternate gaming market. Our engagements in assessing the opportunities in the online gaming domain have resulted in our acquisition of SunBet which facilitates our readiness for the legalisation of online gambling. We continue to engage with market leaders in the online gaming domain. Our engagements with Grand Parade Investments Ltd ("GPI") have led to our potential acquisition of GPI's LPM business which allows the business immediate presence in the LPM market by acquiring a national LPM footprint and growing into new geographical areas with this new product. Certain regulatory approvals are still required.	We diversify and grow our business by entering into new products and markets.
	Our international expansion and the performance of our new acquisitions We continue to target new investments predominately in Latin America, given that international expansion is the route to grow our land-based casino operations. The countries targeted within Latin America have a good growth and robust regulatory profile.	International regulators; Shareholders; South African Diplomats; and Advisors	Discussions with potential investors; regulators and foreign governments as we seek to grow our business globally. We engage with the relevant advisors in assessing matters such as country risk and the necessary due diligences. In the event that management believes that the proposed investment is feasible it engages firstly with the investment committee and then the board in terms of adjudicating the opportunity against the Group's investment criteria.	We have built a successful Latin American portfolio of casinos.

STRATEGIC OBJECTIVES	KEY RISK MATTERS	KEY STAKEHOLDERS	ENGAGEMENT	DESIRED OUTCOME
Our people	Creating a high performance culture We believe that our service is a key differentiator within our Group. As such Sun International has to be a high performance culture where all of our employees are constantly giving of their best.	Employees	Focused interventions with employees to rebuild performance culture. Engagements on performance contracting and management. Unit roadshows to management across the Group to present the Group's pay for performance methodology which has personal performance as a 1/3rd component of the executive bonus scheme.	A high performing team throughout the Sun International Group that consistently delivers memorable experiences to our guests.
	Succession planning for key management positions Proper succession planning ensures business continuity and minimal interruptions to our business. We want to create diverse opportunities for our employees.	Remuneration committee; Executive Management; and Employees	Engagement within the organisation to identify successors for the key management positions. Feedback has been provided to managers following talent management reviews. We have spent time understanding our manager's career aspirations and are engaging on learning and development plans that will support their career development.	All key positions within the Group have an available pool of successors through our talent pipeline.
Governance and sustainability	Ensuring compliance throughout the Group We operate in an extensively regulated industry and the preservation of our casino licences are dependent on our compliance with such regulations. Our corporate reputation is enhanced through our reputation for compliance.	Employees; and Regulators	We have engaged in focus meetings with most of our gaming regulators to understand their perceptions of the Group's compliance. We are rolling out new compliance training and a new compliance portal that will see our Group's compliance standardised across all units, and further roadshows will be held at all units.	The Group is fully compliant with all regulatory aspects and builds strong relationships with its regulators.
	Finalisation of the Group's Climate Change Strategy The Group is cognisant that its use of natural resources must be mitigated by implantation of an appropriate strategy.	Leadership; Employees; Communities; and Consultants	Extensive engagement with our stakeholders ranging from the board and external consultants to our communities in order to understand the meaningful contribution that the Group can make in preserving natural resources.	Our Climate Change Strategy will make a meaningful contribution to the preservation of natural resources and will ensure that certain efficiencies and cost savings are obtained throughout the Group.

GOVERNANCE AND REGULATION

In light of gaming being core to the Group's business activities, monitoring and compliance with gambling regulatory measures in the Group's licensed jurisdictions remains a priority for the management team. A dedicated compliance function has been established at a central level and the Group holds its general managers and surveillance managers accountable at each licenced property. Compliance is also a key performance indicator for all executive managers and is considered a significant business imperative.

International trends in developed gaming jurisdictions are also monitored, to keep abreast with developments elsewhere and so position the Group to be proactive in considering and implementing best practice opportunities that may apply to our own operations.

In addition to our internal activities, the Group is an active member of the Casino Association of South Africa ("CASA") and participates in working committees regarding casino regulatory matters.

The gaming industry in which the Group operates is highly regulated and is subject to significant probity and external regulatory monitoring, both locally and internationally. This requires the Group, its major shareholders, directors, senior management and key employees to observe and uphold the highest standards of corporate governance.

Statutory regulation of the gambling industry in South Africa takes place through the National Gambling Act and the gambling legislation of each province. Among the other statutory laws of the land, the Group's business activities require particular sensitivity to its rights and obligations under the legislation pertaining to competition, consumer protection, money laundering, the environment, and occupational health and safety.

Our industry remains at risk of over-regulation. Previously announced increased restrictions on advertising gambling activities have been withdrawn but may be republished at any time. Previously announced draft regulations to further curb the smoking of tobacco products in public places are undergoing drafting and are expected to be released again for public comment.

Accordingly, the Group has identified the main areas of legislation that materially affect its operations and regularly engages with its key regulators to make public comments and submissions on proposed new industry and other relevant legislation.

BOARD COMMITTEES

The board is authorised to form committees to assist in the execution of its duties, powers and authorities. It currently has six standing committees, as depicted below.

Various other committees are established throughout the Group from time to time. The terms of reference and composition of the committees are determined and approved by the board and have been adopted by all the committees. Terms of reference are reviewed by the board (and each committee) annually, with the most recent review having been conducted in August 2014 to ensure that the terms of reference remain current and reflect an appropriate focus for the year. The terms of reference of the various committees are available for review. The chairpersons of the committees report to the board on a quarterly basis in terms of their committees' respective terms of reference and copies of all committee minutes are circulated to the full board.

Reports of each of the board's committees are provided for the 2014 year and set out the salient details of the mandate that each committee has fulfilled for the year under review.

CONCLUSION

The board is confident that the Group is meeting the requisite standards of governance and compliance, and that matters for board consideration have been robustly interrogated and canvassed. The board continues to apply its mind both individually and collectively to guide the strategic direction of the Group.

GOLDEN VALLEY
WESTERN CAPE

The picturesque Breede River Valley in Worcester is home to the Golden Valley Casino.

Report of the social and ethics committee

COMPOSITION

Ms BLM Makgabo-Fiskerstrand (Committee Chairperson)	Mr PL Campher	Mr MV Moosa	Mr GR Rosenthal
Independent non-executive director	Independent non-executive director	Non-executive director	Independent non-executive director
Meeting attendance: 3/4	Meeting attendance: 4/4	Meeting attendance: 4/4	Meeting attendance: 4/4

The main purpose of the social and ethics committee ("the committee") is to assist the board in ensuring that the Group is, and remains a responsible corporate citizen by overseeing the sustainability development performance of the Group.

INTRODUCTION

The committee was constituted as a statutory committee in 2011 in accordance with regulations of the Companies Act and to assist the board in ensuring that the Group remains a responsible corporate citizen. This is the fourth year of the committee's existence and our processes and reviews have evolved over this period, ensuring that material matters are canvassed by the committee within clearly defined parameters. The committee also performs the requisite statutory functions on behalf of all Group subsidiaries and reports to these subsidiary boards in terms of the execution of its statutory mandate. This ensures that the committee's decisions are implemented across the Group with overall accountability at board level. In addition, the committee reports to companies within the Group that are not defined as subsidiaries in terms of the regulations.

MEETING PARTICIPANTS

In addition to the members of the committee reflected above, executive management are standing invitees to the committee and are represented by the Chief Executive, Chief Financial Officer, Director: Corporate Services and Legal, Director: Legal Affairs, Director: Group Human Resources, Director: Group Internal Audit, the Group SED manager and the Group environmental manager. These invitees represent business areas that fall within the remit of the committee's review and these attendees provide the committee with regular reports and input into the group's social standing and progress on matters within their expertise.

MANDATE

The committee chairperson reports to the board following each committee meeting and to shareholders at the Company's annual general meeting on matters in accordance with the *committee's approved terms of reference*. In fulfilling its mandate and with a view to building the Group's corporate reputation, the committee met on four separate occasions during the year under review and to date of this report to consider the Group's activities having regard to relevant legislation and prevailing codes of best practice in respect of matters relating to: social and economic development; responsible corporate citizenship; the environment; health and public safety; consumer relationships; and labour and employment. These matters are canvassed more fully in the remainder of this report.

SOCIAL AND ECONOMIC DEVELOPMENT

The committee has reviewed the Group's standing and progress in accordance with the goals and purposes of the 10 principles set out in the United Nations Global Compact Principles ("UNGC Principles") and the Organisation for Economic Co-operation and Development guidelines for multinational enterprises 2011 regarding corruption. The committee concluded that the Group either complied with or exceeded the requirements of the UNGC Principles, and that there were no material areas of concern raised with the committee. *An analysis of the Group's standing with reference to the UNGC Principles* has been provided for stakeholders who wish to review the Group's standing in further detail.

The Group has elected this year to join the global membership of the UN Global Compact as we believe that together with like-minded organisations, we can continue to make lasting positive impacts in society. Our public commitment to the UN Global Compact is reflective of the Group's commitment to social development.

The Group's anti-corruption policy continues to be applied across jurisdictions and reflects the Group's zero-tolerance for any type or form of corruption. There have been no material infringements of this policy reported to the committee in the year under review. The contents of this policy are a mandatory part of the Group's induction program for all new employees and refresher training on the policy is made available to all existing employees.

The Group remains committed to the advancement of matters relating to broad-based black economic empowerment ("B-BBEE") and continues to make advancement in most areas. The Group is cognisant of the amended B-BBEE legislation and the potential impact of the same on the Group. Management are proactively addressing these changes to ensure its state of readiness and the committee is monitoring such progress against the current B-BBEE Act, 53 of 2003 and the Employment Equity Act, 55 of 1998. In this regard, the committee regularly reviews the relevant reports noting areas of improvement. The committee has requested that management target certain improvements in employment equity within the Group for the forthcoming year, as the Group emerges from a Section 189A restructuring process. Management has submitted an annual employment equity plan to the Department of Labour on the understanding that its longer term employment equity plan will be submitted after finalisation of the Section 189A process.

The Group also re-established its central B-BBEE committee which is comprised of stream leaders from each of the pillars underpinning the B-BBEE Act with a focus to refine and in certain instances redevelop the Group's approach based on the amended B-BBEE requirements. The Chairman of the B-BBEE committee reports to the committee at each meeting on progress made by the B-BBEE committee and on management's initiatives to address the various B-BBEE pillars. The Group has made good progress on each of the pillars and there has been significant effort placed on improving the spectres of procurement, supplier development and enterprise development. The committee has reviewed the Group's enterprise development initiatives which are contributing to the development of sustainable businesses and a Group enterprise development strategy is in the process of being finalised.

The committee is satisfied that the Group's B-BBEE rating as verified by Empowerdex, an external accredited verification agency, has been maintained at Level 2 contributor status.

RESPONSIBLE CORPORATE CITIZENSHIP AND THE IMPACT OF THE GROUP'S ACTIVITIES

Further to the Group's commitment to the promotion of equality, the prevention of unfair discrimination and zero tolerance approach to corruption, the committee has reviewed the Group's policies, processes and undertakings to ensure that these matters are sufficiently monitored and addressed throughout the year. Good corporate citizenship is fundamental to the Group's licence to operate.

In the year under review, the committee monitored the Group's substantial initiatives and contributions towards the development of communities in which its activities are predominantly conducted or marketed. Group Internal Audit ("GIA") verified the record of sponsorship, donations and charitable giving across the Group and submits an annual report to the committee for review.

A revised Group socioeconomic development strategy and implementation plan was presented to the committee led by the Group's newly appointed SED manager which highlighted a fundamental change in shifting the group from a traditional corporate social investment philosophy to one that adopts the principles of Creating Shared Value. These principles effectively address both business needs and societal ails with the aim of creating shared value for all participants. The committee will be monitoring the evolution in thinking as the Group's SED initiatives are fundamental to making the difference that our communities need. It remains imperative that the Group creates sustainable economic benefit for these communities.

The Group remains firmly committed, as it has since inception, to the National Responsible Gambling Programme ("NRGP"), which remains well regarded globally as a leading programme to promote responsible gaming. The NRGP publishes a quarterly report to create awareness of the public initiatives undertaken in the industry which include, amongst others, public awareness training and prevention, treatment and counselling, training and interventions for regulators and industry employees, research audits and life-skills programmes for schools. In addition, management reports to each of the subsidiary boards as well as to the committee on its own focused efforts in leveraging the NRGP principles across all of its casino properties. Management reports on matters such as crèche utilisation rates which remain strictly monitored at all properties, as well as on the training of all staff in terms of the different stages of NRGP training. These practices are audited at each property by GIA, which further reports on such audits to both this committee as well as the Group's audit committee.

ENVIRONMENT, HEALTH AND PUBLIC SAFETY

The Group's environmental manager reports on the Group's progress on all environmental and related sustainability matters. During the year under review, the key focus areas were established in the Group's sustainability strategy which includes, inter alia, the Group's strategy on climate change. This has been a key issue for the Group and its efforts in ensuring that it is addressing climate change matters at its operations and we are pleased with the progress to date. A focus in the year ahead will include a focus on improving the Group's waste management across all properties to ensure consistency in the approach to effectively managing waste.

The Group remains committed to the finalisation in roll-out of an ISO14001 environmental management system, embedding the Group's climate change strategy together with carbon foot-printing and disclosure, participation in the Carbon Disclosure Project through the submission of a carbon and water disclosure and reinforcing the Group's sustainability partnerships.

The Group has also partnered this year with the National Business Initiative ("NBI") (the NBI assists with the activities of the United Nations Global Compact Local Network in South Africa) and participated in the NBI's PSE (Energy programme), which affirmed the Group's environmental commitment, and the UN Global Compact which brought with it international best governance practices and recognition thereof on a global platform.

Health and safety audits are conducted throughout the Group by GIA as the safety of our employees and guests remain a key focus. Whilst each property has a health and safety officer, a Group health and safety officer will be appointed shortly to ensure coordinated efforts and compliance across the Group.

CONSUMER RELATIONSHIPS

The committee reviews the Group's stakeholder engagement with regard to all stakeholder and guest relationships. Extensive work is undertaken throughout the Group under the direction of the Group's legal department to ensure awareness of and compliance with the provisions of the Consumer Protection Act, No 68 of 2008. Any instances of potential non-compliance are reported to the committee and there have been no new consumer complaints lodged against the Group in the year under review.

LABOUR AND EMPLOYMENT

Management reports on the Group's standing in terms of the International Labour Organisation's protocol on decent work and working conditions. During the year under review, emphasis has been placed on the fair and proper implementation of the Section 189A restructure process across our South African operations. The impact on our employees was and is being felt across affected and non-affected staff. The committee received regular feedback from management on the process and status of this process with specific focus on the interactions between the various stakeholders involved in the process.

The committee is of the opinion that the S189A process, whilst difficult, has been conducted fairly and with due respect to the rights of our employees and unions. Management have been tasked to focus on the rebuilding of the Sun International culture in the year ahead, as the Group emerges from a tough but necessary process to ensure the long term sustainability of the Group. Indeed, many such initiatives would have commenced by the time our stakeholders receive this report and includes efforts such as selecting and inculcating new values that will lead Sun International forward as well as the executive leadership roadshows at each of the Group's properties.

CONCLUSION

Overall, the committee is satisfied that there were no significant areas of risk with regard to the matters to be addressed by the committee in terms of statute and the provisions of its *terms of reference* other than set out in this report.

Furthermore, the Group is pleased to report that there have been no material instances of non-compliance during the year under review. Accordingly, the committee is comfortable that the Group operated in the year under review as a socially responsible corporate citizen demonstrating an ongoing commitment to sustainable development.

Corporate citizenry forms part of each employee's performance contract as the fifth pillar of the Group's strategy, "Governance and Sustainability". At management level these objectives have a direct link to remuneration.

In the year ahead, management have received a clear mandate from this committee in terms of areas of focus and improvement. Responsible corporate citizenship whilst inherent in our business practices and in management's enduring commitment to create value for all its stakeholders, will remain a principle that we build on each and every day.

BLM Makgabo-Fiskerstrand
Chairperson

Sun International Limited social and ethics committee

16 October 2014

Report of the remuneration committee

COMPOSITION

Mr IN Matthews
(Committee Chairman)
Independent non-executive director
Meeting attendance: 4/4

Ms ZBM Bassa
Independent non-executive director
Meeting attendance: 4/4

Mr PL Campher
Independent non-executive director
Meeting attendance: 4/4

Mr MV Moosa
Non-executive director
Meeting attendance 4/4

Dear stakeholders

Last year's remuneration report set out the myriad of changes that the remuneration committee ("remco") dealt with and the revision to the Group's executive remuneration principles. By contrast, the emphasis this year has been to embed the revised remuneration principles and, more importantly, assess whether these changes have been successful and effective in delivering the anticipated results. We have engaged with many of our shareholders to obtain their views on the Group's remuneration structures and we extend our appreciation to those shareholders who have taken the time to engage with the remco and management on their views on executive remuneration.

As the Group is refining its approach to implementing the revised remuneration model, further learnings have emerged. This has led to further foundational steps being implemented, such as the regrading of all management employees and the subsequent realignment of their award levels.

Management has been thorough in its review of employee benefits and much like the Group's customer management system, which has been developed to provide a single view of the customer, a great deal of time and effort has been dedicated to provide a single view of each of our executive team and the Group's top 160 managers. This will shortly be cascaded down to all levels of management, and will provide the remco and management with a snapshot of the individual's talent profile, performance, development aspirations, flight risk, succession and other relevant factors to allow deeper insight into the rationale for remuneration decisions.

As a remco, we consider the interests of all employees and as you will appreciate, the most significant event for our employees (whether affected directly or not) has been the implementation of the section 189A restructuring process. Careful consideration was given to the decision to implement the process, which was not taken lightly by executive management and the board. However, it was considered necessary for positioning the Group for a new era. As a remco, we are continuously monitoring the implementation of the process by management and are satisfied that it is being concluded as fairly as possible with due respect afforded to our employees. Once the restructuring process is completed, each employee will have a clear understanding of the Group's expectations for their role and the Group will be right-sized to ensure sustainable growth.

For the first time last year, we introduced an individual performance component to the Group's executive bonus scheme, which is based on personal effort and success in meeting (and as we hoped, exceeding) performance objectives set against the Group's five strategic pillars. The pay for performance methodology has elevated the importance of a performance culture and empowered our managers to determine a component of their bonus based on their individual contributions. The actual results attained are set out in the body of this report.

The remainder of this report sets out the Group's remuneration policy and principles, and provides stakeholders with an understanding of the Group's remuneration components. This is followed by the remuneration disclosures of the executive directorate and the proposed fees for non-executive directors for the year ahead.

From a governance reporting perspective, the Committee's 2014 assessment indicated that the remco was effective in performing its functions and supporting the board appropriately. Our board mandate and *terms of reference* remain available for perusal, and were reviewed for relevancy and alignment to best practice in the year under review.

This report has been approved by the board on the recommendation of the remco. Stakeholders are invited to submit comments on the Group's remuneration policy by emailing **investor.relations@suninternational.com**

IN Matthews
Chairman of the remuneration committee

THE GROUP'S REMUNERATION POLICY

The Group is guided by the following key remuneration principles to align employee behaviour with the Group's strategic objectives:

- To provide competitive and equitable rewards to attract, motivate and retain high calibre talent while aligning our employees' remuneration with shareholder interests
- To attain a high performance culture, with our pay for performance methodology, to facilitate execution of the Group's strategic priorities
- To encourage collaborative business behaviour between and among different units by inculcating a culture focused on rewarding achievement of Group, unit and individual performance targets
- To promote and ensure compliance to the evolving remuneration governance framework for both local and global units
- To promote the implementation of leading remuneration practices and attract global expertise to the Group as we expand offshore
- To ensure that the Group's remuneration policy withstands scrutiny by the Group's various stakeholders

These principles inform a holistic view in setting the Group's remuneration policy, which is underpinned by leading remuneration and governance practices.

REMUNERATION STRUCTURE

These remuneration principles are attained through the appropriate mix of guaranteed fixed remuneration and variable performance-related remuneration. At management level, this further comprises a short-term incentive (over a one-year performance period) and long-term incentives (over a minimum three-year performance period).

SUMMARY OF EXECUTIVE REMUNERATION STRUCTURE

Component	Type	Objective
GUARANTEED PACKAGE • Base pay • Retirement benefits • Medical aid • Insured benefits • Travel allowance	FIXED AND PAID MONTHLY	To recruit and retain high calibre management. Reflects scope and nature of the role, expertise required and market value.
SHORT TERM INCENTIVE	VARIABLE AND PAID ANNUALLY	Linked to attainment of both financial and non-financial targets against strategic priorities. Motivates and rewards accomplishment of annual performance objectives that align the interests of the Group; the individual unit and personal performance.
LONG TERM INCENTIVE	VARIABLE AND AWARDED ANNUALLY	Stimulates achievement of long term business targets to align with shareholder interests. Ensure management have a vested interest in the long term business performance and leads to the retention of executive talent.

The remco reviews the total remuneration mix of executives on an annual basis. This review entails an analysis of the combination and proportion of the total remuneration paid as part of the guaranteed package against both the short-term and long-term incentives. The appropriate mix and combination of each of these remuneration components at executive level is imperative as each component is linked to promote the creation of shareholder value.

To retain a competitive edge in the industry and ensure we remain an employer of choice, our remuneration philosophy is to remunerate our executives equitably, competitively and in line with shareholder expectations and leading remuneration practices. In light of this, we use niche market industry and country benchmarks to ensure that we are constantly informed of market trends. In an effort to ensure employees are paid equitably, irrespective of their gender, the Group also analyses pay at various levels of management and addresses these as may be appropriate.

Consideration of our JSE-listed peers and comparator market salary data of organisations of similar market capitalisation and revenue is taken into account in making executive remuneration decisions.

Executive remuneration is further informed by utilising an integrated view of executive remuneration, talent and performance management. This provides detailed and consolidated information for each executive in the Group with regard to:

TALENT MANAGEMENT FACTORS

Flight risk
Organisational impact
Succession depth

PERFORMANCE MANAGEMENT RATINGS

Current performance ratings
Current top-performing executives

REMUNERATION

Total cost of employment (GP) versus market
Potential total earnings (GP + STI + LTI)
Potential total earnings versus market
Three-year annual salary increment history
Proposed salary increment

REMUNERATION COMPONENTS

GUARANTEED PACKAGE

Our remuneration policy seeks to remunerate all employees with a guaranteed package that is anchored at the median market position. Performance remains one of the most important factors in determining total guaranteed pay, and therefore the Group differentiates between average and outstanding performance, and remunerates individuals based on their contribution to the Group's strategic objectives.

SHORT-TERM INCENTIVE

Middle, senior and top management employees participate in an annual short-term incentive plan, otherwise referred to as the Executive Bonus Scheme (EBS). The EBS is structured to reward accomplishment of annual financial and non-financial performance targets that are aligned to the delivery of Group and unit performance together with individual performance against agreed strategic priorities. Business performance remains the most weighted driver in calculating EBS, contributing two-thirds to the total EBS amount, with individual performance weighted at one-third of the formulae.

EBS is calculated as a percentage (target incentive percentage) of an employee's qualifying guaranteed package and is determined by attaining both Group and unit business performance targets, as well as individual performance over the most recent financial year, as follows:

BONUS PAID = QUALIFYING TCOE × TARGET INCENTIVE PERCENTAGE × (UNIT FACTOR/3 + GROUP FACTOR/3 + INDIVIDUAL PERFORMANCE/3)

The target incentive percentage is dependent on the employee's grade and will be determined by remco from time to time based on prevailing market trends.

UNIT AND GROUP BUSINESS PERFORMANCE

The Unit and Group Factor is dependent on budgeted financial performance as follows:

Targets	% of budgeted financial performance achieved	Group or unit Factor
Threshold	90%	**0%**
Target	100%	**100%**
Stretch	110%	**200%**

Earnings before interest, taxes, depreciation and amortisation (EBITDA) is the financial performance metric for both unit and Group performance. For employees based at units, EBITDA performance is equally weighted between Group and the applicable unit. For Group employees, EBITDA performance is based on the Group result. Linear interpolation is used to determine the unit or Group Factor between Threshold, Target and Stretch performance.

INDIVIDUAL PERFORMANCE

The personal factor, which comprises one-third of the EBS, ranges between 0 – 200% and is dependent on the employee's performance rating results for the relevant financial year.

No EBS will be payable to an employee who is rated as a weak performer in terms of their most recent performance assessment.

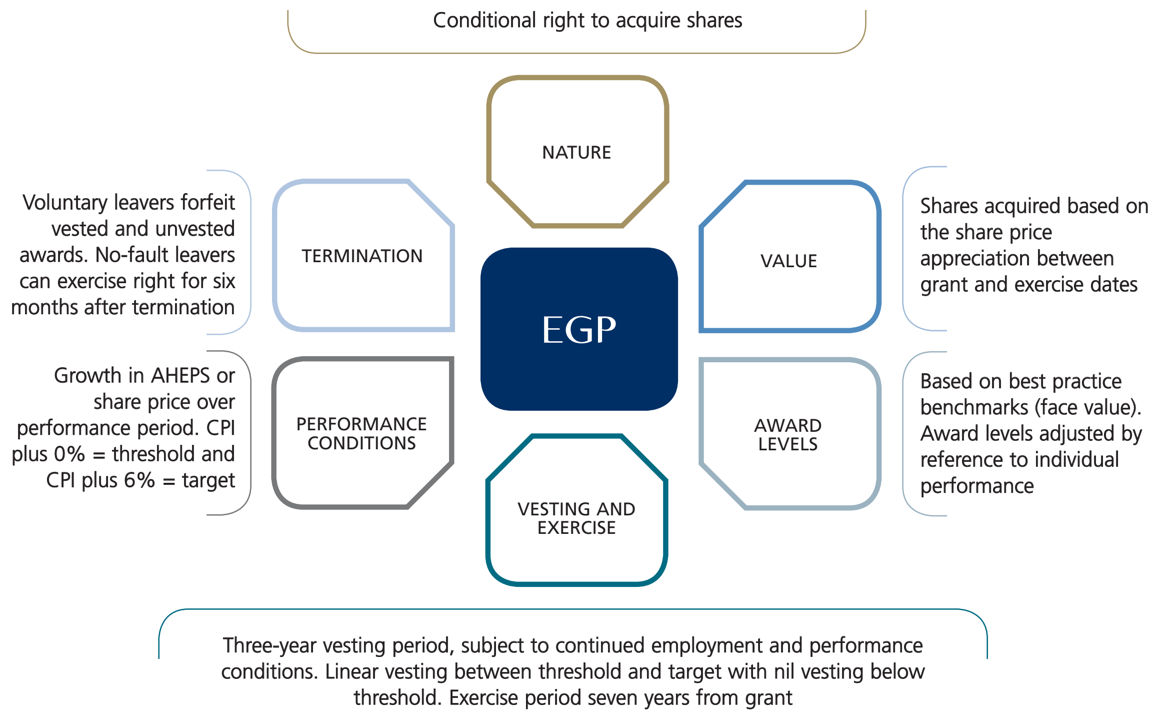
CALIBRATION OF PERFORMANCE RATING RESULTS

To ensure effective integration of the performance ratings with unit and Group performance, the Group applies calibration of performance ratings results across the Group. This includes assessing the individual performance ratings at unit level against the actual unit business performance results and against the envisaged on-target bonus to be paid in accordance with the rating provided. Executive leadership, functional heads and unit general managers are all involved in open and honest discussions regarding their performance rating to ensure that a common performance benchmark is applied across the Group.

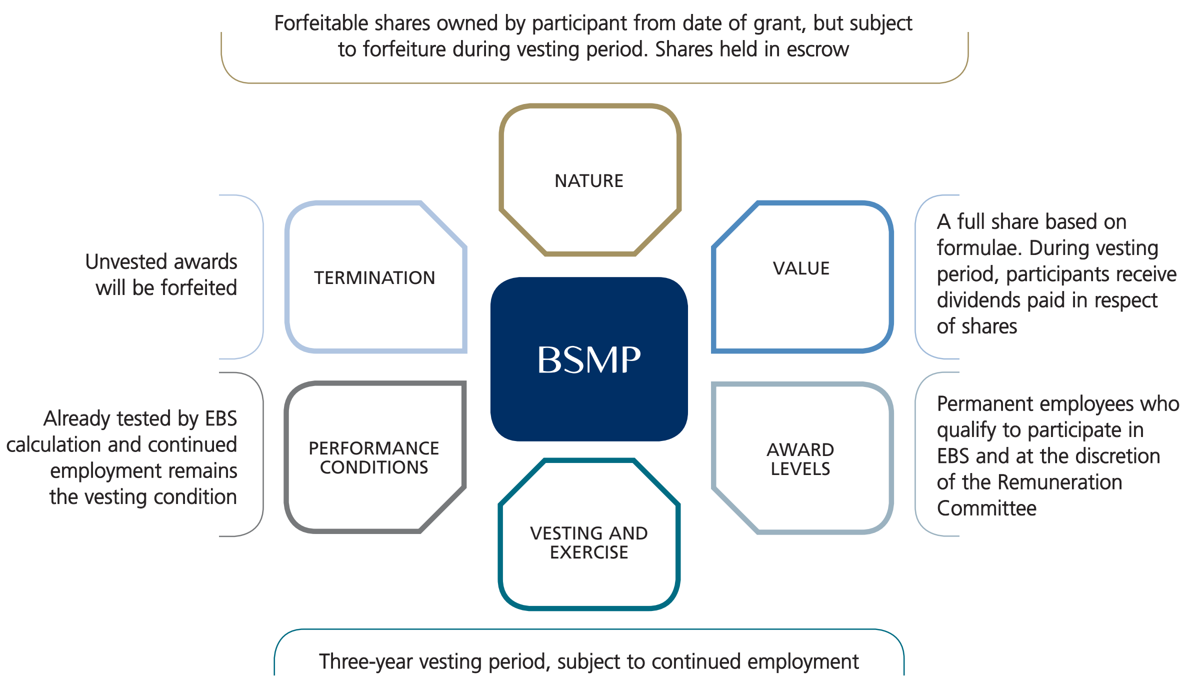
LONG-TERM INCENTIVE PLANS

The main objective of the Group's long-term incentive plans is to motivate and retain management on a long-term basis while promoting long-term wealth creation for both executives and shareholders. The Group operates two long-term incentive plans with annual awards – the Equity Growth Plan (EGP) and Bonus Share Matching Plan (BSMP).

THE EGP OPERATES AS FOLLOWS:



THE BSMP OPERATES AS DEPICTED BELOW:



In addition to the annual awards illustrated above, the Group further utilises the BSMP as a retention mechanism in certain instances by permitting the remco to make retention or attraction awards for new employees. These awards have a vesting period of either three years or five years depending on the quantum of the award (which is determined by a formulae). If an employee receives such an award but leaves the employment of the Group before the vesting period, they forfeit the award and repay the dividends received as a result of the award.

CONCLUSION

This concludes the summary of the Group's remuneration policy and remuneration practices as first implemented in 2013/14, and which are now in the second year of implementation. The principle of pay for performance will further evolve as the Group continues to embed a high-performance culture with long-term strategic objectives as the driving factor behind rewards and incentives.

The Group's remuneration policy as outlined above will be submitted to shareholders for a non-binding vote at the annual general meeting to be held on 21 November 2014.

DISCLOSURES OF 2014 REMUNERATION

Based on the remuneration policy and principles summarised above, the Group discloses the actual remuneration paid to executives and prescribed officers as well as details regarding their long-term incentive awards for the year under review. Having considered the matter, the Group is of the opinion that its executive directors are the only prescribed officers of the Group.

TOTAL EMOLUMENTS

R	Salary	Gross EBS	Retirement contributions	Other benefits	Payment in terms of mutual agreement	Total
2014						
GE Stephens	**5 287 325**	**6 912 951**	**713 115**	**94 560**		**13 007 951**
AM Leeming	**3 293 314**	**3 202 448**	**576 000**	**130 686**		**7 202 448**
KH Mazwai	**2 041 744**	**1 640 018**	**455 058**	**312 198**		**4 449 018**
RP Becker*	**555 155**	**–**	**124 584**	**12 392**		**692 131**
TOTAL	**11 177 538**	**11 755 417**	**1 868 757**	**549 836**		**25 351 548**
2013						
GE Stephens	3 847 080	3 862 083	519 051	335 200		8 563 414#
AM Leeming	2 079 931	1 898 347	366 977	611 685		4 956 940#
KH Mazwai	1 911 148	1 212 640	429 300	402 137		3 955 225
G Collins	3 438 310	3 432 000	542 028	2 361 158		9 773 496
RP Becker	3 332 403	2 491 671	747 501	487 058	8 941 271	15 999 904
TOTAL	**14 608 872**	**12 896 741**	**2 604 857**	**4 197 238**	**8 941 271**	**43 248 979**

* *Resigned on 28 February 2013, effective 31 August 2013.*
# *This disclosure is for the full financial year, notwithstanding that their appointments to the board were made on 1 February and 1 March 2013 respectively.*

SHORT-TERM INCENTIVES

For the year under review, the EBS earned and attributable to the percentage of predetermined targets achieved are:

Individual	EBS payment 30 June 2014	On-target EBS	Maximum potential EBS	% of target achieved
GE Stephens	**6 912 951**	5 180 750	10 361 500	133.44%
AM Leeming	**3 202 448**	2 400 000	4 800 000	133.44%
KH Mazwai	**1 640 018**	1 404 500	2 809 000	116.77%

The EBS comprised the three EBS components as achieved and is disclosed for the aforementioned executive director's as:

Individual	1/3rd Unit performance	1/3rd Group performance	1/3rd Personal performance
GE Stephens	114.7%	85.61%	200%
AM Leeming	114.7%	85.61%	200%
KH Mazwai	114.7%	85.61%	150%

Based on the EBS explanation provided above, the table above reflects the combined unit's overall higher than budgeted financial performance as the Group achieved slightly below the board approved budgeted EBITDA. The unit and Group factor are objectively applied, based on the audited results of the units and Group. Individual performance is based on the remco's performance assessment of the executives against the Group's strategic objectives as translated into each executive's performance contract.

Having duly conducted the performance assessments, the Remco is of the view that the aforesaid executives have not only met, but exceeded their key performance indicators under each of the five strategic pillars through their individual contributions and performance. This is despite an extremely challenging year with difficult trading conditions. The management team has accomplished many of the changes they set out to attain in the year under review and they have been rewarded accordingly. However, more remains to be done and the actual EBS achieved still fell short of the maximum potential EBS that management could have earned should all three EBS components have met the stretch targets set by the board.

SHARE-BASED PAYMENTS EXPENSE

The table below sets out the amount expensed for share-based payments in the statement of comprehensive income for the year:

Name	2014 (Rands)	2013 (Rands)
GE Stephens	**6 779 747**	3 844 200
AM Leeming	**3 446 517**	2 660 786
KH Mazwai	**2 663 071**	2 714 627
TOTAL	**12 889 335**	9 219 613

LONG-TERM INCENTIVES

The Group's share plans are equity settled. Accordingly the total number of shares allocated under the Group's share plans amount to approximately 1.15% in aggregate of the Group's issued share capital based on an assumed 100% vesting.

Awards made to executive directors/prescribed officers under share plans at 30 June 2014

Date of grant	Grant price	Grants held 30 June 2013	Grants made/ (forfeited) during the year	Grants exercised	**Grants held 30 June 2014**	Gains on the exercise of share options and grants	Present value of existing future awards
GE STEPHENS							
EGP		29 964	216 986	–	**246 950**	–	8 466 939
29.06.2011**	89.46	12 099			**12 099**		398 904
27.06.2012	90.07	17 865			**17 865**		612 055
02.09.2013	94.87	–	114 923		**114 923**		4 188 943
27.06.2014	109.65		102 063		**102 063**		3 267 037
CSP		35 630	–	–	**35 630**	–	1 404 262
29.06.2011**	n/a	15 826			**15 826**		–
27.06.2012	n/a	19 804			**19 804**		1 404 262
DBP		6 241			**6 241**		685 610
03.09.2012	n/a	6 241	–		**6 241**		685 610
RSP#		147 329	–	–	**147 329**	–	16 206 190
01.10.2011	n/a	62 161			**62 161**		6 837 710
01.02.2013	n/a	85 168			**85 168**		9 368 480
BSMP			28 358		**28 358**		3 119 380
02.09.2013	95.00	–	28 358		**28 358**		3 119 380
TOTAL					**464 508**	–	29 883 281
AM LEEMING							
EGP		45 296	89 415	–	**134 711**	–	4 314 633
30.06.2009*	77.25	8 767			**8 767**		–
29.06.2010	84.12	10 398			**10 398**		360 707
29.06.2011**	89.46	10 667			**10 667**		351 691
27.06.2012	90.07	15 464			**15 464**		529 797
02.09.2013	94.87	–	47 357		**47 357**		1 726 163
27.06.2014	109.65		42 058		**42 058**		1 346 277
CSP		30 975	–	–	**30 975**	–	1 207 280
29.06.2011**	n/a	13 949			**13 949**		–
27.06.2012	n/a	17 026			**17 026**		1 207 280
DBP		7 238	–	(1 463)	**5 775**	143 506	635 250
30.09.2010	n/a	1 463		(1 463)	**–**	143 506	–
27.09.2011	n/a	2 255			**2 255**		248 050
03.09.2012	n/a	3 520			**3 520**		387 200
RSP#		65 118	–	(6 019)	**59 099**	596 122	6 500 890
01.12.2008	n/a	6 019		(6 019)	**–**	596 122	–
27.06.2012	n/a	33 925			**33 925**		3 731 750
01.03.2013	n/a	25 174			**25 174**		2 769 140
BSMP			13 137		**13 137**		1 445 070
02.09.2013	95.00	–	13 137		**13 137**		1 445 070
TOTAL					**243 697**	739 628	14 103 123

* *Performance conditions not met, EGP rights lapsed*
** *Performance conditions met*
# *Vests in three tranches*

Date of grant	Grant price	Grants held 30 June 2013	Grants made/ (forfeited) during the year	Grants exercised	Grants held 30 June 2014	Gains on the exercise of share options and grants	Present value of existing future awards
KH MAZWAI							
EGP		46 508	62 792	–	**109 300**	–	3 393 181
30.06.2009*	77.25	10 156			**10 156**		–
29.06.2010	84.12	11 374			**11 374**		394 564
29.06.2011**	89.46	11 444			**11 444**		377 309
27.06.2012	90.07	13 534			**13 534**		463 675
02.09.2013	94.87	–	33 257		**33 257**		1 212 218
27.06.2014	109.65		29 535		**29 535**		945 415
CSP		30 262	–	–	**30 262**	–	1 063 833
29.06.2011**	n/a	15 259			**15 259**		–
27.06.2012	n/a	15 003			**15 003**		1 063 833
DBP		3 774	–	–	**3 774**	–	415 140
27.09.2011	n/a	801			**801**		88 110
03.09.2012	n/a	2 973	–		**2 973**		327 030
RSP#		54 792	–	(10 254)	**44 538**	984 396	4 899 180
01.12.2008	n/a	10 254		(10 254)	**–**	984 396	–
27.06.2012	n/a	44 538			**44 538**		4 899 180
BSMP			7 688		**7 688**		845 680
02.09.2013	95.00	–	7 688		**7 688**		845 680
TOTAL					**195 562**	984 396	10 617 013

* *Performance conditions not met, EGP rights lapsed*
** *Performance conditions met*
# *Vests in three tranches*

The following awards were made and exercised by executive directors/prescribed officers subsequent to 30 June 2014:

Individual	Date of grant	Grants made	Grants vested	Grants exercised	Grants forfeited	Present value of existing future awards
GE Stephens						
BSMP	11.09.2014	30 771				3 456 506
CSP	29.06.2011		6 867	0	8 959^	
RSP	01.10.2011		31 081	0	0	
TOTAL		30 771	37 948	0	8 959	3 456 506
AM Leeming						
BSMP	11.09.2014	14 255				1 601 264
CSP	29.06.2011		6 052	0	7 897^	
DBP	27.09.2011		2 225	0	0	
TOTAL		14 255	8 277	0	7 897	1 601 264
KH Mazwai						
BSMP	11.09.2014	7 300				820 009
CSP	29.06.2011		6 621	6 621	8 638^	
DBP	27.09.2011		801	801		
TOTAL		7 300	7 422	7 422	8 638	820 009

^ A portion forfeited due to the relevant performance condition not being met.

The aforesaid disclosures conclude the remuneration paid to the executive directors in the year under review.

DIRECTORS' FEES

Fees payable to non-executive directors for their services as directors and for their participation in the activities of the committees are recommended by the executive directors to the remco for consideration. Thereafter the fees are considered by the board for submission to shareholders, if applicable, for a special resolution in accordance with the Companies Act.

Non-executive director fees are determined on the basis of a base annual fee and an attendance fee per meeting as advocated by King III. This practice is extended to non-executive directors of the Group's various subsidiary boards. The executive directors and other executive management that serve on the Group's subsidiary boards do not receive any fees in their personal capacities for this role and, to the extent applicable, any fees payable as a result of this office are waived in favour of the Group.

Proposed fees for the next financial year are determined by the end of the previous financial year and are payable quarterly in arrears, after approval by members at the annual general meeting. In the case of new appointments or resignations from the board or committees during a financial year, the annual fees are pro-rated in line with the period of tenure of office.

Fees paid to non-executive directors by the Company during 2014 financial year.

Non-executive directors	Subsidiaries and trust fees R	Director's fees R	Committee fees R	**Total 2014 R**	Total 2013 R
PDS Bacon	–	258 900	110 800	**369 700**	134 500
ZBM Bassa	–	258 900	193 675	**452 575**	393 400
PL Campher	10 000	258 900	340 992	**609 892**	534 150
NN Gwagwa	–	234 800	55 500	**290 300**	260 000
BLM Makgabo-Fiskerstrand	–	234 800	36 300	**271 100**	264 200
IN Matthews	30 000	421 200	239 608	**690 808**	711 850
B Modise	–	234 800	89 000	**323 800**	317 900
LM Mojela	17 921*	258 900	73 208	**350 029**	237 413
MV Moosa	–	974 100	245 000	**1 219 100**	1 120 400
GR Rosenthal	–	258 900	305 500	**564 400**	486 750
	57 921	3 394 200	1 689 583	**5 141 704**	4 597 663

** Fee is for the period up until 22 August 2013 when Ms Mojela resigned from the board of Afrisun Gauteng (Pty) Ltd and Emfuleni Resorts (Pty) Ltd*

Given increasing regulatory and governance demands on the Group, management recommended that non-executive director fees be increased to the extent that that some of the aforementioned fees were out of kilter with the market. Having considered the challenging operating environment, the remco elected to restrict the increase in non-executive director fees to the increase applied to executive management salaries of 6.75% with two exceptions:

- Given its significantly increased mandate, the fee for the social and ethics committee has been proposed to increase by 18% to bring it in line with the other committees. This is above the 10% increase mandate approved by shareholders and accordingly the fees for the social and ethics committee for the 2015 financial year will be presented to shareholders for approval.
- Meeting fees have been proposed for the Investment committee as it has been mandated by the board to meet in person no less than four times each year. Previously the investment committee only received a fee for telephonic participation, which was based on an hourly fee as set out below. Given that the investment committee will now be meeting in person, the meeting fee proposed is in line with the meeting fees for committees that cover a similar amount of work. The fees for telephonic meetings will still apply in the instances of investment committee teleconferences.

The remainder of the board and committee fees, escalated at 6.75% for the forthcoming financial year. Increases will be presented to shareholders for approval, together with a resolution that permits director fee increases of no more than 10% for the following two years, and applicable fees for additional/ad hoc meetings.

NON-EXECUTIVE DIRECTORS' AND COMMITTEE FEES FOR 2015

Rand	2015 Base fee	2015 Attendance fee per meeting	2014 Base fee	2014 Attendance fee per meeting
Services as directors				
– Chairman of the board	770 200	44 900	721 500	42 100
– directors	122 000	25 700	114 300	24 100
Lead independent director	295 300	25 700	276 600	24 100
Audit committee				
– Chairman	102 700	28 900	96 200	27 100
– members	51 500	14 500	48 200	13 600
Risk committee				
– Chairman	56 600	30 900	53 000	28 900
– members	28 300	15 500	26 500	14 500
Remuneration committee				
– Chairman	46 300	28 300	43 400	26 500
– members	23 300	14 200	21 800	13 300
Nomination committee				
– Chairman	38 500	19 300	36 100	18 100
– members	19 400	9 700	18 200	9 100

The proposed non-executive director fees for 2014/2015 are set out below for perusal and approval of shareholders.

INVESTMENT COMMITTEE AND SOCIAL AND ETHICS COMMITTEE FEES FOR 2015

Rands	2015 Base Fee	2015 Attendance fee per meeting	2014 Base Fee	2014 Attendance fee per meeting
Investment committee				
– Chairman	42 600	24 500		*3 700
– members	21 300	12 300		*2 700
Social and ethics committee				
– Chairman	42 600	24 500	36 100	18 100
– members	21 300	12 300	18 100	9 100

** Members will continue to receive an hourly fee for any teleconferences that may be necessary.*

In line with best governance practice, the non-executive directors do not participate in any of the Group's short-term or long-term incentive schemes, nor do they earn any consultancy fees.

GRANDWEST WESTERN CAPE

GrandWest Casino and Entertainment World in Cape Town is the largest entertainment destination of its kind in South Africa and Sun International's most successful casino property.

Report of the nomination committee

COMPOSITION

Mr MV Moosa
(Committee Chairman)
Non-executive director

Meeting attendance: 4/4

Ms PL Campher

Independent non-executive director

Meeting attendance: 4/4

Mr IN Matthews

Independent non-executive director

Meeting attendance: 4/4

Ms LM Mojela

Independent non-executive director

Meeting attendance 4/4

INTRODUCTION

The nomination committee ("the committee") is mandated by the board and its terms of reference to regularly review the composition of the board and committees. If deemed necessary, the committee makes recommendations to the board on its composition, the appointment of new directors and the composition of the board committees so that each may execute its duties effectively.

The committee's *terms of reference* clearly sets out the mandate of the nomination committee and the committee has met four times this year in order to effectively fulfil its mandate.

ASSESSMENT OF BOARD AND COMMITTEE COMPOSITION

In reviewing the composition of the board, the nomination committee considers the following key elements:

- the board size, diversity and demographics to ensure a balance of skills, views, experience and knowledge relating to the economic, environmental and social environment in which the company operates as well as the company's overall strategic objectives; and
- the board should comprise a balance of executive and non-executive directors, of whom sufficient should be independent.

RECOMMENDATION OF NEW BOARD MEMBERS

The committee engaged in an extensive search this year for an appropriate non-executive director from LATAM with the relevant expertise and experience to supplement the board, given the Group's growing LATAM footprint and the expansion opportunities under consideration. This appointment was further considered necessary in order to gain valuable insights when assessing potential risks and opportunities in the various LATAM countries. Accordingly, and upon recommendation of the nomination committee, the board appointed Mr E Cibie to the board during the year, given his extensive background in running multinational companies in LATAM countries. Mr Cibie's election to the board will be the subject of shareholder approval at the forthcoming annual general meeting.

BOARD, COMMITTEE & COMPANY SECRETARY EVALUATION

The committee is also tasked with the evaluation of the effectiveness of the various board committees as well as the evaluation of the performance of the board chairman, the LID, the board and each board member. No director is present at meetings of the committee when his/her own nomination or performance is discussed or considered. The nomination committee reviews the results and identifies areas for development which are then actioned in the manner deemed appropriate.

These assessments also inform the nature of professional board training which is regularly undertaken by the board. Whilst the Group also makes available external professional training at the company's expense, the internal training sessions are customised and are of direct relevance to the environment in which the Group operates.

The committee further performs the annual evaluation on the expertise, competence and qualifications of the Company Secretary and provides a recommendation to the board in order for the board to determine whether the Company Secretary is suitable to hold such office.

ASSESSMENT OF INDEPENDENCE AND COMMITTEE EFFECTIVENESS

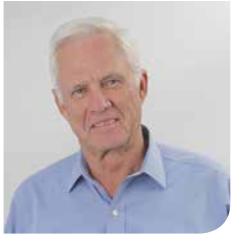
The independence of directors is also the subject of the committee's deliberations and an annual independence assessment is conducted in relation to all non-executive directors and in particular those directors who have a tenure of longer than nine years. The committee reviews independence against the criteria set out in King III, the JSE Listings Requirements, as well as the Companies Act and its findings in this regard are presented in the *Report of the board*.

The Chairman of the nomination committee or in his absence, the LID, or another member of the committee, is required to attend the annual general meeting to answer questions on the subject matter of the committee's mandate.

The committee annually assesses its own effectiveness and these results are made available to the board. In assessing the 2014 performance assessment the board concurred that the nomination committee is effectively discharging its mandate.

Report of the investment committee

COMPOSITION

				
Mr PL Campher (Committee Chairman)	**Ms ZBM Bassa**	**Mr IN Matthews**	**Ms LM Mojela**	**Mr MV Moosa***
Independent non-executive director	Independent non-executive director	Independent non-executive director	Independent non-executive director	Non-executive director
Meeting attendance: 13/13	Meeting attendance: 12/13	Meeting attendance: 12/13	Meeting attendance: 10/13	Meeting attendance: 3/3

* *Appointed to the investment committee on 25 May 2014 and attended as an invitee since inception.*

INTRODUCTION

As one of the Group's strategic priorities is to grow the business, the investment committee ("the committee") was constituted as a sub-committee of the board, at the request of the Chief Executive. The committee was accordingly established in May 2013 given the Group's increased transactional activity. The main purpose of the committee is to robustly consider and interrogate at an initial stage the suitability, viability and feasibility of proposed investments. The committee has had a busy year in terms of fulfilling its mandate.

MANDATE

The committee is mandated by the board and by its *terms of reference* to consider and evaluate the viability of proposed investment opportunities, disposals, and expansion projects. The committee then provides a recommendation to the board for its consideration and approval.

Given the nature and fluidity of the various transactions, the committee convenes monthly by way of teleconference to consider various investment proposals as presented by management. This includes potential transactions and transactions that have been approved by the board pending condition precedents to be fulfilled. The minutes of the committee meeting are made available to the board within one week of each meeting in order to ensure that the board is apprised of relevant developments.

The committee is to hold in person meetings each quarter, in addition to its monthly teleconferences in the upcoming year.

THE YEAR UNDER REVIEW

The committee has considered potential strategies relating to the Group's existing asset portfolio as well as expansion opportunities. In doing so, it has reviewed the various proposals in terms of alignment to the Group's strategic priorities and the prospects of success. The transactions are adjudicated against the Group's investment criteria and consideration is given to the strategic; reputational; financial and operational risks related to any proposed transaction, particularly as the group enters new product markets and jurisdictions.

There are certain investment fundamentals that are mandatory in terms of the committee's assessment requirements. Management conduct country risk assessments; comprehensive due diligences and probity assessments on any new potential partners in any proposed investment. Management ensures that any new project is carefully assessed and only in the event that the committee is comfortable with the investment proposal, does it then proceed to the board with a recommendation from the committee.

CONCLUSION

The committee has effectively discharged its duties in terms of its mandate and responsibilities and has had the relevant oversight over management's proposals which are considered in context of the group's overall strategy.

Report of the risk committee

COMPOSITION

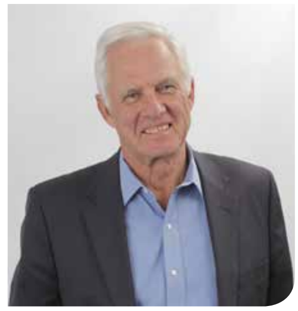
Mr PDS Bacon

(Committee Chairman)
Independent non-executive director
Meeting attendance: 3/3

Dr NN Gwagwa

Non-executive director

Meeting attendance: 3/3



Mr IN Matthews

Independent non-executive director
Meeting attendance: 2/3

Mr GR Rosenthal

Independent non-executive director
Meeting attendance: 3/3

Mr GE Stephens

Executive director
Chief Executive Officer

Meeting attendance: 3/3

Mr AM Leeming

Executive director
Chief Financial Officer

Meeting attendance: 3/3

Ms KH Mazwai

Executive director
Director: Group Human Resources
Meeting attendance: 3/3

The following SIM directors are also members of the risk committee:

Mr Z Miller

Chief Information Officer

Meeting attendance: 1/1

Mr S Montgomery

Director: Development

Meeting attendance: 3/3

Ms C A Reddiar

Director: Corporate Services and Legal
Meeting attendance: 3/3

Mr SD Wing

Chief Operations Officer

Meeting attendance: 3/3

INTRODUCTION

The board is ultimately responsible for the governance of risk and the risk committee ("the committee") has been delegated responsibility for monitoring, developing and communicating the processes for managing risks across the Group. The committee assists the board in the discharge of its duties relating to corporate accountability and associated risk in terms of management and reporting. As the Group operates in a dynamic and challenging environment, with new business opportunities being pursued both locally and internationally, the committee is tasked with assessing the related risks against the Group's risk framework; risk appetite and risk tolerance.

Effective and sound risk management is imperative to the Group together with the realisation of the Group's businesses strategies which depends on being able to take calculated risks without negatively impacting the business. This creates the interplay between risk appetite and tolerance and the committee's mandate entails oversight of management's controls and mitigating actions against the context of the Group's risk management framework.

MANDATE

The committee Chairman reports to the board following each committee meeting on matters in accordance with the *committee's approved terms of reference*. In fulfilling its mandate and with a view to overseeing the Group's risk management, the committee met on three separate occasions during the year under review, including the annual risk workshop, to consider matters such as: the risk policy and identification of Group-wide risks (current, emerging and prospective); the Group's stakeholder engagement initiatives; compliance with applicable laws; and the Group's IT governance and IT related risks. In addition, the committee reviews the Group's insurance policy, placement terms and related premiums with the Group's insurance brokers on an annual basis.

In regard to IT governance and IT risks, the IT governance committee operates as a sub-committee of the risk committee and is comprised of an independent IT governance expert. The IT governance committee has its own mandate as established by the risk committee and reports into the risk committee at each meeting in order to provide the relevant assurance and/or elevate the necessary concerns to the committee.

The committee's mandate also provides for a risk committee member to report on the matters canvassed by the committee to the audit committee. In turn, the audit committee Chairman is a member of the risk committee. These mechanisms enable the appropriate insights into the key risks faced by the Group and prevents the duplication of matters within the remit of the committees.

RISK MANAGEMENT

The Group has a strong risk management culture embodied throughout its business and the committee has overseen the robust risk management processes of the Group to ensure a sound and effective risk management system. This is crucial to the long-term development of the Group given the Group's risk profile and its corporate reputation. The sound management of risk enables the Group to anticipate and respond to changes in its business environment, as well as to take informed decisions under conditions of uncertainty.

An enterprise-wide approach to risk management has been adopted by the Group, which means that every key risk in the business is considered in a structured and systematic process of risk management. All key risks are managed within a unitary framework that is aligned to the Company's governance responsibilities. The risk framework is disseminated across the Group and each unit is responsible for the assessment and mitigating actions required on its part given the Group and local risks.

Risk management processes are embedded in the Group's business systems and processes, so that its responses to risk remain current and dynamic. All key risks associated with major change and significant actions by the Group also fall within the processes of risk management. The nature of the Group's risk profile demands that Sun International adopt a prudent approach to corporate risk whilst still effectively dealing with business realities. Controls and risk interventions are selected on the basis that they increase the likelihood that the Group will fulfil its strategic objectives responsibly.

RISK MANAGEMENT REVIEWS

The Group's Internal Audit ("GIA") department also reviews the effectiveness of the Group's risk management processes and incorporates a review on the effectiveness of risk controls in its annual internal audit plan. GIA's overall mandate includes the evaluation of risk exposure and the effectiveness and efficiency relating to:

- the reliability and integrity of information
- effectiveness of operating processes
- safeguarding of assets
- compliance to laws, regulations and controls

GIA further conducts risk management reviews at each of the units and reports their findings to the risk committee. GIA is of the opinion that based on the audits conducted and the reviews performed that the risk management processes in place remain relevant and are adequate.

ASSESSING THE GROUP'S RISKS

Management are tasked with identifying the relevant risks posed to the Group and present its report to the risk committee at each meeting. This report takes the form of a Group risk register reflecting the nature of the risk; the mitigating controls; impact and likelihood of the risks as well as the nature of inherent risk.

The risk committee assesses management's review of the key risks and interrogates the controls and mitigating actions to ensure that management are mitigating the risk to the best of its ability. During the year under review each of the Group's 41 identified risks were reviewed with the assistance of an external risk expert. Certain new risks were introduced whilst some risks had dissipated. In terms of the committee's latest review and based on management's view of its business, the following risks are reflective of the top 20 risks facing the Group:

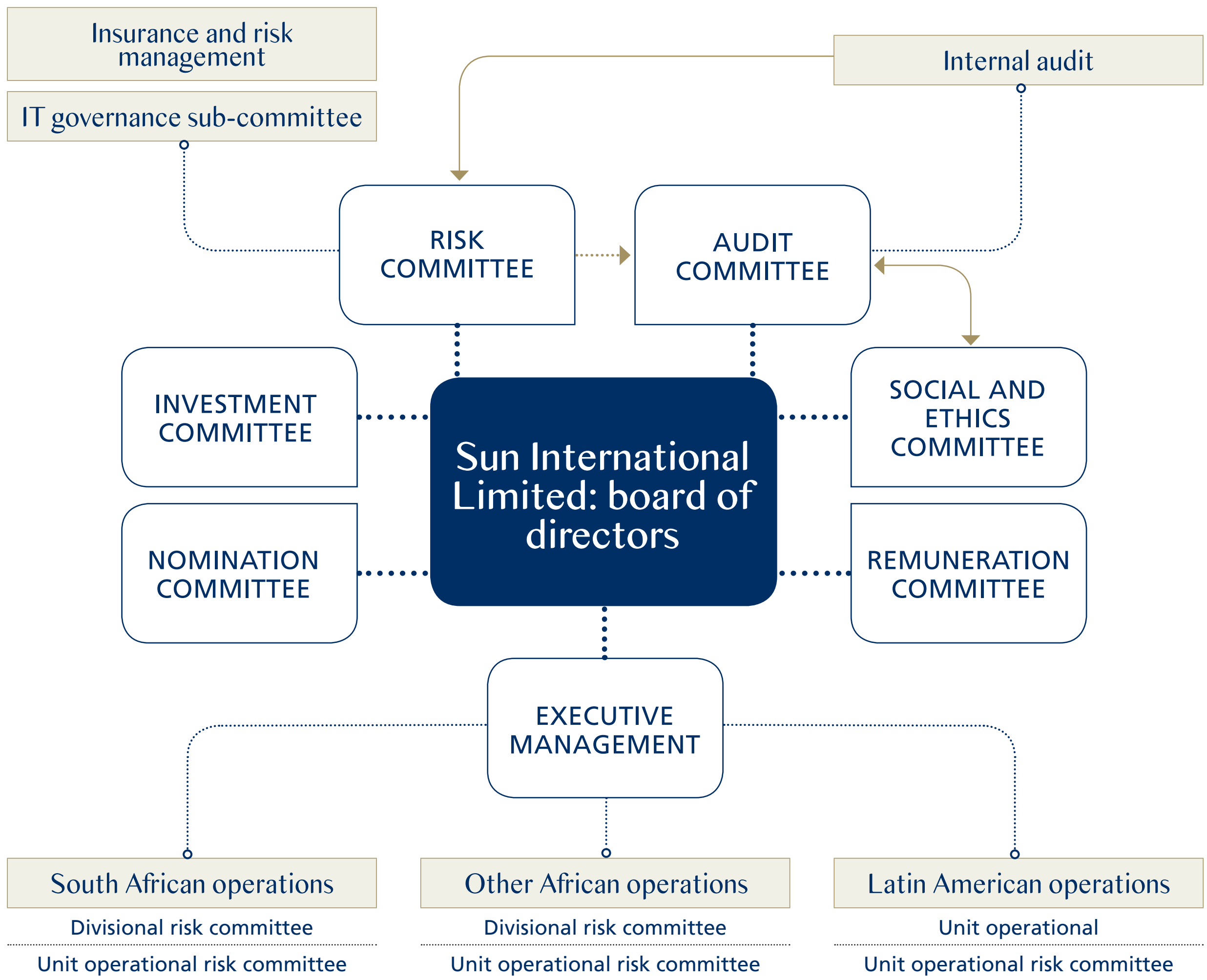
Risk	Low	Medium	High
GrandWest exclusivity renewal			●
Impending smoking legislation			●
Increased competition from alternate forms of gaming (EBTs/LPMs/online gaming)			●
Impact of onerous travel restrictions			●
Increase in gaming taxes		●	
Pressure on disposable income		●	
Non-compliance with new B-BBEE targets		●	
Failure to appoint and retain PDIs		●	
Unsuccessful international expansion and/or underperformance of new acquisitions		●	
Operational disruptions due to Union actions and staff dissatisfaction		●	
Increased competitor actions		●	
Gearing levels inhibit achievement of objectives		●	
Crime at units		●	
Change in licencing conditions		●	
Litigation arising from Wild Coast Land Claim		●	
Maturity of the South African market	●		
Failure to successfully implement ERP system	●		
Pressure on Group management fees	●		
Poor implementation of Marketing and Sales strategy	●		
Poor career and succession planning	●		

The Group's risks are considered in terms of the impact and likelihood of the risk materialising together with the strength and effectiveness of the mitigating controls. The Group's propensity for risk tolerance is used to guide decisions around risk management.

During this last review of the risk committee:

- a new risk relating to the impact of the onerous travel restrictions was discussed in some detail as the potential decline in tourism to the country is a concern. Management continue to make the relevant representations to Government and will continue to highlight alterative solutions to the travel restrictions given the impact not only on the Group but along the South African tourism supply chain
- a further risk that has been included on the Group's risk register relates to the outbreak of the Ebola virus in Africa. This has an impact on the Group's African units, particularly at the Federal Palace in Nigeria, both from an employee and occupancy perspective. In addition the Group is experiencing a limited amount of cancellations at this point from foreign guests in relation to its South African hotels. Contingency plans are in place to evacuate our staff in affected operations should it become necessary
- a risk that has been prevalent on our risk register has been the risk relating to the failure of the successful implementation of the Enterprise Gaming System ("EGS") across the Group. This risk has dissipated following the conclusion of the EGS roll-out and management are focused on ensuring that the benefits of the EGS system are leveraged
- the risks relating to the Group's international expansion were further canvassed in detail and such risks are mitigated by the role of the investment committee, which is a sub-committee of the board and is mandated to consider the specific project risks. In addition, management conduct a rigorous due diligence that entails country and partner risk assessments as well as a legal, financial and operational due diligence.

Each risk is comprehensively reviewed and is managed by the business through mitigating controls, key action plans and accountability by risk owners which permeates all levels of the organisation. This structure is depicted below.



Each risk owner is assigned the responsibility to oversee the effective mitigation of a particular risk. In so doing, three lines of defence are applied to each risk as follows:

- Management: preventative controls, detective controls, management insight, Exco and Operational committees
- Corporate functions: compliance and risk management
- Independent Assurance providers: external audit, internal audit, other assurance providers

The final and fourth level of defence in mitigation of the Group's risks, requires that these lines of defence are reviewed by the board committees.

IT GOVERNANCE

As reported earlier, the Group's IT governance committee has been created as a sub-committee of the risk committee and provides a *detailed report* on the matters canvassed within its mandate for the year. The risk committee spent some time deliberating on the composition and positioning of the IT governance committee within its corporate structure. As the IT governance committee, under the stewardship of the Chief Financial Officer as Chairman, is performing effectively the committee therefore refrained from effecting any changes during the course of the year.

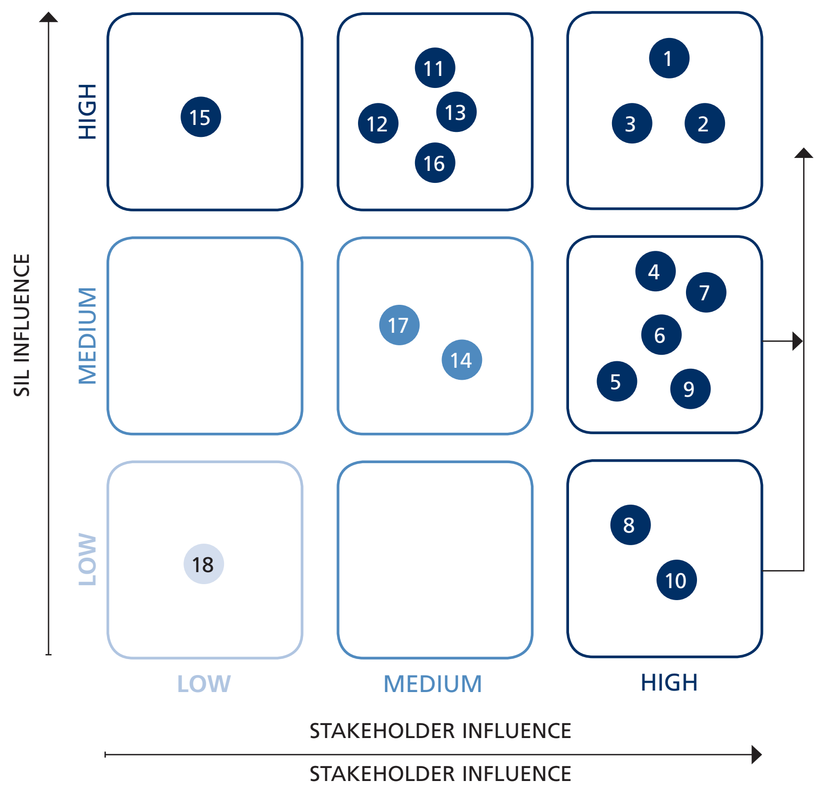
The IT governance committee Chairman reports to the risk committee on governance and risks within the IT domain and the risk committee has insight into the Group's IT risk register. The committee confirms that appropriate mitigating controls around the Group's IT risks are comprehensive. In particular the committee has spent time considering the implementation of an ERP system and have extensively canvassed possible risks together with ensuring that the relevant mitigating controls are in place.

STAKEHOLDER ENGAGEMENT

The risk committee is tasked with overseeing the Group's stakeholder engagement practices. The purpose of this mandate is to oversee that the key material issues with each of the Group's stakeholders are being effectively addressed by management to the extent possible.

Our stakeholders are defined as those Groups that have an impact on the Group and with whom the Group may impact on. The Group has assessed its stakeholder universe as follows:

STAKEHOLDER MATRIX 2013/14



KEY

1. Customers
2. Equity partners
3. Employees
4. Gambling boards
5. Other regulators
6. Media
7. Banks
8. Provincial government
9. Unions: SACCAWU/COSATU/SATAWU
10. National governments
11. Service providers
12. Investors
13. Suppliers
14. Local government structures, e.g. police
15. CASA
16. SA Responsible Gambling Trust
17. Community-based groups
18. Local and foreign embassies

We assess our stakeholder universe in this manner so that the Group clearly understands the impact that these stakeholders can have on the Group and vice versa. It remains an imperative for management to effectively deal with critical issues and focus resources within areas that are crucial for the business. This enables management to allocate its resources and management time appropriately.

Management's targeted focus for the year under review was to build on its relationships with its gambling board regulators. As is evident from our reporting, the Group's casino licences are a critical enabler of our business and the Group's compliance with its casino licence conditions remain imperative. Management has held focus Groups with most of its provincial gambling boards (with the remainder to take place in the forthcoming year) with a view to understanding the regulators perceptions of the Group's compliance compared to the compliance audits and internal audits that are conducted. In addition, the Group sought feedback on areas of improvement and overall the Group has fared well in terms of the comments provided at such meetings. As reported last year, an executive team is responsible for building these relationships and reports to the risk committee on its developments.

There has been further significant engagement with our employees and unions in terms of the Section 189A process and the committee has overseen the associated risks of this process. The committee has received reports on management's dealings with its impacted stakeholders and concurs with the Chairman's statement that the process has been conducted with due and fair process to all stakeholders following extensive consultations.

The committee acknowledges that stakeholder perceptions shape corporate reputation and the Group will continually strive to engage in constructive dialogue with its stakeholders.

CONCLUSION

Given the significant developments within the Group, the committee has elected to hold a further meeting each year in order to dedicate additional time to assessing the Group's risks during this growth era.

The committee is satisfied that the process of identifying and appropriately dealing with the material risks posed to the Group are adequately managed and that the Group's risk management philosophy and frameworks are sound.

Report of the IT governance sub-committee

COMPOSITION





Mr AM Leeming	Mr F Rizzo	Mr JA Lee	Mr Z Miller	Mr SD Wing
Committee Chairman Chief Financial Officer	Independent IT governance expert	Director: Hospitality	Chief Information Officer	Chief Operations Officer
Meeting attendance: 5/5	Meeting attendance: 4/5	Meeting attendance: 4/5	Meeting attendance 1/1*	Meeting attendance: 3/5

** Appointed to sub-committee on 1 June 2014.*

The members of the IT governance sub-committee ("the sub-committee") represent key areas of the business to ensure appropriate business representation. Mr CS Benjamin, Director: Group Internal Audit and Ms V Nayagar, Group Manager: IT governance, risk, compliance and information security, are standing invitees of the sub-committee.

INTRODUCTION

The sub-committee is responsible for monitoring, developing and communicating the processes for managing IT governance, information flows and governance across the Group.

The year under review has brought some significant matters under consideration, which included amongst others the restructuring of the Group's central IT division; the approval to implement an Enterprise Resource Planning system ("IFS"); the oversight and conclusion of the successful implementation of the Group's Enterprise Gaming System (EGS) and overseeing the key IT project assessments and risks for the Group. Further time was dedicated to ensuring that the sub-committee was focused on the governance of IT as opposed to operational IT matters which are dealt with by the Group's IT steerco. We believe that these distinctions are now firmly entrenched. The sub-committee at one stage contemplated the appointment of an independent international gaming Chief Information Officer to serve on the sub-committee. This is no longer considered necessary as the sub-committee's mandate has now evolved and is well understood.

The sub-committee's *terms of reference* clearly set out its mandate and the sub-committee has met five times this year to effectively fulfil its mandate.

ADDRESSING IT RISKS

The Group Manager: IT governance, risk, compliance and information security was appointed during the year under review as the Group is cognisant that IT risks are inherent in the nature of the business we operate. In particular, there is heightened regulation around information security with both cybercrime and identity theft increasing globally, with these IT risks assessed by the sub-committee in the year under review. The sub-committee is pleased to report that following the successful implementation of EGS, previously one of the most significant risks faced by the Group, this risk has now been remediated. The potential failure to fully realise the benefits flowing from EGS has replaced the previous implementation risk.

This sub-committee will continue to oversee the IT risk register and ensure that these are surfaced to the risk committee where necessary, which in turn provides a report to the board.

ADDRESSING SIGNIFICANT IT PROJECTS

The governance of and benefits in realising key IT Group projects are a further area of focus for the sub-committee. In the year under review the sub-committee assessed the implementation of IFS; the roll-out of a new Wifi solution; implementation of the Group's business continuity programme, and an Enterprise Data

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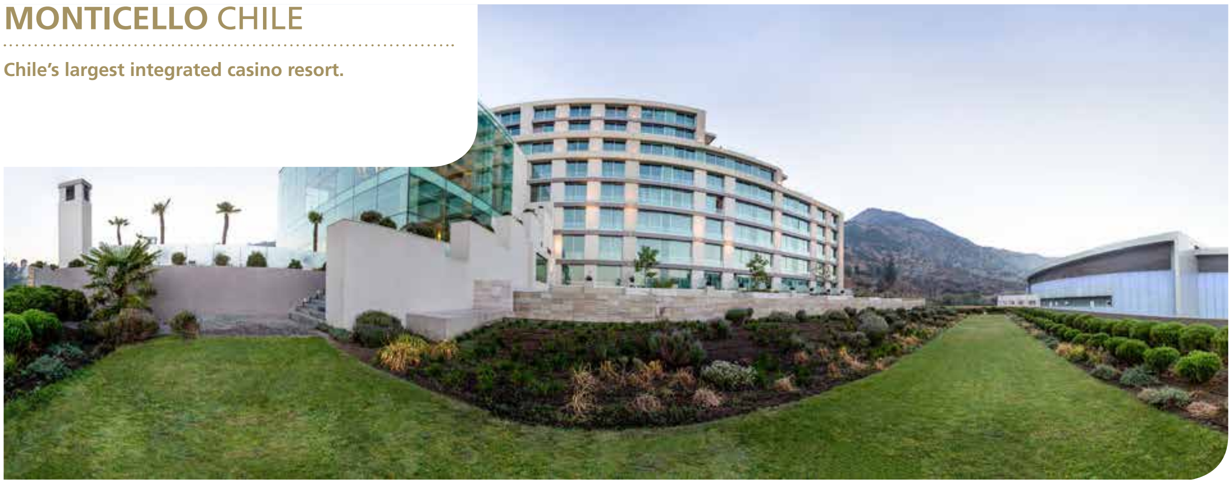
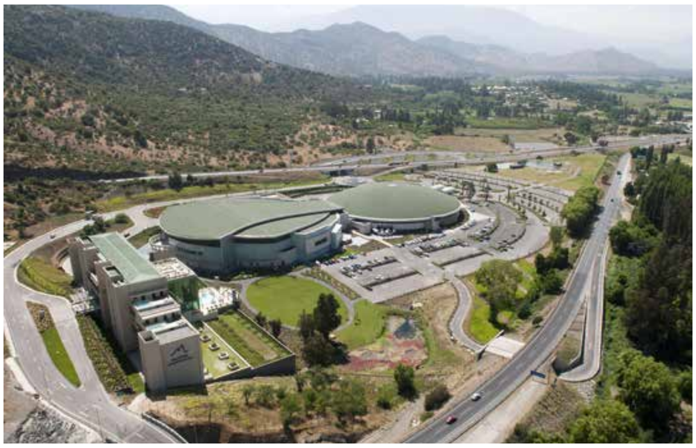
Chile's largest integrated casino resort.





Management solution, among other projects. The sub-committee has requested that controls and measures that will allow for technology benefits measurement, which will typically be realised post deployment, have been assessed and presented to the sub-committee for review.

The Protection of Personal Information (PoPI) project is ongoing and has been assigned to the IT division under the charge of the Group Manager: IT governance, risk, compliance and information security. This project has received special consideration by the sub-committee given the permutations for the business and the stringent requirements of the legislation. Personal information flow mappings have been completed for all areas of the Group head office and are being finalised at unit level. While there have been significant areas of achievement, PoPI by nature requires the business to adapt its processes and embed a culture in the organisation that is mindful of the information it collects and the uses thereof.

ADDRESSING KEY IT INCIDENTS

The sub-committee reviews the key IT incidents across the Group, which typically result from system outages. The sub-committee is of the opinion that the preventative measures and responses in place are adequate for mitigating against business impact.

CONCLUSION

The sub-committee is satisfied that IT governance is well entrenched throughout the Group and the addition of new and significant IT projects will continue to be monitored by the sub-committee. There have been no significant areas of concern that the sub-committee believe could materially impact the Group's standing in this regard.

Sun International Limited ("the Company")

Board Charter

CONTENTS

1

PREAMBLE

i The Company is committed to the upholding of good corporate governance in all of its business dealings with its shareowners and stakeholders.

ii Each director is expected to act in a professional manner, upholding integrity and enterprise and with due regard to his/her fiduciary duties and responsibilities.

iii This Board Charter (“the Charter”) shall constitute and form an integral part of each director’s appointment to the board of the Company and is to be applied in conjunction with the provisions of the Companies Act, the Company’s Memorandum of Incorporation and any other applicable law or regulatory provision.

iv The board is the focal point of the Company’s corporate governance system, and is ultimately accountable and responsible for the performance and affairs of the Company.

2

PURPOSE

The purpose of the Charter is to regulate how business is to be conducted by the board in accordance with the principles of good corporate governance. The Charter sets out the specific responsibilities to be discharged by the board collectively, and the individual roles expected.

3

OBJECTIVES

The objectives of the Charter are to ensure that all directors acting on behalf of the Company are aware of their duties and responsibilities as board members as well as the legislation and regulations affecting their conduct and to ensure that the principles of good corporate governance are applied in all their dealings in respect of, and on behalf of, the Company.

4

BOARD LEADERSHIP

The running of the board and the executive responsibility for the running of the Company's business are two key tasks in a Company. There should be a clear division of responsibilities at the head of the Company to ensure a balance of power and authority, such that no one individual or block of individuals has unfettered powers of decision-making or can dominate the board’s decision-taking.

The board should provide leadership and vision to the Company in a manner that will enhance and ensure the long-term sustainable development and growth of the Company.

4.1 The Chairman

Each year the board will elect and appoint, from among its members, a Chairman who will preside at meetings and who shall be responsible, inter alia, for:

4.1.1 representing the board to the shareowners and indirectly to all stakeholders for performance;

4.1.2 ensuring the integrity and effectiveness of the governance process of the board;

4.1.3 ensuring that the content and order of the board meeting agendas are appropriate, that the directors receive the board papers in good time, that they are properly briefed and have pertinent information on issues put before the board;

4.1.4 maintaining regular dialogue with the executive directors over significant operational matters and consulting promptly with the remainder of the board over any matters which he/she may consider cause for major concern;

4.1.5 acting as facilitator at board meetings to ensure that no director, whether executive or non-executive, dominates discussion, that appropriate discussion takes place and that relevant opinion among directors is forthcoming, ensuring that discussions result in logical and understandable outcomes; and

4.1.6 ensuring that the board committees meet regularly and deliver in accordance with their terms of reference.

4.2 The Lead Independent Director

4.2.1 In the event that the Chairman does not meet the criteria for independence in terms of all relevant legislation and/or codes of corporate governance practice, the board shall appoint a Lead Independent Director ("LID") to provide leadership and advice to the board and the executive when the Chairman has a conflict of interest. Such assistance shall be provided:

a) at any board or committee meeting or other meeting of the Company;
b) at any meeting the Chairman may initiate with the LID;
c) in any consultations that any other director or executive may initiate with the LID; and
d) in any consultation that the LID may initiate.

4.2.2 The LID shall lead and introduce discussion at board and committee meetings regarding the performance and evaluation of the board Chairman.

4.2.3 The LID shall be elected annually, and shall hold office for so long as the Chairman does not meet the relevant criteria for independence.

4.3 The Chief Executive (CE)

4.3.1 The board will link the Company's governance and management functions through the CE who is tasked with the running of the business, and the implementation of the policies and strategies adopted by the board, in terms of his/her employment contract.

4.3.2 All board authority conferred on management is delegated through the CE. Accordingly the authority and accountability of management is considered to be the authority and accountability of the CE insofar as the board is concerned.

4.3.3 The board will agree with the CE the specific results and expected goals and only decisions of the board acting as a body are binding on him/her. Decisions or instructions of individual members of the board, officers or committees are not binding except in those instances where specific authorisation is given by the board.

4.3.4 The CE is accountable to the board for the achievement of the Company goals and the CE is accountable for the observance of the management limitations, and is expected to act within all specific authorities delegated to him or her by the board.

4.3.5 The CE is expected to not cause or permit any practice, activity or decision that is contrary to commonly accepted good business practice or professional ethics and not to cause or permit any action that does not take into account the health, safety, environmental and political consequences and their effect on long-term shareowner value.

4.3.6 The CE, with the management team, is expected to ensure that the assets of the Company are adequately maintained and protected, and not unnecessarily placed at risk. The Company must be operated with a comprehensive system of internal control, and assets or funds must not be received, processed or disbursed without controls that, as a minimum, are sufficient to meet standards consistent with the Company's risk management policies and processes and that are acceptable to the Company's external auditors.

4.3.7 The CE is expected to not permit employees and other parties working for the Company to be subjected to treatment or conditions that are undignified, inequitable, unfair or unsafe.

4.3.8 The CE is expected to not cause or permit payments to be made or rewards given unless they are in return for contributions towards the purposes of the business and are proportional to the extent that the contribution in question has furthered such purposes.

5

COMPOSITION OF THE BOARD, PRE-REQUISITES AND COMPETENCIES

5.1 The Company has a unitary board, comprising executive and non-executive directors. The board believes that, as a matter of policy, the board should comprise a balance of executive and non-executive directors, with a majority of non-executive directors, of whom sufficient should be independent.

5.2 Procedures for appointments to the board should be formal and transparent, and a matter for the board as a whole, assisted where appropriate by the nomination committee.

5.3 Pre-requisites for board membership include:

5.3.1 a knowledge and understanding of the conduct of the business and of the laws and customs that govern the activities of such an institution;

5.3.2 the ability to make sensible and informed business decisions and recommendations;

5.3.3 an entrepreneurial talent for contributing to the creation of shareowner value;

5.3.4 high ethical standards;

5.3.5 sound practical sense;

5.3.6 to see the wider picture and perspective;

5.3.7 integrity in personal and business dealings;

5.3.8 international experience;

5.3.9 total commitment to furthering the interests of the shareowners and to achieve the Company's goals;

5.3.10 an ability to add value;

5.3.11 an ability to clearly communicate;

5.3.12 an ability to demonstrate a wide and unfettered perspective on issues;

5.3.13 organisational and strategic awareness;

5.3.14 financial literacy;

5.3.15 a knowledge of the responsibilities of a director; and

5.3.16 an ability to constructively collaborate as part of a team contributing towards the successful performance of the Company.

5.4 Directors are encouraged to attend continuing professional development programmes which have been implemented in order to assist directors on changes in the risk, laws and general business environment. Directors are expected to keep abreast of changes and trends in the business and in the Company's environment and markets, including changes and trends in the economic, political, social and legal climate generally.

5.5 Size of the board

The maximum and minimum size of the board is regulated by the Company's Memorandum of Incorporation (MOI) however the board should be mindful of whether its size, diversity and demographics makes it effective. Accordingly the board should be structured to:

5.5.1 ensure a wide range of skills and knowledge, views and experience, such that the common purpose, involvement, participation, harmony and sense of responsibility of directors is not jeopardised; and

5.5.2 achieve the balance of skills, experience, and professional and industry knowledge necessary to meet the Company's strategic objectives.

5.6 Period of office

5.6.1 In terms of the MOI, new directors may only hold office until the next annual general meeting at which they will be required to retire and may make themselves available for re-election.

5.6.2 Directors (excluding executive directors) are subject to retirement by rotation and re-election by shareowners at least once every three years in accordance with the MOI.

5.6.3 Executive directors will be engaged on service/employment contracts, subject to short-term notice periods. Only in exceptional circumstances will the board consider employing any executive director on a fixed-term contract that shall, in any event, not exceed three years in duration for any one term.

5.6.4 Termination of a service/employment contract will result in resignation from the board, unless otherwise determined by the board.

5.6.5 Non-executive directors shall consult the Chairman with regard to external appointments. While the board encourages its executive directors to accept appointments to outside boards, this must first be discussed with the Chairman, and will be considered to the extent that it is not in conflict with the business and will not detrimentally affect their executive responsibilities.

5.6.6 The retirement age for an executive director is 60 years of age and for a non-executive director, it is 70 years of age, subject to review at the discretion of the board.

5.6.7 Directors holding office for a period of longer than nine years will be subject to a rigorous independence evaluation on an annual basis.

5.7 Reward system

5.7.1 The remuneration committee will determine the level of remuneration payable to executive directors according to its terms of reference. Having received the proposals/recommendations of the executive directors and the nomination committee as to performance, the remuneration committee shall make recommendation to the board on the level of fees payable to non-executive directors for approval by shareowners at the annual general meeting. Fees payable to non-executive directors will comprise a base fee and an attendance fee per meeting and the remuneration committee retains discretion on the attendance fee for unavoidable non-attendance in the event that the Company reschedules a meeting previously agreed.

5.7.2 Executive directors will not receive fees as they are paid as employees of the Company in accordance with their contracts of employment with the Company.

5.7.3 A proportion of each executive director’s remuneration should be structured so as to link rewards to corporate and individual performance.

5.7.4 The board shall report on remuneration in the Annual Integrated Report in terms of the requirements of the Companies Act, the JSE Limited (JSE), any codes of corporate governance practice and any other applicable legislation.

5.8 Induction of new directors

5.8.1 On appointment, non-executive directors will be offered the benefit of an induction programme aimed at broadening their understanding of the Company and the business environment and markets in which the Company operates. This process will be carried out over a period of time and should include the provision of background material, meetings with senior management and visits to the Company’s facilities. The induction programme will entail:

a) knowledge of the Company (ownership, rules, regulations and company law, board structure, membership and processes);
b) knowledge of the business (business processes, corporate strategies, key issues, organisation, management and people);
c) knowledge of the financials (annual accounts, directors' reports, trends, key financial ratios and financial performance of the business); and
d) expectations on appointment (discussions with Chairman with regard to the role, why nominated, potential contributions, particular knowledge, etc.).

5.8.2 All directors are expected to keep abreast of changes and trends in the business and in the Company's environment and markets, including changes and trends in the economic, political, social and legal climate generally.

5.9 Succession planning

5.9.1 The board shall be responsible, in fact as well as procedure, for selecting its own members and for recommending them for election or re-election by the shareowners and to select, monitor, evaluate and replace the CE and/or other senior executives, when necessary. The screening process involved shall be delegated to the nomination committee.

5.9.2 The Chairman of the remuneration committee shall report annually to the board on senior management succession planning, also providing details of the Company’s programme for management development.

5.9.3 There shall also be available, on a continuing basis, the Chairman’s recommendations for a successor should he or she be unexpectedly disabled.

6

ROLE OF THE BOARD

6.1 An important role of the board is to define the purpose of the Company (i.e. its strategic intent and objectives as a business enterprise) and its values (i.e. its organisational behaviour and norms to achieve its purpose) and ensure that the Company's purpose will result in sustainable outcomes taking into consideration people, planet and profit. Both the purpose and the values should be clear, concise and achievable. It should also ensure that procedures and practices are in place which protect the Company's assets and the Company's reputation.

6.2 The board is explicitly responsible for the stewardship of the Company and in discharging its obligations, the board assumes responsibility for:

6.2.1 retaining full and effective control over the Company and monitoring management in implementing board plans and strategies;

6.2.2 ensuring ethical behaviour and compliance with relevant laws and regulations, audit and accounting principles, and the Company's own governing documents and codes of conduct;

6.2.3 striving to act above and beyond the minimum requirements and benchmark performance against international best practice and not only to comply in practice, but be seen to comply;

6.2.4 defining levels of materiality, reserving specific powers to the board and delegating other matters with the necessary written authority to management and instituting effective mechanisms that ensure board responsibility for management performance of its functions;

6.2.5 acting responsibly towards the Company's stakeholders; and

6.2.6 being aware of, and committing to, the underlying principles of good governance.

6.3 Having regard to its role, the board is concerned with key elements of the governance processes underpinning the operation of the Company with particular attention to:

6.3.1 reviewing the strategic direction and sustainability of the Company and adopting business plans proposed by management for the achievement thereof;

6.3.2 approving specific financial and non-financial objectives and policies proposed by management;

6.3.3 reviewing processes for the identification and management of business risk and processes for compliance with key regulatory and legal areas;

6.3.4 delegating authority for capital expenditure and reviewing investment, capital and funding proposals reserved for board approval;

6.3.5 reviewing succession planning for the management team and endorsing senior executive appointments, organisational changes and high level remuneration issues;

6.3.6 providing oversight of performance against targets and objectives; and

6.3.7 providing oversight of reporting to stakeholders on the direction, governance and performance of the Company as well as other processes that need reporting and other disclosure requirements.

6.4 The day-to-day management will be in the hands of the CE and management.

7

BOARD GOVERNANCE

7.1 Board procedures

7.1.1 The conduct of board members will be consistent with their duties and responsibilities to the Company and thus to the shareowners.

7.1.2 The directors will always act within any limitations imposed by the board on its activities.

7.1.3 Directors' responsibilities and limitations are set out in the MOI, the Companies Act 2008, as amended, the Insider Trading regulations contained in Chapter X of the Financial Markets Act (No. 19 of 2012), the Listings Requirements of the JSE and board and/or shareowners' resolutions.

7.1.4 The board shall be disciplined in carrying out its role, with the emphasis on strategic issues and policy.

7.1.5 The board's discussions will be open and constructive. The Chairman will seek a consensus in the board but may, where considered necessary, call for a vote. Discussions and records will remain confidential unless there is a specific direction from the board to the contrary.

7.1.6 The board has sole authority over its agenda, however, any board member may request an addition of an item on the agenda.

7.1.7 The directors are entitled to have access, at reasonable times, to all relevant Company information and to senior management to assist them in the discharge of their duties and responsibilities to enable them to take informed decisions.

7.1.8 Directors are expected to strictly observe the provisions of the statutes applicable to the use and confidentiality of Company information.

7.1.9 At each board meeting the board shall, *inter alia,* consider:

a) a report from the CE;
b) a report from the Chief Financial Officer;
c) reports on the activities of the Company's individual business units;
d) specific proposals for capital expenditure and acquisitions; and
e) key and major issues and strategic opportunities for the Company.

7.1.10 Directors are permitted in the furtherance of their duties to take independent professional advice, if necessary, in accordance with the Company's Independent Advice Policy.

7.2 At intervals of not more than one year, the board will:

7.2.1 review and evaluate the present and future strengths, weaknesses and opportunities in respect of the Company. Comparisons with competitors, locally and internationally, and best practice are important elements of this process;

7.2.2 review and approve the Company's financial objectives, plans and actions and significant allocation and expenditure while considering how a proper "balanced scorecard" and "triple bottom line" approach may be applied;

7.2.3 review the Company's goals and the strategies for achieving the Company's goals;

7.2.4 approve the annual operating and capital expenditure budget;

7.2.5 approve the preliminary and half-yearly financial statements, Integrated Annual Report, other reports to shareowners and public announcements and ensure the integrity of the Company's Integrated Annual Report in order to provide the necessary assurances;

7.2.6 consider and, if appropriate, declare or recommend the payment of dividends;

7.2.7 review the board's composition, structure and succession;

7.2.8 recommend the members of the audit committee for the following financial year, subject to shareholder approval and appointment, and ensure that the Company has an effective and independent audit committee;

7.2.9 review the Company's audit requirements and ensure an effective risk-based internal audit function;

7.2.10 review the necessity for, composition and terms of reference of the board's committees;

7.2.11 receive the reports of the Chairman of the remuneration; nomination; audit; social and ethics; risk; and investment committees in accordance with their terms of reference;

7.2.12 review risk assessment policies and controls, including compliance with legal and regulatory requirements and the governance of information technology;

7.2.13 review the Company's codes of conduct and ethical standards;

7.2.14 review shareowner and other relevant stakeholder relations; and

7.2.15 review its own performance and that of the board committees.

8

BOARD COMMITTEES

8.1 The board is authorised to form committees and board committees to assist in the execution of its duties, power and authorities. Delegating authority to board committees or management does not in any way mitigate or dissipate the discharge by the board of its duties and responsibilities.

8.2 There shall be transparency and full disclosure from the board committees to the board, except where the committee has been mandated otherwise by the board.

8.3 Board committees will only speak or act for the board when so authorised. The authority conferred on a board committee will not derogate from the authority delegated to the CE by the board.

8.4 The board has six standing committees, namely, the audit committee and the social and ethics committee (which are also statutory committees in terms of the Companies Act, 2008), the remuneration committee, the nomination committee, the risk committee and the investment committee. The risk committee has an IT governance sub-committee. The terms of reference and composition of these committees are reviewed and approved by the board on an annual basis.

8.5 The committees are to be appropriately constituted with due regard to the skills required by each committee.

9

MATTERS RESERVED FOR THE BOARD

In addition to other statutory and regulatory requirements, the following matters shall be reserved for decision by the board, supported by any recommendation as may be made from time to time by the committees of the board (as appropriate or applicable):

9.1 Financial

9.1.1 The adoption of any significant change or departure in the accounting policies and practices of the Company and its subsidiaries;

9.1.2 The raising of borrowing facilities;

9.1.3 The approval of the strategy, business plans and annual budgets and of any subsequent material changes in strategic direction or material deviations in business plans;

9.1.4 The approval of annual financial statements, the approval of interim and year-end (preliminary) reports, the valuation of unlisted investments and loans, the declaration of dividends and the forfeiture of unclaimed dividends; and

9.1.5 The recommendation to shareowners of any increase, reduction or alteration to the share capital of the Company and the allotment, issue or other disposal of shares of the Company (except for shares allotted under any share incentive scheme).

9.2 Administrative

9.2.1 The frequency of meetings of the board;

9.2.2 The prosecution, defence or settlement of legal or arbitration proceedings where material and except in the ordinary course of business;

9.2.3 The approval of the rules and amendments to the Company's pension and provident funds having a material effect on the actuarial liabilities of those funds;

9.2.4 The granting of general signing authorities pursuant to the MOI of the Company;

9.2.5 The appointment, removal or replacement of the Company Secretary;

9.2.6 The variation of the rights attaching to shares where such powers are vested in the board;

9.2.7 The approval of the Company's Integrated Annual Report; and

9.2.8 Formulation and amendment of the Company's Code of Ethics.

9.3 Manpower

9.3.1 Appointments to and removals from the board including the appointment of the Chairman, any Deputy Chairman, any LID, any CE, executive directors and non-executive directors, and the approval of nominations of alternate directors (if any), as recommended by the nomination committee;

9.3.2 The appointment of terms of reference and changes in the composition of the committees of the board as are established from time to time;

9.3.3 Any increase in non-executive directors' fees as recommended by the remuneration committee, which shall finally be approved by shareowners at the annual general meeting;

9.3.4 The approval of any share incentive scheme, the rules applicable to any such scheme and any amendment to such rules as recommended by the remuneration committee, for submission to shareowners or the JSE, if applicable; and

9.3.5 The formulation of recommended policies in relation to equal opportunity employment, human capital development, environment, and health and safety.

10

MANAGEMENT OF RISKS

10.1 The board is responsible for the identification of major risks, the total process of risk management, as well as for forming its own opinion on the effectiveness of the process. Management is accountable to the board for designing, implementing and monitoring the process of risk management and integrating it into the day-to-day activities of the Company.

10.2 The board must identify and fully appreciate the business risk issues and key performance indicators affecting the ability of the Company to achieve its strategic purpose and objectives.

10.3 The board must ensure that appropriate systems are in place to manage the identified risks, measure the impact and to proactively manage it, so that the Company's assets and reputation are suitably protected.

11

BOARD MEETINGS

11.1 Directors will use their best endeavours to attend board meetings and to prepare thoroughly. Directors are expected to participate fully, frankly and constructively in board discussions and other activities and to bring the benefit of their particular knowledge, skills and abilities to the board table. Directors who are unable to attend shall advise the Chairman at an early date and confirm, in writing, to the Company Secretary. A director who absents himself from meetings of directors for six consecutive months (without the leave of the other directors) and who is not represented by an alternate, may be required to vacate his office if the board so resolves.

11.2 Frequency and quorum

11.2.1 Meetings of the board will be held at such time and at such venue as the board deems appropriate, but will normally meet at least four times a year.

11.2.2 The quorum necessary for the transaction of business is fixed by the MOI and is currently a majority of the directors in office, as determined by a meeting of directors at which all were present.

11.2.3 In addition to the matters set out in the Charter, meetings and proceedings of the board will be governed by the Company's MOI.

11.2.4 Dates of board meetings and committees are established by the board annually in advance in respect of each calendar year and directors are given written notice of the dates of the meetings at such time. Short notice may be given of a board meeting under exceptional circumstances.

11.2.5 Minutes of meetings shall be taken by the Company Secretary and will be circulated to all the directors.

11.3 Agenda and board papers

11.3.1 The Chairman, in conjunction with the Company Secretary, must ensure that an agenda is prepared prior to the meeting.

11.3.2 The Company Secretary must circulate the agenda and board papers to the directors at least four days before the date scheduled for the meeting, save where a meeting is held at short notice and the directors agree, either formally or informally, to dispense with this requirement.

11.4 Conflicts of Interest

11.4.1 Directors are required to inform the board of any real or perceived conflicts or potential conflicts of interest which they may have in relation to particular items of business.

11.4.2 Directors must absent/recuse themselves from discussion or decisions on those matters where they have conflicts or potential conflicts of interest.

11.4.3 The board must request a director to recuse himself/herself from the meeting for the duration of the matter under discussion if the director has a real or perceived conflict of interest.

11.4.4 The board shall respect the fiduciary duties owed by the director/s serving in a representative capacity on the board of any subsidiary company.

11.5 Minutes

11.5.1 Minutes of board meetings will be circulated by the Company Secretary.

11.5.2 The practice is for minutes to record processes and outcomes, rather than the course of discussion.

12

SHARE DEALINGS BY DIRECTORS

When buying or selling shares, directors must strictly observe the provisions of the Company's MOI, the JSE Listings Requirements, the Company's own internal rules and all relevant legislative or regulatory procedures, and must follow the Company's Trading Policy as amended by the board from time to time. This will be effected through the office of the Company Secretary.

13

BOARD EVALUATION AND PERFORMANCE

13.1 The board shall on an annual basis evaluate its own performance, and its own processes and procedures to ensure that they are not unduly complex and are designed to assist the board in effectively fulfilling its role.

13.2 This shall take the form of a questionnaire comprising a self-evaluation of the board as a whole, and the responses will be collected and collated by the Chairman or the nomination committee (as appropriate), which then shall be discussed with the board and the nomination committee after consideration of the findings.

13.3 The board shall appraise the performance of the Chairman (and the LID if one is so appointed) and the contribution of each individual director on an annual or such other basis as the board may determine, which will usually be undertaken by the nomination committee.

13.4 The Chairman, or the remuneration committee, shall appraise the performance of the CE in his role as an executive of the Company at least annually (as distinct from the CE's role as a non-executive director, in which circumstances his performance will be evaluated by the nomination committee). The results of such appraisal shall be considered by the remuneration committee to guide it in its evaluation of the performance and remuneration of the CE. The evaluation of the CE should be based on objective criteria including performance of the business, accomplishment of long-term strategic objectives, development of management, etc.

13.5 The board committees shall also be reviewed on an annual basis by the board through the nomination committee (as appropriate) to ascertain their performance and effectiveness.

14

COMPANY SECRETARY

14.1 The Company Secretary has a key role to play in ensuring that board procedures are both followed and reviewed regularly, and has the responsibility in law to ensure that each board member is made aware of and provided with guidance as to their duties, responsibilities and powers.

14.2 It is the responsibility of the board, and in its own best interests, to ensure that the Company Secretary remains capable of fulfilling the function for which he/she has been appointed, and the appointment and removal of the Company Secretary is a matter for the board as a whole. The performance of the Company Secretary shall also be subject to annual appraisal by the nomination committee.

14.3 The Company Secretary is responsible for ensuring that the applicable rules and regulations for the conduct of the affairs of the board are complied with and that all matters associated with its efficient operation are maintained.

14.4 The Company Secretary must maintain statutory books in accordance with legal requirements.

14.5 In addition to the statutory duties of the Company Secretary, he/she must provide the board as a whole and board members individually with detailed guidance as to how their responsibilities should be properly discharged in the best interests of the Company. The Company Secretary should provide a central source of guidance and advice to the board in this regard.

14.6 The Company Secretary must keep abreast of and inform the board of current governance thinking and practice.

Audit committee
Terms of reference

1

INTRODUCTION

1.1 The audit committee ("the committee") is constituted as a statutory committee in respect of its statutory duties in terms of section 94(7) of the Companies Act 2008 no. 71 of 2008 ("the Companies Act") and a committee of the board in respect of all other duties assigned to it by the board. The duties and responsibilities of the members of the committee are in addition to those as members of the board.

1.2 The deliberations of the committee do not reduce the individual and collective responsibilities of board members (except with respect to the appointment, fees and terms of engagement of the external auditor) in regard to their fiduciary duties and responsibilities, and they must continue to exercise due care and judgement in accordance with their statutory obligations.

1.3 These terms of reference are subject to the provisions of the Companies Act, the Company's Memorandum of Incorporation and any other applicable law or regulatory provision.

2

CONSTITUTION

2.1 The mission of the committee is to assist the board in discharging its fiduciary duties relating to the safeguarding of assets, the operation of adequate and effective systems, control processes, the preparation of accurate financial reporting and statements in compliance with all applicable legal requirements and accounting standards and the oversight of the external and internal audit appointments and functions.

2.2 In addition to assisting the board as set out in paragraph 2.1, the committee shall perform all the functions required in law to be performed by the committee, including as required by section 94(7) of the Companies Act.

2.3 The committee shall perform the functions required under section 94(7) of the Companies Act on behalf of all South African subsidiaries of the company other than those subsidiaries whose board determines to appoint its own audit committee.

2.4 The terms of reference of the committee are summarised herein and should be reviewed at least annually for approval by the board.

3

MEMBERSHIP

3.1 The committee shall consist of no less than three members, all of whom shall be non-executive directors who act independently of the Company. Members of the committee shall not be:

i involved in the day-to-day management of the Company's business or have been so involved at any time during the previous financial year;

ii a prescribed officer, or full-time employee, of the Company or another related or inter-related Company, or have been such an officer or employee at any time during the previous three financial years;

iii a material supplier or customer of the Company, such that a reasonable and informed third party would conclude in the circumstances that the integrity, impartially or objectivity of that director is compromised by that relationship; or

iv related to any person who falls within any of the criteria in (i), (ii), and (iii) above.

3.2 At least one-third of the members of the Company's audit committee at any particular time must have academic qualifications, or experience, in economics, law, corporate governance, finance, accounting, commerce, industry, public affairs or human resource management.

3.3 A quorum shall be a majority of the members comprising the committee from time to time, present throughout the meeting.

3.4 The committee shall be elected by the shareholders of the Company at each annual general meeting on recommendation of the Company's nomination committee.

3.5 Decisions of the committee shall be carried by vote of the majority of members present at meetings.

3.6 The Chairman of the committee ("the Chairman") (who shall not be the Chairman of the board of the Company) shall be appointed by the board.

3.7 The board shall be entitled to fill any vacancies.

3.8 The Company Secretary shall be the secretary of the committee.

4 ATTENDANCE AT MEETINGS

4.1 The board Chairman, the Chief Executive, Financial Director or Chief Financial Officer, Head of Internal Audit and representatives of the external auditors shall be invited to attend the meetings. Other board members shall also have the right of attendance.

4.2 However, at least once a year the committee shall meet with the external auditors without other board members, the Chief Financial Officer or the Head of Internal Audit being present. Likewise, the committee should meet at least once a year with the Head of Internal Audit without the external auditors, other board members or the Chief Financial Officer being present.

4.3 Minutes of the committee meetings shall be circulated to all the directors by the Company Secretary.

4.4 The committee may hold its scheduled and/or *ad hoc* meetings either in person and/or via suitable electronic means including, without limitation, telephone conference or video calls or a combination as may be deemed appropriate by the members.

5 RESPONSIBILITY AND ACCOUNTABILITY

5.1 The primary responsibility of the committee is to oversee the integrated financial reporting process of the Company and of such companies in the Group as are identified by the committee from time to time on behalf of the board. While the committee has the responsibilities and powers set forth in this terms of reference, it is not the duty of the committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and are in accordance with the applicable accounting standards. Management is responsible for preparing the Company's financial statements and the external auditors are responsible for auditing those financial statements in terms of generally accepted auditing standards.

5.2 The committee has an independent role with accountability to both the board and shareowners regarding the manner in which it discharges its duties.

5.3 The Chairman, or in his/her absence, another member of the committee nominated by the Chairman, shall report to the board at each board meeting on matters relating to the committee in accordance with its terms of reference.

5.4 The Chairman, or in his/her absence, another member of the committee nominated by the Chairman, shall attend the annual general meeting to answer questions on matters falling within the ambit of the committee.

5.5 All members of the committee should be present at the annual general meeting.

6

FREQUENCY OF MEETINGS

6.1 Meetings shall be held not less than four times a year and as many times as the committee deems necessary. The four compulsory meetings should be held:

6.1.1 prior to the commencement of the annual external audit to approve the audit plan, approach and audit fee estimate;

6.1.2 prior to the board's approval of the interim results, for recommendation to the board;

6.1.3 after the completion of the annual external audit to approve the profit and dividend announcement for recommendation to the board (the designated auditor, i.e. the audit partner, must attend this meeting); and

6.1.4 to approve the integrated annual financial statements for recommendation to the board (the designated auditor, i.e. the audit partner, must attend this meeting which must take place not more than one month before the board meeting at which these financial statements are submitted for approval).

6.2 The board or any member thereof, the external auditors or the Head of Internal Audit may request the Chairman to call a meeting if they consider that one is necessary.

7

AUTHORITY

7.1 The committee acts in accordance with its statutory duties and in terms of the delegated authority of the board as recorded in these terms of reference.

7.2 The committee is authorised by the board to perform and investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee in the Group and any Company records, facilities and other resources necessary to discharge its duties. All employees are directed to cooperate with any requests made by the committee.

7.3 The committee is authorised by the board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

8

DUTIES

8.1 The duties of the committee shall be:

8.1.1 to nominate the external auditors annually for appointment by shareowners at the annual general meeting (including any vacancies and/or rotation of such external auditors), to determine the fees payable to the external auditors and their terms of engagement and to evaluate their performance as well as ensure their appointment (including that of the individual/designated auditor and IFRS advisor) to the Company and to its major subsidiaries complies with the Companies Act, the Auditing Profession Act, 2005 and the Listings Requirements of the JSE Limited ("the JSE");

8.1.2 to satisfy and report on the independence of the external auditors in the annual financial statements. In considering whether the external auditors are independent, the committee must, in relation to the Company and any other member of the Group:

8.1.2.1 ascertain that the external auditors do not, except as external auditors or in rendering non-audit services pre-approved by the committee, receive any direct or indirect remuneration or other benefit;

8.1.2.2 consider the extent of any consultancy, advisory or other work undertaken by the external auditors;

8.1.2.3 consider whether the external auditors' independence may have been prejudiced as a result of any previous appointment as external auditors; and

8.1.2.4 consider compliance with other criteria specified for independence or conflict of interest by the Independent Regulatory Board for Auditors.

8.2 To discuss with the external auditors and approve the overall scope and plan for their audits, including the adequacy of staffing and levels of compensation as well as any other terms of engagement.

8.3 To evaluate the independence and effectiveness of the external auditors and to consider any non-audit services rendered by them to ensure their independence is not substantially impaired. To determine the nature and extent of any non-audit services to be rendered to the Group and to pre-approve any proposed contract with the external auditors for such services.

8.4 To consider and satisfy itself, on an annual basis, of the appropriateness of the expertise and experience of the Chief Financial Officer and of the expertise and adequacy of the finance function.

8.5 To overview the Annual Integrated Report and have regard to all factors that impact on the integrity of the Annual Integrated Report. In particular, the committee shall:

8.5.1 review the disclosure of sustainability issues in the Annual Integrated Report to ensure such disclosure is reliable and does not conflict with the financial information;

8.5.2 ensure that the findings of the annual finance function review are disclosed in the Annual Integrated Report;

8.5.3 include the committee's view on the annual financial statements and accounting practices;

8.5.4 provide a report to shareowners regarding the manner in which the committee has discharged its statutory duties;

8.5.5 include an opinion on effectiveness of internal financial control;

8.5.6 to oversee the findings of the external assurance provider on material sustainability issues; and

8.5.7 recommend the Annual Integrated Report for approval by the board.

8.6 To review the interim report (and determine whether the interim report should be subject to an independent review by the external auditors), the preliminary profit announcement and the annual financial statements, before submission to the board, focusing particularly on:

- the valuation of unlisted investments and loans;
- contingent liabilities;
- tax and litigation matters involving uncertainty;
- any changes in accounting policies and practices;
- significant financial estimates based on judgement which are included in the financial statements;
- significant adjustments resulting from the annual external audit;
- significant transactions which are not a normal part of the Company's business;
- the going concern assumption;
- compliance with accounting standards, local and international;
- compliance with stock exchange, statutory and other relevant requirements; and
- internal control.

8.7 To discuss problems and reservations arising from the external audits and any matters the external auditors may wish to discuss (in the absence of management where necessary).

8.8 To receive and deal appropriately with any concerns or complaints (whether from within or outside the Company or on its own initiative) relating to:

- the accounting practices and internal audit of the Company;
- the content or auditing of the Company's financial statements;
- the internal financial controls of the Company; or
- any related matter.

8.9 To review the external auditors' interim and final reports to the committee, to identify key issues arising and to ensure their follow-up.

8.10 To review and evaluate the internal audit activities and to discuss the overall scope and plan for the internal audit, its independence and effectiveness and programme; to review compliance with the internal audit mandate, as approved by the committee and the board and to review and approve same at least annually; to ensure coordination between the internal and external auditors; and to ensure that the internal audit function is adequately resourced and has appropriate standing within the Group. In addition, where major deficiencies or breakdowns in controls or procedures have been identified, ensuring that appropriate action is taken by management and to review corrective action taken; and to consider the appointment, dismissal or re-assignment of the Head of Internal Audit.

8.11 To consider the major findings of any internal investigations and management's response.

8.12 To make submissions to the board on any matter concerning the Company's accounting policies, financial control, records and reporting.

8.13 To monitor compliance with the Group's code of conduct, to review it and any significant breaches of such a code.

8.14 To consider other topics, or other matters or oversight functions as defined or requested by the board.

8.15 To review the adequacy of the systems of internal financial control in operation in the Company and in the Group's subsidiary companies.

8.16 To consider, along with the Group's legal counsel, any legal matters that could have a significant impact on the Group financial statements.

8.17 To review and report to the board on the Group's compliance with the King Code of Corporate Practice and Conduct in terms of the JSE Listings Requirements for compliance insofar as this relates to the annual, interim and preliminary profit reports.

8.18 To prepare and ensure inclusion in the financial statements to be issued in respect of that financial year, a report:

8.18.1 describing how the committee carried out its functions;

8.18.2 stating whether the committee is satisfied that the external auditors were independent of the Company;

8.18.3 confirming that it has considered and satisfied itself of the appropriateness of the expertise and experience of the Chief Financial Officer; and

8.18.4 commenting in any way the committee considers appropriate on the financial statements, the accounting practices and the internal financial control of the Company.

8.19 To receive and consider the report of the risk committee on matters relating to risks and related controls which have been dealt with by that committee in terms of its mandate.

8.20 To oversee and review the risk areas of the Company's operations to be covered in the scope of internal and external audits including internal financial controls, fraud and information technology risks as they relate to financial reporting risks.

8.21 To ensure that a combined assurance model is applied to provide a coordinated approach to all assurance activities and which addresses the significant risks facing the Company.

8.22 To evaluate the performance of the committee by way of an annual self-evaluation as part of the board's review of the committee's performance and effectiveness.

Social and ethics committee
Mandate and terms of reference

1

INTRODUCTION

1.1 The social and ethics committee ("the committee") is constituted as a statutory committee in respect of its statutory duties in terms of section 72(4) of the Companies Act, 2008 ("the Act") read together with regulation 43 of the Companies Regulations, 2011 and as a committee of the board in respect of all other duties assigned to the committee by the board.

1.2 The deliberations of the committee do not reduce the individual and collective responsibilities of board members in regard to their fiduciary duties and responsibilities, and they must continue to exercise due care and judgement in accordance with their statutory obligations.

1.3 These terms of reference are subject to the provisions of the Act, the Company's Memorandum of Incorporation and any other applicable law or regulatory provision.

2

PURPOSE

2.1 The purpose of the committee is to regularly monitor the Sun International Limited Group's activities, including those subsidiary companies on behalf of which the committee undertakes this function, having regard to any relevant legislation, other legal requirements or prevailing codes of best practice, with regard to matters relating to the items listed below:

2.1.1 social and economic development, including the Company's standing in terms of the goals and purposes of:

a) the 10 principles set out in the United Nations Global Compact Principles;

b) the Organisation for Economic Cooperation and Development ("OECD") recommendations regarding corruption;

c) the Employment Equity Act; and

d) the Broad-Based Black Economic Empowerment Act.

2.1.2 good corporate citizenship, including the Company's:

a) promotion of equality, prevention of unfair discrimination, and reduction of corruption;

b) contribution to development of the communities in which its activities are predominantly conducted or within which its products or services are predominantly marketed; and

c) record of sponsorship, donations and charitable giving.

2.1.3 the environment, health and public safety, including the impact of the Company's activities and of its products or services;

2.1.4 consumer relationships, including the Company's advertising, public relations and compliance with consumer protection laws; and

2.1.5 labour and employment, including:

a) the Company's standing in terms of the International Labour Organisation Protocol on decent work and working conditions; and

b) the Company's employment relationships, and its contribution toward the educational development of its employees.

3

COMPOSITION OF THE COMMITTEE

3.1 The committee shall consist of no less than three members, all of whom shall be non-executive directors, the majority of whom are independent, and who shall be appointed by the board.

3.2 The Secretary of the Company shall be secretary to the committee.

3.3 The Chief Executive, Chief Financial Officer, Director: Legal Affairs, Director: Group Human Resources and Group Environmental Manager (and their successors in title) shall be standing invitees of the committee.

3.4 The Director: Operations, Director: Internal Audit, other assurance providers, professional advisors and board members may be in attendance at committee meetings by invitation and at the discretion of the committee Chairman.

3.5 Individuals in attendance at committee meetings by invitation may participate in discussions but do not form part of the quorum for committee meetings and accordingly may not vote on any matter.

3.6 The members of the committee as a whole must have sufficient qualifications and experience to fulfil their duties.

4

QUORUM

4.1 The quorum for a meeting shall be a majority of the members present throughout the meeting.

4.2 Decisions of the committee shall be carried by vote of the majority of members present at meetings.

5

TERM

5.1 The board shall have the power at all times to alter the size of the committee, or to remove any members from the committee, and to fill any vacancies created by such removal, and shall review the composition of the committee annually, as soon as practicable after the annual general meeting.

6

REPORTING RESPONSIBILITIES

6.1 The committee reports to the board through its committee Chairman, or in his absence another member of the committee nominated by the Chairman, who shall report at each board meeting on matters relating to the committee in accordance with these terms of reference.

6.2 The committee Chairman, or in his absence another member of the committee nominated by the Chairman, shall attend the annual general meeting to answer questions on matters falling within the ambit of the committee.

6.3 The committee shall report on matters within its mandate in the Group's Integrated Annual Report.

6.4 The names of the members of the committee, the number of formal meetings held and attendance by each member during the financial year shall be published in the Group's Integrated Annual Report.

7
AUTHORITY

7.1 The committee acts in accordance with its statutory duties and in terms of the delegated authority of the board as recorded in these terms of reference.

7.2 The committee shall have the authority to:

- 7.2.1 access any information, including access to any employee of the Company, in order to fulfil its responsibilities;
- 7.2.2 seek independent advice at the Company's expense in terms of the Company's Professional Advice Policy;
- 7.2.3 investigate matters within its mandate;
- 7.2.4 consult with the Chief Executive and other Group executives; and
- 7.2.5 be heard at any shareholders' meeting or any part of the meeting that concerns the committee's functions.

7.3 This mandate shall be reviewed by the committee on an annual basis and any proposed amendments to the mandate shall be recommended to the board for their consideration and approval.

8
PROCEDURE

8.1 The committee must hold sufficient scheduled meetings to discharge all its duties as set out in these terms of reference and a minimum of two scheduled meetings shall be held a year.

8.2 Informal consultation shall occur as and when required.

8.3 The committee may hold its scheduled and/or *ad hoc* meetings either in person and/or via suitable electronic means including, without limitation, telephone conference or video calls or a combination as may be deemed appropriate by the members.

8.4 If the Chairman is absent from a meeting, the members present must elect one of the members present to act as Chairman for the duration of the meeting.

8.5 Papers for consideration by the committee shall be submitted, in the normal course, at least five days before a meeting to enable members the time for study and, if required, prior informal discussion.

8.6 Minutes of the meetings of the committee shall be circulated by the Secretary to the committee. Minutes will also be circulated to the other directors who are not members of the committee.

8.7 The committee shall establish an annual meeting plan for each year to ensure that all relevant matters are covered by the agendas of the meetings planned for the year.

9

DUTIES

9.1 The committee shall monitor the Company's activities and review any policies and practices that relate to the following:

- 9.1.1 reviewing and reporting on the Group's mechanisms to manage social and ethical issues;
- 9.1.2 the Company's social, environmental and economic development;
- 9.1.3 the Company's standing as a good corporate citizen;
- 9.1.4 the impact of the Company's products and/or services, including any health and public safety;
- 9.1.5 the Company's practices insofar as these relate to its consumer relationships taking into account the relevant legislation;
- 9.1.6 the Company's labour practices; and
- 9.1.7 reviewing the content of the Integrated Annual Report insofar as it relates to matters relevant to the committee's terms of reference.

9.2 The committee shall take cognisance of current industry or corporate practices in relation to its consideration of the Company's practices.

9.3 The committee shall carry out an annual self-evaluation of its own performance, the results of which shall be reported to the board.

Remuneration committee
Mandate and terms of reference

1

INTRODUCTION

1.1 The remuneration committee ("the committee") is constituted as a committee of the board of directors of Sun International Limited ("the Company"). The duties and responsibilities of the members of the committee are in addition to those as members of the board.

1.2 The deliberations of the committee do not reduce the individual and collective responsibilities of board members in regard to their fiduciary duties and responsibilities, and they must continue to exercise due care and judgement in accordance with their statutory obligations.

1.3 These terms of reference are subject to the provisions of the Companies Act, the Company's Memorandum of Incorporation and any other applicable law or regulatory provision.

2

PURPOSE

The purpose of the committee is to:

2.1 review the design and management of executive directors and senior executives regarding salary structures and policies, incentive schemes and share incentive and option programmes to ensure that they motivate sustained high performance of the Group and the achievement of the Group's strategic objectives;

2.2 ensure that competitive reward strategies and programmes are in place to facilitate the recruitment, motivation and retention of high performance executive directors and senior executives in support of realising corporate objectives and in safeguarding shareowner and stakeholder interests;

2.3 develop and implement a philosophy of remuneration and disclosure to enable a reasonable assessment of reward practices and governance processes to be made by stakeholders;

2.4 oversee the establishment of a remuneration policy that will promote the achievement of the Group strategic objectives and its reward strategies and annually review the remuneration policy thereafter;

2.5 ensure that the remuneration policy is put to a non-binding advisory vote at the annual general meeting of shareowners;

2.6 ensure that the mix of fixed and variable pay, in cash, shares and other elements, meets the Company's needs and strategic objectives;

2.7 oversee management's adherence to the Group trading policy;

2.8 recommend the level of non-executive directors and board committee fees to the board, and thereafter to shareowners, having received the proposals/recommendations of the executive directors;

2.9 ensure consideration is given to executive succession planning in the Group; and

2.10 review the annual employment equity results of the Group.

3

COMPOSITION OF THE COMMITTEE

3.1 The Chairman of the committee ("the Chairman") (who shall preferably be an independent non-executive director) and members of the committee shall be appointed by the board and shall comprise only non-executive directors, the majority of whom shall be independent. The board Chairman should preferably not be appointed the Chairman of the committee, but may be a member of the committee.

3.2 The committee shall consist of no less than four members and shall be appointed by the board, upon recommendation by the nomination committee.

3.3 The Chief Executive and the Director: Human Resources shall attend all meetings by invitation, unless deemed inappropriate by the committee. External advisors may be invited to attend for all or part of the meeting, as and when appropriate.

3.4 The Secretary of the Company shall be secretary to the committee.

3.5 No director or employee should be present when his/her own salary or fee is discussed.

3.6 The members of the committee as a whole must have sufficient qualifications and experience to fulfil their duties.

3.7 The committee composition shall be reviewed annually.

4

QUORUM

4.1 The quorum for a meeting shall be a majority of the members present throughout the meeting.

4.2 Decisions of the committee shall be carried by vote of the majority of members present at meetings.

5

TERM

The board shall have the power at all times to alter the size of the committee, or to remove any members from the committee and to fill any vacancies created by such removal, as soon as practicable after the annual general meeting.

6

REPORTING RESPONSIBILITIES

6.1 The committee reports to the board through its Chairman who shall report at each board meeting on matters relating to the committee in accordance with these terms of reference.

6.2 The Chairman shall also be available to discuss any matters of a sensitive nature arising from the meetings of the committee with directors who are not members of the committee on request.

6.3 The names of the members of the committee, the number of formal meetings held and attendance by each member during the financial year shall be published in the Group's Integrated Annual Report.

6.4 Information on the remuneration of non-executive directors, executive directors and the remuneration philosophy applied in the Group shall be disclosed in the Annual Integrated Report in terms the Companies Act, the Listings Requirements of the JSE Limited, the King Code of Corporate Practices and Conduct and any other applicable legislation.

6.5 The committee shall review and make recommendation to the board, on the remuneration report that is to be included in the Group's Annual Integrated Report, with particular reference as to whether the remuneration report is accurate, complete and transparent.

6.6 The Chairman or in his absence a member of the committee shall be available to answer questions at the Company's annual general meeting on the subject of remuneration.

7

AUTHORITY

7.1 The committee acts in terms of the delegated authority of the board as recorded in these terms of reference.

7.2 The committee shall have the authority to:

7.2.1 access any information it needs to fulfil its responsibilities;

7.2.2 seek independent advice at the Company's expense in terms of the Company's Professional Advice Policy;

7.2.3 investigate matters within its mandate; and

7.2.4 consult with the Chief Executive, the Director: Human Resources and other Group executives.

7.3 This mandate shall be reviewed by the committee on an annual basis and any proposed amendments to the mandate shall be recommended to the board for their consideration and approval.

8

PROCEDURE

8.1 A minimum of two scheduled meetings shall be held a year.

8.2 Informal consultation shall occur as and when required.

8.3 Meetings of the committee shall be called by the secretary of the committee at the request of the committee Chairman.

8.4 Papers for consideration by the committee shall be submitted, in the normal course, at least five days before a meeting to enable members the time for study and, if required, prior informal discussion.

8.5 Minutes of the meetings of the committee shall be circulated by the secretary. Minutes will also be circulated to the other directors who are not members of the committee.

8.6 The committee shall establish an annual meeting plan for each year to ensure that all relevant matters are covered by the agendas of the meetings planned for the year.

9

TERMS OF REFERENCE

9.1 The committee shall consider and approve policy and practice standards for the following, and shall annually:

9.1.1 after consultation with the executive directors, recommend to the board the remuneration of the board Chairman (being subject to shareholders' approval by way of a special resolution) having reviewed the evaluation of his performance by the nomination committee;

9.1.2 having received the proposals/recommendations of the executive directors, place before the board the remuneration and supplementary/*ad hoc* remuneration of non-executive directors including members of board committees for approval by the board (being subject to shareholders' approval by way of a special resolution) having reviewed the evaluation of their performance by the nomination committee;

9.1.3 perform an annual appraisal of the executive performance of the Chief Executive, and his direct reports and report on the outcomes of these appraisals to the board;

9.1.4 agree the remuneration of the Chief Executive and his direct reports, giving consideration to both the short and longer term components of remuneration and individual contributions and performance, and after due regard of the outcomes of the appraisals referred to in 9.1.3;

9.1.5 review the compulsory employee benefits applicable within the Group, notably retirement funding and healthcare benefits as well as the costs relevant thereto;

9.1.6 ensure the proper and due administration of the Company's share trusts, share incentive plans and option schemes;

9.1.7 review the proposed EBS adjustments and determine the WACC annually; and

9.1.8 review the levels of authority of the Chief Executive.

9.2 The committee shall be advised, for noting, of the remuneration policies and practices applied below direct reports on an annual basis relating to the top 20 generalists, the top 10 specialists and of the total Group salary increment.

9.3 The committee should take cognisance of the following in their determinations in relation to the above (paragraphs 9.1 and 9.2):

9.3.1 current industry and corporate practices to ensure that a fair, reasonable and competitive policy is applied within the Group;

9.3.2 evaluate the various options and alternatives in relation to grants and benefits within the framework of remuneration;

9.3.3 oversee alignment between individual performance of executive and rewards recommended by management;

9.3.4 obtain independent and objective assessments of the remuneration packages granted to directors and senior executives;

9.3.5 approve the terms of service contracts in relation to senior executives and executive directors; and

9.3.6 review such other remuneration related matters as may be directed by the board from time to time.

9.4 The committee shall carry out an annual self-evaluation of its own performance, the results of which shall be reported to the board.

Nomination committee
Mandate and terms of reference

1

INTRODUCTION

1.1 The nomination committee ("the committee") is constituted as a committee of the board of directors of Sun International Limited ("the Company"). The duties and responsibilities of the members of the committee are in addition to those as members of the board.

1.2 The deliberations of the committee do not reduce the individual and collective responsibilities of board members in regard to their fiduciary duties and responsibilities, and they must continue to exercise due care and judgement in accordance with their statutory obligations.

1.3 These terms of reference are subject to the provisions of the Companies Act, the Company's Memorandum of Incorporation (MOI") and any other applicable law or regulatory provision.

2

PURPOSE

The purpose of the committee is to:

2.1 regularly review the composition of the board and committees of the board, and if necessary make recommendations to the board on its composition, the appointment of new executive and non-executive directors and the composition of the board committees in order for the board and the committees to execute its duties effectively;

2.2 ensure consideration is given to succession plans for the board and board committees;

2.3 ensure that the performance by the Chairman of the board and the Lead Independent Director ("LID"), if one is so appointed, is assessed on an annual basis;

2.4 conduct annual evaluations of the board, board committees and individual director's performance;

2.5 ensure that induction and ongoing training and development of directors take place; and

2.6 ensure that a LID is appointed in the event that the Chairman of the board is not considered as an independent non-executive director.

3

COMPOSITION OF THE COMMITTEE

3.1 The Chairman of the committee ("the committee Chairman") (who should preferably be an independent non-executive director) and members of the committee shall be appointed by the board and shall comprise only non-executive directors, the majority of whom shall be independent.

3.2 The committee shall consist of no less than three members, one of whom shall be the Chairman of the board, and the LID, if one is appointed.

3.3 The Chief Executive shall attend all meetings by invitation, unless deemed inappropriate by the committee.

3.4 The Secretary of the Company shall be secretary to the committee.

3.5 No director should be present when his/her own nomination or performance is discussed.

3.6 The members of the committee as a whole must have sufficient qualifications and experience to fulfil their duties.

4

QUORUM

4.1 The quorum for a meeting shall be a majority of the members, present throughout the meeting.

4.2 Decisions of the committee shall be carried by vote of the majority of members present at meetings.

5

TERM

5.1 The board shall have the power at all times to alter the size of the committee, or to remove any members from the committee and to fill any vacancies created by such removal, and shall review the composition of the committee annually, as soon as practicable after the annual general meeting.

6

REPORTING RESPONSIBILITIES

6.1 The committee reports to the board through its committee Chairman who shall report at each board meeting on matters relating to the committee in accordance with these terms of reference.

6.2 The committee Chairman shall also be available to discuss any matters of a sensitive nature arising from the meetings of the committee with directors who are not members of the committee on request.

6.3 The LID shall lead and introduce discussion at board and committee meetings regarding the performance and evaluation of the board Chairman.

6.4 The names of the members of the committee, the number of formal meetings held and attendance by each member during the financial year shall be published in the Group's Integrated Annual Report.

6.5 The committee Chairman or, in his/her absence, the LID (if any) or another member of the committee shall be available to answer questions at the Company's annual general meeting on the subject matter of the committee's mandate.

7

AUTHORITY

7.1 The committee acts in terms of the delegated authority of the board as recorded in these terms of reference.

7.2 The committee shall have the authority to:

7.2.1 access any information it needs to fulfil its responsibilities;

7.2.2 seek independent advice at the Company's expense in terms of the Company's Professional Advice Policy;

7.2.3 investigate matters within its mandate; and

7.2.4 consult with the Chief Executive and other Group executives;

7.3 This mandate shall be reviewed by the committee on an annual basis and any proposed amendments to the mandate shall be recommended to the board for their consideration and approval.

8

PROCEDURE

8.1 The committee must hold sufficient scheduled meetings to discharge all its duties as set out in these terms of reference and a minimum of two scheduled meetings shall be held a year.

8.2 Informal consultation shall occur as and when required.

8.3 Papers for consideration by the committee shall be submitted, in the normal course, at least five days before a meeting to enable members the time for study and, if required, prior informal discussion.

8.4 Minutes of the meetings of the committee shall be circulated by the secretary to the committee. Minutes will also be circulated to the other directors who are not members of the committee.

8.5 The committee shall establish an annual meeting plan for each year to ensure that all relevant matters are covered by the agendas of the meetings planned for the year.

9

TERMS OF REFERENCE

9.1 The committee shall annually, or at such time intervals as may be instructed by the board from time to time:

9.1.1 evaluate the performance of the board Chairman in terms of his/her role and function, and report on the outcome of the evaluation to the board and the remuneration committee;

9.1.2 consider, in consultation with the Chairman and the board, the number of outside chairmanships held by the Chairman of the board;

9.1.3 evaluate the performance of the board and each board member (including the performance of the executive directors as "directors") and the committees and report on the outcome of the evaluation to the board and the remuneration committee;

9.1.4 nominate and approve Company trustee nominees to the Group's medical aid scheme, pension and provident funds and their sub-committees as well as to the Group's incentive or employee share trusts;

9.1.5 review professional development programmes and recommend to the board for approval; and

9.1.6 review such other nomination-related matters as may be directed by the board from time to time.

9.2 In relation to the composition of the board and board committees:

9.2.1 regularly review the composition of the board (which should comprise a balance of executive and non-executive directors, of whom sufficient should be independent) and its committees, which shall include the annual recommendation to the board and subsequently to shareowners, regarding the appointment of an audit committee until the next annual general meeting in terms of the Companies Act;

9.2.2 apply the pre-requisites for board membership as set out in the Board Charter;

9.2.3 to ensure that its size, diversity and demographics makes it effective and that it is structured to ensure a wide range of skills, views and experience which achieve the balance of skills, experience and knowledge required to meet the Company's strategic objectives;

9.2.4 recommend to the board the retention (or non-retention) of non-executive directors after retirement age (the retirement age being 70);

9.2.5 conduct an independence review of all non-executive directors and a rigorous review of the independence and performance of any non-executive directors serving a term of more than nine years, and include a statement regarding such assessment in the Integrated Annual Report;

9.2.6 recommend directors that are retiring by rotation for re-election, if deemed appropriate based on a performance evaluation; and

9.2.7 to evaluate any conflict of interests or duties notified by directors, to recommend authorisations or other measures to the board and annually to evaluate the Company's procedures for ensuring that the board's powers to authorise conflicts are operated effectively.

9.3 Assess the qualifications, competency and expertise of the Company Secretary.

9.4 The committee shall carry out an annual self-evaluation of its own performance, the results of which shall be reported to the board and the remuneration committee.

Investment committee
Mandate and terms of reference

1

INTRODUCTION

1.1 The investment committee ("the committee") is constituted as a committee of the board of directors of Sun International Limited ("the Company"). The duties and responsibilities of the members of the committee are in addition to those as members of the board.

1.2 The deliberations of the committee do not reduce the individual and collective responsibilities of board members in regard to their fiduciary duties and responsibilities, and they must continue to exercise due care and judgement in accordance with their statutory obligations.

1.3 These terms of reference are subject to the provisions of the Companies Act, the Company's Memorandum of Incorporation and any other applicable law or regulatory provision.

2

PURPOSE

The purpose of the committee is to:

2.1 consider and evaluate the viability of proposed investment opportunities, disposals and expansion projects, for recommendation to the board for their consideration and approval.

3

COMPOSITION OF THE COMMITTEE

3.1 The committee shall consist of no less than three members.

3.2 The Chairman of the committee ("the Chairman") (who shall preferably be an independent non-executive director) and members of the committee shall be appointed by the board and shall comprise non-executive directors, the majority of whom shall be independent.

3.3 The Secretary of the Company shall be Secretary to the committee.

3.4 The members of the committee as a whole must have sufficient qualifications and experience to fulfil their duties.

3.5 Meetings are attended by the Chief Executive, the Chief Financial Officer, and the New Business Development Manager by invitation of the committee.

4

QUORUM

4.1 The quorum for a meeting shall be a majority of the members present throughout the meeting.

4.2 Recommendations of the committee shall be carried by vote of the majority of members present at meetings.

5

TERM

The board shall have the power at all times to alter the size of the committee, or to remove any members from the committee and to fill any vacancies created by such removal, and shall review the composition of the committee annually, as soon as practicable after the annual general meeting.

6

REPORTING RESPONSIBILITIES

6.1 The committee reports to the board through its Chairman who shall report at each board meeting on matters relating to the committee in accordance with these terms of reference.

6.2 The Chairman shall also be available to discuss any matters of a sensitive nature arising from the meetings of the committee with directors who are not members of the committee on request.

6.3 The names of the members of the committee, the number of formal meetings held and attendance by each member during the financial year shall be published in the Group's Integrated Annual Report.

7

AUTHORITY

7.1 The committee acts in terms of the delegated authority of the board as recorded in these terms of reference.

7.2 The committee shall have the authority to:

- 7.2.1 access any information it needs to fulfil its responsibilities;
- 7.2.2 seek independent advice at the Company's expense in terms of the Company's Professional Advice Policy;
- 7.2.3 investigate matters within its mandate; and/or
- 7.2.4 consult with the Chief Executive and other Group executives.

7.3 This mandate shall be reviewed by the committee on an annual basis and any proposed amendments to the mandate shall be recommended to the board for their consideration and approval.

8

PROCEDURE

8.1 Meetings of the committee will be held on an *ad hoc* basis and often on short notice.

8.2 Informal consultation shall occur as and when required.

8.3 Papers for consideration by the committee shall be submitted, in the normal course, at least five days before a meeting to enable members the time for study and, if required, prior informal discussion.

8.4 Minutes of the meetings of the committee shall be circulated by the Secretary. Minutes will also be circulated to the other directors who are not members of the committee.

9

TERMS OF REFERENCE

The committee shall:

9.1 taking into consideration the Company's strategic goals, review, challenge and approve for recommendation to the board specific major investment proposals;

9.2 evaluate and make recommendations to the board on proposed acquisitions, new development projects and/or disposals of assets including the effect they may have on the Group's funding capacity;

9.3 ensure appropriate independent advice is sought in relation to major investments;

9.4 ensure correct and appropriate due diligence procedures are followed in respect of any investment related transaction;

OTHER

9.5 keep under review:

- 9.5.1 the domestic and global economic, and where appropriate, political conditions and outlook; and
- 9.5.2 trends and major issues in relevant investment markets and consider their implications for the Company's strategy;

9.6 review such other investment related matters as may be directed by the board from time to time; and

9.7 carry out an annual self-evaluation of its own performance, the results of which shall be reported to the board.

Risk committee

Mandate and terms of reference

1

INTRODUCTION

1.1 The risk committee ("the committee") is constituted as a committee of the board of directors of Sun International Limited ("the company").

1.2 The deliberations of the committee do not reduce the individual and collective responsibilities of board members in regard to their fiduciary duties and responsibilities, and they must continue to exercise due care and judgement in accordance with their statutory obligations.

1.3 These terms of reference are subject to the provisions of the Companies Act, the Company's Memorandum of Incorporation and any other applicable law or regulatory provision.

2

CONSTITUTION

2.1 The effectiveness, quality, integrity and reliability of the Company's risk management processes are delegated to the committee.

2.2 The primary objective of the committee is to monitor, develop and communicate the processes for managing risks across the Group. In this regard the committee is to assist the board in the discharge of its duties relating to corporate accountability and associated risk in terms of management, assurance and reporting.

2.3 The terms of reference of the committee are summarised herein and should be reviewed at least annually by the committee and may be amended from time to time, as required, subject to the approval of the board.

3

MEMBERSHIP

3.1 The committee shall be appointed by the board and shall be representative of the senior management of the Group and shall include no less than one executive and two independent non-executive directors.

3.2 Divisional or departmental heads, as may be deemed appropriate by the board to fulfil the functions of the committee, should be included in the membership of the committee.

3.3 The Chairman of the audit committee is an *ex officio* member of the committee.

3.4 The Chairman of the committee ("the Chairman") shall be appointed by the board and should be an independent non-executive director.

3.5 The board shall be entitled to remove any members of the committee and to fill any vacancies.

3.6 All members of the committee shall have a working familiarity with risk assessments and risk management. The members of the committee shall be knowledgeable about the affairs of the Group and, where appropriate, specific skills shall be represented on the committee.

3.7 The members of the committee as a whole must have sufficient qualifications and experience to fulfil their duties.

4

AUTHORITY

4.1 The board supports and endorses the establishment of the committee and the committee acts in terms of the delegated authority of the board as recorded in these terms of reference.

4.2 The board has a responsibility to monitor and review the risk management strategy of the Company and of the Group, and the committee assists the board in fulfilling this responsibility.

4.3 The committee has unrestricted access to all information, including records, property and personnel of the Group, and must be provided with adequate resources in order to fulfil its responsibilities.

4.4 The committee, in carrying out its duties, is authorised by the board to:

4.4.1 investigate any activities within its terms of reference;

4.4.2 seek outside legal or other independent professional advice, where necessary, in terms of the Company's Professional Advice Policy;

4.4.3 secure the attendance of outsiders with the relevant experience and expertise, where necessary, at the Company's expense to assist with the execution of its duties; and

4.4.4 seek any information it requires from any employee, and all employees are directed to cooperate with any requests made by the committee.

5

TERMS OF REFERENCE

5.1 The committee shall:

5.1.1 oversee the development and annual review of a policy and plan for risk management to recommend for the approval of the board;

5.1.2 review and assess the effectiveness of the risk management systems and processes to ensure that the risk policies and strategies are appropriately managed;

5.1.3 monitor external developments relating to corporate accountability;

5.1.4 monitor external developments relating to emerging and prospective risks;

5.1.5 set out the nature, role and responsibility of the risk management function within the Group;

5.1.6 review the risk philosophy of the Group and ensure that issues such as market risk, credit risk, country risk, liquidity risk, operational risk and commercial risk, including disaster recovery, pricing, IT governance, stakeholder engagement, reputational, technological, sustainability risks and competitive risks are adequately addressed by management;

5.1.7 review the adequacy of insurance coverage;

5.1.8 monitor the assurance process of compliance against relevant legislation and regulations that govern the business areas in which the Group operates;

5.1.9 ensure that the combined assurances received from independent assurance providers are appropriate to address all significant risks facing the Group;

5.1.10 review the report concerning risk management that is to be included in the Integrated Annual Report for it being timely, comprehensive and relevant;

5.1.11 ensure risk disclosure to stakeholders is timely, relevant, accurate and accessible;

5.1.12 monitor and review the Company's stakeholder register and engagement practices by identifying, assessing and dealing with stakeholder issues and concerns as part of the risk management process. The process of reviewing stakeholders' legitimate interests, expectations and manner of engagement shall be reviewed by management and reported to the committee;

5.1.13 ensure the periodic review of risk assessments, to determine the material risks to which the Group may be exposed and to evaluate the strategy for managing those risks;

5.1.14 assess the appropriateness of management responses to significant risks to ensure that appropriate risk responses are being managed;

5.1.15 keep abreast of significant changes to the risk management and control system and ensure the risk profile and common understanding is updated, as appropriate;

5.1.16 annually evaluate the performance of the committee, by way of a self-evaluation, as part of the board's review of the committee's performance and effectiveness;

5.1.17 ensure and oversee the preparation of a Group risk register for presentation to the board which includes the levels of risk tolerance of each significant risk;

5.1.18 oversee that risks are managed within the levels of tolerance as approved by the board;

5.1.19 liaise closely with the audit committee to exchange information relevant to risk;

5.1.20 express the committee's formal opinion to the board on the effectiveness of the system and process of risk management; and

5.1.21 oversee, monitor and assess the effectiveness of the Group's IT governance through a review of the findings of the IT governance committee which has been constituted as a sub-committee.

5.2 The IT governance sub-committee:

5.2.1 is constituted in terms of IT governance principles outlined in King III;

5.2.2 shall review and assess the IT governance strategies, structures and processes of the Group;

5.2.3 reports to the committee on the manner in which it has discharged its duties to the satisfaction of the committee; and

5.2.4 will have its terms of reference approved by the committee and thereafter reviewed by the committee annually.

6

MEETINGS AND REPORTING RESPONSIBILITY

6.1 Meetings shall be held no less than three times a year and additional meetings may be held as and when deemed necessary. A compulsory meeting should be held:

6.1.1 prior to the Company's board meeting at which it considers its interim results, to consider, inter alia, the effectiveness of the Group's risk management processes and review significant risks and management responses thereto; and

6.1.2 prior to the Company's board meeting at which it considers its year-end results, inter alia, to consider the annual update of the Group risk register and disclosure requirements.

6.2 Meetings in addition to those scheduled may, with the approval of the Chairman, be held at the request of the Chief Executive, any other member of senior management or at the instance of the board.

6.3 The committee may hold its scheduled and/or *ad hoc* meetings either in person and/or via suitable electronic means including, without limitation, telephone conference or video calls or a combination as may be deemed appropriate by the members.

6.4 The Chairman of the committee may meet with the Chief Executive and/or the Secretary prior to a committee meeting to discuss important issues and agree on the agenda.

6.5 A detailed agenda, together with supporting documentation, must be circulated, at least one week prior to each meeting to the members of the committee and other invitees.

6.6 A quorum for meetings of the committee shall be a majority of members comprising the committee from time to time which shall include one independent non-executive director and one executive director of the Company, such quorum to be present throughout the meeting.

6.7 Decisions of the committee shall be carried by vote of the majority of members present at meetings.

6.8 Minutes of meetings of the committee shall be taken and circulated to the board by the secretary of the Company.

6.9 The Chairman or, in his/her absence, another member of the committee nominated by the Chairman, shall report to the board at each board meeting on matters relating to the committee in accordance with its terms of reference. The Chairman or, in his/her absence, another member of the committee nominated by the Chairman, shall also report to the audit committee on matters relating to risks and related controls which have been dealt with by the committee in terms of its mandate.

6.10 The Chairman shall attend the Company's annual general meeting to deal with and dispose of matters relative to or arising from the mandate of the committee.

IT governance committee
Mandate and terms of reference

1

INTRODUCTION

1.1 The IT governance committee ("the committee") is constituted as a sub-committee of the risk committee of Sun International Limited ("the Company").

1.2 The deliberations of the committee do not reduce the individual and collective responsibilities of risk committee members and board members in regard to their fiduciary duties and responsibilities, and they must continue to exercise due care and judgement in accordance with their statutory obligations.

1.3 These terms of reference are subject to the provisions of the Companies Act of 2008, as amended ("the Companies Act"), the Company's Memorandum of Incorporation ("MOI"), codes of good governance and any other applicable law or regulatory provision.

2

PURPOSE

2.1 The primary objective of the committee is to monitor, develop, and communicate the processes for managing IT governance across the Group as opposed to IT operational issues. In this regard, the committee is required to assist the risk committee and in turn the board, in the discharge of its duties as it relates to the alignment of IT with the governance, performance and sustainability objectives of the Group.

2.2 The board has the ultimate responsibility for the IT governance of the Company and of the Group, and the committee assists the risk committee and the board in fulfilling this responsibility.

2.3 The terms of reference of the committee are summarised herein and should be reviewed at least annually by the committee and may be amended from time to time, as required, subject to the approval of the risk committee and the board.

3

MEMBERSHIP

3.1 The committee shall be appointed by the risk committee, subject to the approval of the board, and shall be representative of the senior management of the Group.

3.2 Divisional or departmental heads, as may be deemed appropriate by the risk committee to fulfil the functions of the committee, shall be included in the membership of the committee.

3.3 The Chairman of the committee ("the committee Chairman") shall be appointed by the risk committee subject to approval by the board.

3.4 The committee shall comprise one independent IT governance expert and the independent expert shall provide feedback to the risk committee for so long as he/she is a member of the committee.

3.5 The risk committee shall be entitled to remove any members of the committee and to fill any vacancies.

3.6 All members of the committee shall have a working familiarity with IT processes and protocols. The members of the committee shall be knowledgeable about the affairs of the Group and, where appropriate, specific skills shall be represented on the committee.

3.7 The members of the committee as a whole must have sufficient qualifications and experience to fulfil their duties.

4

AUTHORITY

4.1 The board supports and endorses the establishment of the committee and the committee acts in terms of the delegated authority of the risk committee and the board as recorded in these terms of reference.

4.2 The committee has unrestricted access to all information, including records, property and personnel of the Group that are required to give effect to its mandate and must be provided with adequate resources in order to fulfil its responsibilities.

4.3 The board has responsibility for the governance of information as well as the governance of technology.

4.4 The committee, in carrying out its duties, is authorised by the risk committee to:

4.4.1 investigate any activities within its terms of reference;

4.4.2 seek outside legal or other independent professional advice, where necessary, in terms of the Company's Professional Advice Policy;

4.4.3 secure the attendance of outsiders with the relevant experience and expertise, where necessary, at the Company's expense; and

4.4.4 seek any information it requires from any employee, and all employees are directed to cooperate with any requests made by the committee.

5

TERMS OF REFERENCE

5.1 The committee shall:

5.1.1 oversee the development and annual review of a policy and charter outlining the decision-making rights and accountability framework for IT governance and to recommend this for the approval of the risk committee and the board;

5.1.2 review and assess the effectiveness of the IT governance framework, in particular the relevant structures, processes and mechanisms to enable IT to deliver value to the business and mitigate IT risk;

5.1.3 endeavour to ensure that management implements all the structures, processes and mechanisms to execute the IT governance framework;

5.1.4 make certain that there are processes in place to ensure that management provide relevant IT reporting to the committee and for inclusion in the Integrated Annual Report;

5.1.5 oversee the promotion and awareness of ethical IT governance and management cultures as well as a common IT language;

5.1.6 consider the IT strategy for the management of the Company's IT function and associated risks;

5.1.7 determine and apply criteria for prioritising and deciding on IT investments as well as monitor and evaluate all significant IT investments and expenditure, being mindful of the business value of such investment or expenditure;

5.1.8 review all IT risks such as the legal risk arising from the use of IT technology, disaster recovery arrangements and compliance with applicable IT laws and to report on such risks to the risk committee;

5.1.9 oversee that management implements formal processes to manage information in respect of the protection of information, and the protection of personal information processed by the Group; and

5.1.10 conduct an annual self-assessment on the effectiveness of the committee.

6

MEETINGS AND REPORTING RESPONSIBILITY

6.1 Meetings shall be held no less than twice a year and additional meetings may be held as and when deemed necessary.

6.2 A quorum for meetings of the committee shall be a majority of members comprising the committee from time to time, such quorum to be present throughout the meeting.

6.3 Decisions of the committee shall be carried by vote of the majority of members present at meetings.

6.4 Minutes of meetings of the committee shall be taken and tabled to the risk committee and the board by the Secretary of the Company.

6.5 The committee Chairman or, in his/her absence, another member of the committee nominated by the committee Chairman, shall report to the risk committee at each risk committee meeting on matters relating to the committee in accordance with its terms of reference.

Internal audit charter

AUTHORITY

The authority derived from the audit committee provides Group Internal Audit with direct access to the Chairman of the board of directors ("the board") and Chief Executive of the Company. This relationship, together with the department's compliance with professional standards, ensures the independence of the internal audit function.

All organisational processes, business operations and support functions are subject to internal audit.

Group Internal Audit has full, free and unrestricted access to activities, records, property and personnel.

MISSION

Group Internal Audit serves senior management and the audit committee by performing independent appraisals of the adequacy and effectiveness of the Company's corporate governance, risk management process and system of internal control, thereby assisting executive and senior management in the discharge of their duties and responsibilities.

SCOPE

Audit coverage is established using a risk-based methodology which is continuously updated. The high risk areas, which could have the greatest impact on the Company's performance, are reviewed more frequently to ensure adequate audit coverage.

Significant control, legislative and regulatory issues, within South Africa and internationally, impacting on the Company are recognised and addressed appropriately.

To serve the Company effectively, Group Internal Audit requires full cooperation from all levels of management. Any restriction of scope will be reported to the Chief Executive and the audit committee.

RESPONSIBILITIES

Group Internal Audit is an independent objective assurance and consulting activity, designed to add value and improve the Company's operation. It helps the Company to accomplish its objectives by bringing a systematic disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

The primary objectives of the risk management process and internal controls are to:

- safeguard the Company's assets and investments;
- support business objectives and sustainability;
- support business sustainability under normal and adverse operating conditions; and
- behave responsibly towards all stakeholders having a legitimate interest in the Company.

While the board is responsible for providing effective corporate governance, it is the responsibility of Group Internal Audit to evaluate the adequacy and effectiveness of the risk management process, internal financial controls and the system of internal controls and report thereon to management, the audit committee, the risk committee as well as the board.

Objective results are communicated timeously to operational management. Matters of significance are reported biannually to the audit committee.

Group Internal Audit is responsible for the Company and the Group including the business entities for which the Company or its subsidiaries have management responsibility. This includes all operations within southern Africa and internationally. The internal audit function for international operations may, in consultation with the audit committee, be outsourced to independent service providers in order to achieve cost efficiencies. In these instances the nature, timing and extent of the audits to be conducted will be determined by the Chief Audit Executive. The service provider will submit reports to the management of the unit and the Chief Audit Executive. These will be included in the biannual report to the audit committee.

Group Internal Audit will actively coordinate its efforts with the external auditors to optimise overall audit coverage and avoid unnecessary duplication of work.

COMPLIANCE WITH PROFESSIONAL STANDARDS

Group Internal Audit have a responsibility to perform their work in a highly ethical and professional manner and to comply with the Institute of Internal Auditor's code of ethics and the Standards for the Professional Practice of Internal Auditing. The internal audit function will be subjected to an independent quality assurance review at least once every three years as a measure to ensure the function remains effective.

A Group Internal Audit manual, comprising policies and procedures which address quality and consistency in the performance of audit work, is maintained.

Environmental report

INTRODUCTION

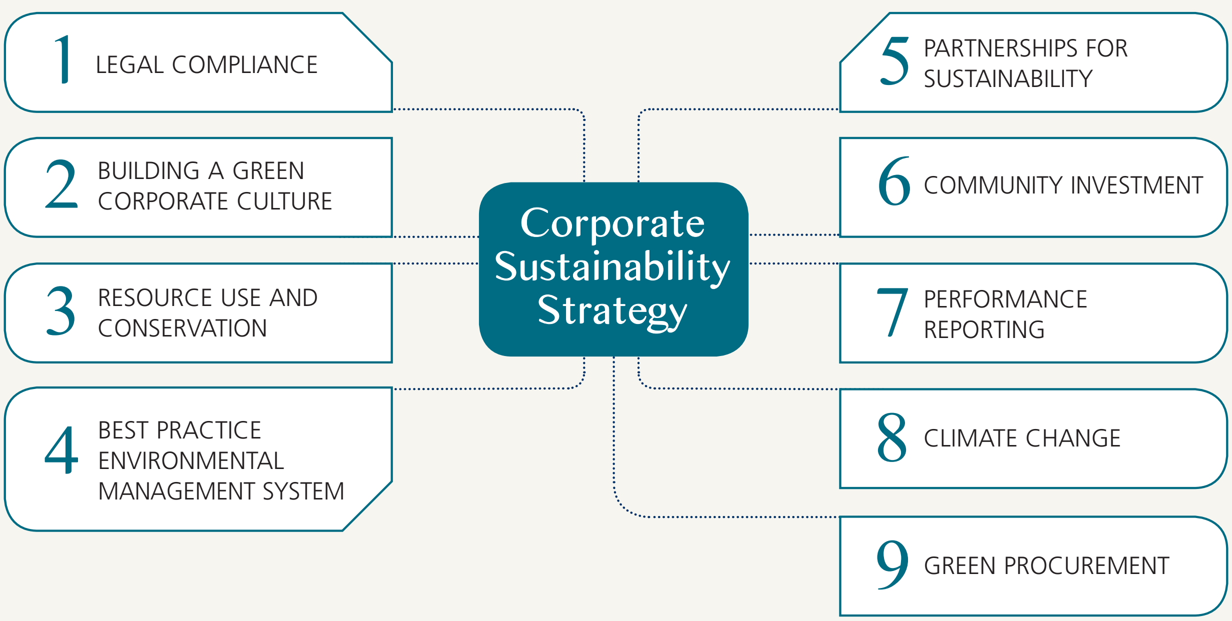
Our approach to environmental management is defined by our Corporate Sustainability Strategy, and is aligned to the requirements of the ISO 14001 international environmental standards.

We integrate environmental management into sustainable business practices throughout every level of our business by including sustainability as an integral part of our business strategy and working across the various areas of our business operations. Our sustainability decisions are based on creating shared value between our business, society and the environment.

The Group's five strategic focus areas are reviewed quarterly, with accountabilities and reporting filtering throughout the business. Furthermore, they are built into the performance management contracts at executive and management level. The fifth strategic focus is governance and sustainability.

While the board retains ultimate accountability and responsibility for the Group's sustainability performance, the Chief Executive has a mandate to ensure that all relevant factors are considered and affected as necessary with the assistance of his executive team. In turn, management reports to the social and ethics committee which reports to the board, in evidencing how it has discharged these responsibilities. Reporting areas include environmental performance, impacts, risks and opportunities.

The Group Environmental Manager is responsible for implementing the Corporate Sustainability Strategy and is mandated to create a consistent approach to environmental risk management by facilitating policy and performance standards, as well as monitoring, evaluating and reporting on performance. The Corporate Sustainability Strategy is underpinned by nine pillars and supported by our sustainability policy, which has been signed by both the Chairman and the Chief Executive.



MEASURING OUR ENVIRONMENTAL PERFORMANCE

During 2014, our actions were focused on standardising data reporting processes across the Group. These ensure a sound basis for coherent, good practice environmental management approach across the Group and therefore the key indicators for 2014 have been restated as the baseline for resource measurement.

Key indicators for the Group's performance have been restated for resource management for 2014:

Key indicators		2013/14
Energy consumption		
Sun International – South Africa		**920 610**
Electricity purchased	Gigajoules	**901 302**
Generators (Diesel)	Gigajoules	**1 589**
LPG	Gigajoules	**17 718**
Coal	Gigajoules	**–**
Sun International – Africa		**179 811**
Electricity purchased	Gigajoules	**118 181**
Generators (Diesel)	Gigajoules	**41 002**
LPG	Gigajoules	**5 024**
Coal	Gigajoules	**15 604**
Sun International – International		**98 311**
Electricity purchased	Gigajoules	**92 887**
Generators (Diesel)	Gigajoules	**112**
LPG	Gigajoules	**5 312**
Coal	Gigajoules	*****
Total Sun International – Group		**1 198 732**
Electricity purchased	Gigajoules	**1 112 371**
Generators (Diesel)	Gigajoules	**42 703**
LPG	Gigajoules	**28 054**
Coal	Gigajoules	**15 604**
Water		
Water consumed	Kilolitres	**4 768 050**
Water recycled	Kilolitres	**741 247**
Waste		
Waste generated	Tonnes	**12 481**
Waste recycled	Tonnes	**3 128**
Waste to landfill (non-hazardous)	Tonnes	**9 325**
Waste to landfill (hazardous)	Tonnes	**28**
HFCs	Kilolitres	**14**
Fuel – Petrol (Company owned vehicle)	Kilolitres	**390**
Fuel – Diesel (Company owned vehicle)	Kilolitres	**602**
Fuel – Petrol (On-site storage)	Kilolitres	**75**
Fuel – Diesel (On-site storage)	Kilolitres	**439**

** Data not available for 2013/14*

Conversions

Diesel generator (litres to kWh): 3.2 kWh/litre Source: www.csiro.au

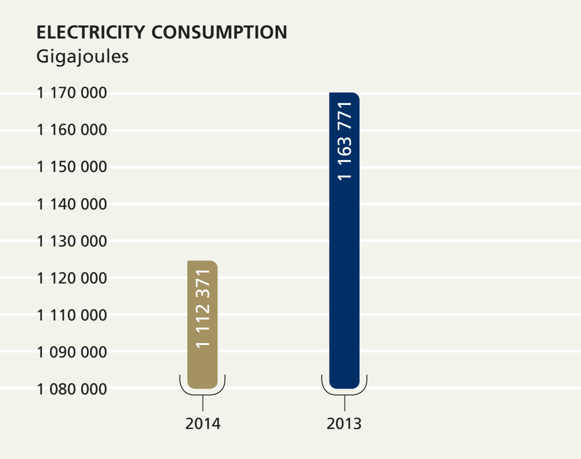
1 litre of LPG is 6.6 kWh Source: www.energyineducation.ie

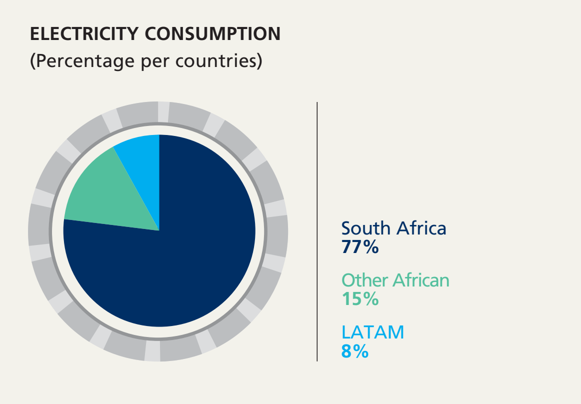
1 kg SKE (Coal) is 8.141 kWh: Source: unitjuggler.com

ENERGY MANAGEMENT

Factors that drive the implementation of our Energy Management Strategy are the increasing cost of electricity, the security of supply in certain areas, and our objective to reduce our electricity consumption and thereby reduce our carbon footprint. We are assessing and implementing achievable energy targets across all our properties, and utilising the most efficient and cost-effective energy technology where possible.

During 2014, the total amount of energy consumed by Sun International was 1 198 732 gigajoules, which included 1 112 371 gigajoules of electricity purchased (2013: 1 163 771 gigajoules). This equates to 0.027 megawatt-hours of energy per Rand of total revenue generated, 0.012 megawatt-hours per person hour worked[1] and 0.251 megawatt-hours per square meter of floor space.





Our spend on electricity to perform our day-to-day activities was approximately R206 million for the year. Compared to the previous year, we achieved a 4% reduction in our electricity consumption for the year. Managing this cost effectively contributes to sustainable long-term financial performance.

77% of Sun International's total electricity is consumed within South Africa, reflecting the concentration of properties in our home base.

With no reliable national grid supply in Nigeria, we remain heavily dependent on diesel for operational continuity at the Federal Palace.

[1] *Multiply 1 824 hours worked by the number of employees, based on 8 hours per day for 228 working days per year.*

ENERGY MANAGEMENT INITIATIVES

To reduce energy consumption, we implemented 21 energy saving projects and spent approximately R11 million over the year on energy management initiatives. During 2014, Sun International became the first hospitality member to participate in National Business Initiative's Private Sector Energy Efficiency project to reduce carbon emissions. Accordingly, the Chief Executive has made a commitment to reduce the Group's energy use.

During the refurbishment of the conference centre at the Zambezi Sun, lighting was replaced with energy efficient lighting. The conference room was previously lit with a combination of 300 watt incandescent down lighters, 50 watt dichroic down lighters, and chandeliers with 40 watt incandescent candle lamps. For continuity, the existing lamp positions were used in the new lighting design. The new LED lamp sources specified for this energy efficient lighting system are a 15 watt LED to replace the 300 watt, a 5.3 watt LED to replace the 50 watt and a 1.8 watt LED to replace the 40 watt. The challenge in replacing the existing incandescent light source with a LED light source was to maintain the same aesthetic feel and warmth that existed in the facility. The colour temperature of the LED light source output was matched as close as possible to that of the incandescent lamps. For this reason, a warm white lamp temperature of 2 500 kelvin and a CRI of above 80 was specified. As this lamp temperature is not common in the LED range and was not easily available, these LED light sources were manufactured specifically for this project. The result is that there is a connected demand reduction to the lighting in the facility of 39 kilowatts making the new lighting system 95% more efficient than the previous system. Based on this efficiency, we anticipate energy consumption for the conference centre to reduce by approximately 70 000 per annum. The total cost for this lighting replacement initiative is R130 000. As this development is based in Zambia where electricity tariffs are charged at more favourable rates, we expect the return on investment would be achieved in four to five years.

WATER MANAGEMENT

Sun International is committed to the responsible stewardship of water resources while ensuring a secure supply of water for our properties. Water is a critical resource for our operations; as such, water remains a key focus area for each of our properties.

Most of our properties obtain water from the municipal supply system, but some are solely dependent on freshwater resources. A number of properties use municipal water in combination with surface water, ground water and treated wastewater. No water sources are significantly affected by any of our properties, nor is water withdrawn from any RAMSAR wetland or protected water resources by any of the properties that make use of surface water.

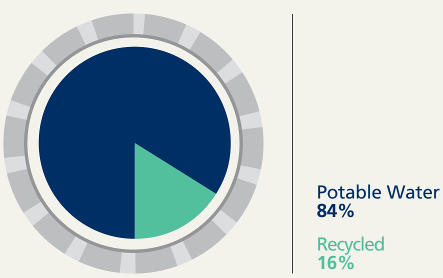
THE WILD COAST SUN DRAWS ITS POTABLE WATER SUPPLY FROM A RIVER ADJACENT TO THE PROPERTY AND USES **RECYCLED TREATED WATER** TO IRRIGATE LAWNS AND THE GOLF COURSE

THE SUN CITY RESORT, BEING THE LARGEST PROPERTY IN THE GROUP, IS THE MOST SIGNIFICANT WATER CONSUMER WITH **2 511 954 KL WATER** CONSUMED DURING 2014. SUN CITY WAS COMMENDED FOR EXCELLENT WASTE WATER MANAGEMENT AND WAS AWARDED THE GREEN DROP AWARD BY THE DEPARTMENT OF WATER AFFAIRS

THE ROYAL SWAZI SUN HAS ESTABLISHED A BOREHOLE WATER SUPPLY SYSTEM WHICH HAS RESULTED IN SIGNIFICANT REDUCTION IN THE USE OF MUNICIPAL POTABLE WATER

During 2014, total Group water consumption was 4 768 050 kilolitres (2013: 6 083 000 kilolitres). This equates to an average of 184 922 litres of water consumed per person hour worked[1] and 3 874 000 litres per square meter of floor space. Compared to the previous year, the 22% reduction in total water consumption is attributed to improved metering and monitoring processes implemented during 2014.

WATER CONSUMPTION BREAKDOWN



Six of our properties use recycled water, comprising treated wastewater either from the municipality or from their own onsite water treatment plants. During 2014, 741 kilolitres of the Group's total water was recycled.

WASTE MANAGEMENT

Waste generation is one of the main concerns for the Group. With the exception of Sun City, who owns their own licenced landfill site, all waste is disposed at municipal landfill sites.

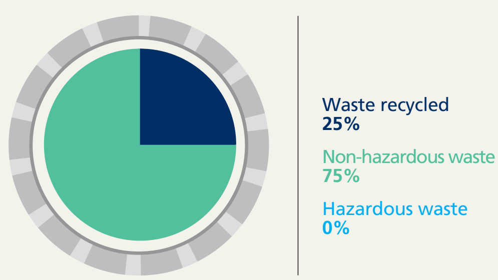
During 2014, total waste generated throughout the Group was 12 481 tonnes, with 3 128 tonnes waste recycled. 9 325 tonnes non-hazardous waste was sent to landfill and 28 tonnes hazardous waste was disposed at registered hazardous waste sites. Total waste to landfill equates to an average of 0.01 tonnes per square meter of floor space of waste generated. The amount spent on waste management for the Group was approximately R8 million over the year.

We have improved our waste data collection throughout the Group. As a result, the 37% increase is reflected against the previous year's waste generated. The previous year's waste to landfill did not include hazardous waste generated and did not include data for non-hazardous waste to landfill for Carnival City, Federal Palace, Golden Valley, The Maslow and Naledi Sun. To compare changes in Group waste from 2013 as the baseline, 2014 has been normalised to exclude 292 tonnes, thereby reflecting a 6.69% waste increase to landfill.

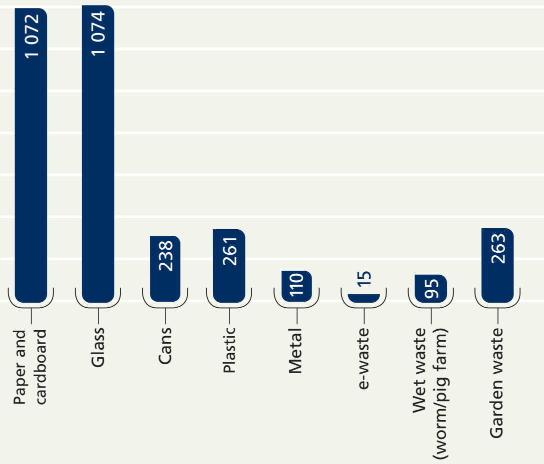
To reduce the volume of waste being disposed to landfill, waste separation and recycling initiatives are being implemented at the majority of our properties. General waste recycled includes paper and cardboard, glass, cans, plastic, metal, e-waste, wet-waste sent to worm and pig farms, and garden waste used for composting. 25% of waste generated by Sun International was recycled during 2014.

No significant spill incidents were reported during 2014.

WASTE STREAMS



RECYCLED WASTE BREAKDOWN
3 128 tonnes



CARBON FOOTPRINT

Sun International's carbon emissions are measured in accordance with the GHG Protocol (WRI & WBCSD, 2004). As per the classification of the GHG Protocol, all Scope 1 and Scope 2 emissions should be included, although Scope 3 emissions are optional. During 2014, the Group expanded the footprint to include Scope 3 emissions, as well as extended Scope 1 to include waste water and waste landfill on-site. These additions should therefore be taken into account when comparing total annual emissions and Scope 1 emissions.

The financial control approach is used to consolidate all emissions within the specified boundary. This approach sees the inclusion of properties where Sun International has the ability to "direct the financial and operating policies of the latter with view to gaining economic benefits from its activities" (GHG Protocol, revised edition).

25 properties fall within the boundary of Sun International.

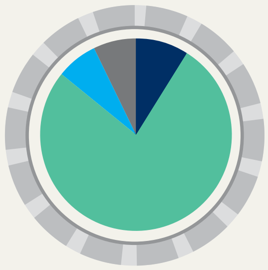
The Maslow's operational lease status renders it outside the financial control definition and thus it is reported under indirect Scope 3 emissions as ordinarily Scope 1 emissions do not apply in this instance. However, emissions from the purchase, installation and control over the refrigeration, generators and air-conditioning equipment at The Maslow are treated as Scope 1 (direct).

All emissions are expressed as carbon dioxide equivalent (CO_2e), which accounts for carbon dioxide (CO_2), methane (CH_4) and nitrous oxide (N_2O) greenhouse gasses (GHGs).

Scope per GHG protocol		**2014**	2013
Scope 1: Direct GHG emissions			
Company-owned mobile fuels	metric tonnes	**2 687**	
Stationary fuels	metric tonnes	**15 734**	
Fugitive emissions (Kyoto gases)	metric tonnes	**12 650**	
Waste landfill on-site	metric tonnes	**3 137**	
Waste water	metric tonnes	**177**	
Total Scope 1	metric tonnes	**34 385**	33 346
Scope 2: Indirect GHG emissions			
Electricity consumption	metric tonnes	**272 416**	271 559
Other direct emissions (non-Kyoto gases)			
Non-Kyoto gases:	metric tonnes	**14 092**	
Total Scope 1, 2 and direct CO_2 equivalent emissions		**310 893**	304 905
Scope 3: Other indirect GHG emissions from:			
Business travel	metric tonnes	**4 126**	
Electricity (Leased facilities)	metric tonnes	**5 659**	
Waste	metric tonnes	**9 100**	
Water consumption	metric tonnes	**4 426**	
Total Scope 3	metric tonnes	**23 311**	
Total CO_2 equivalent emissions	metric tonnes	**344 205**	304 905
CO_2E intensity ratios (excludes Scope 3)			
CO_2e per Rand of revenue generated	metric tonnes/Rand	**28.30**	
CO_2e per m^2 of property	metric tonnes/m^2	**0.26**	
CO_2e per full-time employee	metric tonnes/Full time employee	**30.77**	

Total cumulative Group emissions for 2014 is 344 579 tonnes CO_2e. The trend in total emission reflects the seasonal tourism cycles occurring during the year. Scope 2 electricity represents 77% of total emissions, due to the impact of carbon intensive electricity produced from coal-based resources.

TOTAL EMISSIONS PER SCOPE
344 579 tonnes CO_2e



CLIMATE CHANGE

The Group's environmental risks relate to factors such as climate change, the increasing cost of resources and the geographic location of our properties. We have adopted an enterprise-wide approach to environmental risks, with each key risk included in a structured and systematic process of risk management. All key risks are reviewed quarterly and managed through mitigating controls, key action plans and accountability by risk owners.

Sun International is actively involved in conserving and protecting the natural environment. We identified our potential climate change risks as set out in the table below, and spent R6.5 million to manage the climate change risks identified over 2014.

Risk driver	Potential risk	Potential impact	Mitigation actions
Change in regulations	Emission reporting obligations	Increased operational cost	Implemented a comprehensive data management, monitoring and reporting system
		Magnitude of impact Low – medium	Monthly carbon accounting
			Targets tracked monthly
	Carbon Tax	Increased operational cost	Carbon accounting data tool developed
		Magnitude of impact Low – medium	
Changes in physical climate parameters	Change in mean (average) temperature	Increased operational cost	Energy Management Strategy developed
		Magnitude of impact Medium – high	Lighting retrofits and LEDs fitted into casinos
			HVAC optimisation initiatives
	Change in precipitation extremes and droughts	Increased operational cost	Disaster action plans developed for each property
		Magnitude of impact High	Reservoirs built
			Water licences to extract water from natural water courses during droughts have been obtained Low flow showerheads and water-saving latrines installed Maintenance plan implemented to check water quality and prevent water leaks
	Sea level rise	Increase in capital costs	Sites earmarked for future development undergo EIA process of which sea level rise is one of the indicators checked
		Magnitude of impact Medium – high	Study on global warming effects conducted on potential new sites
			Adaptation measures at risk sites which may include reinforcement of river banks with gabions and natural indigenous vegetation
Other climate-related developments	Reputation	Reduced demand for goods/services	Voluntary participation in CDP: Carbon
		Magnitude of impact Medium	Participation in NBI PSEE programme committed to implement initiatives to reduce carbon emissions
			Signatory member of SASSI and committed to purchasing sustainable seafood
			Principle partner of WWF-SA to support efforts to address climate change issues

During 2014, we formulated a climate change strategy which aligns with our values and considers the risks and impacts of climate change on business, society and the environment. The objective of the strategy is to position Sun International to identify, quantify and prioritise the risks and opportunities that climate change presents. It also supports our efforts to effectively manage these risks and opportunities for optimum performance, resilience and profitability to ensure the creation of long-term shareholder value and returns.

The envisaged strategic approach is to house climate change initiatives within key focus areas. This approach will allow for better management of the specific outcomes of each initiative to ensure relevance and measurable objectives over our climate change journey.

GREEN BUILDINGS

We implement green building principles where feasible to reduce our operating costs and impact on the environment. When designing new buildings or refurbishing existing spaces, we consider factors such as building management, indoor environmental quality, energy and water consumption, materials used, land use and emissions.

During the development of our new head office in Sandton, energy efficiency and sustainable design principals were used to optimise the indoor environmental quality of the building, and reduce electricity consumption and water demand.

Water and energy efficiency:

- Building orientation was considered in refurbishing an existing building. The orientation is now predominantly North to South, thereby reducing the need for glazing on the heat dominant East and West gables. The vision panel was limited to a height to 1.6 metres by paying careful attention to the spandrel composition with the inclusion of 40 millimetre isoboard.
- The building is SANS 204 compliant and operates at 80 watts per square metre.
- High efficiency lighting with 90% efficiency was installed, with all lighting on motion sensing control.
- A highly efficient VRV air-conditioning system was installed and integrated with the motion sensors.
- Water efficient sanitary ware and fittings with efficient flushing mechanisms were installed.
- Water efficient planting and drip irrigation system are being used.
- Solar geysers provide hot water to the ablution facilities.

Indoor environmental quality:

- The building utilises natural light in the most optimal way possible. The vision plain has been efficiently maximised on shallow set plates allowing space planners to maximise every employee's views of the outdoors.
- Landscaping has been maximised on a number of levels to give occupants the ability to access green areas as well as to decrease heat absorption and reflective glare.
- A number of water features allow for the sound of flowing water.
- Ventilation and air changing rates are at an optimum level, promoting increased productivity.
- Accessibility for persons with disabilities is included.
- Smoking is prohibited within the building.

BIODIVERSITY

Although our properties have a limited impact on the environment, properties situated in rural areas that are adjacent to or within sensitive environments are detailed below:

Region	Property	Size of property	Sensitive natural receptor
South Africa	Carnival City	122 hectares	❖ River and wetland system on site ❖ Underdeveloped natural area
	Carousel	585.7 hectares	❖ On-site game reserve ❖ Underdeveloped natural area
	Fish River	16 hectares	❖ Within Maputaland-Pondoland-Albany biodiversity hotspot ❖ Adjacent to the Old Woman's River ❖ Underdeveloped natural area
	Flamingo	9.6 hectares	❖ Adjacent to Kamfers Dam
	Golden Valley	268 272m²	❖ Underdeveloped area on site with fynbos vegetation
	GrandWest	427 909m²	❖ Adjacent to Elsies River Channel
	Morula	126.7 hectares	❖ Adjacent to Nooitgedacht Dam
	Sibaya	38.7 hectares	❖ In close proximity to the Ohlanga River and the Umhlanga Lagoon Nature Reserve
	Sun City		❖ Adjacent to Pilanesberg National Park
	Wild Coast Sun	640 hectares	❖ Within Maputaland-Pondoland-Albany biodiversity hotspot ❖ Adjacent to the Mtamvuna River and estuary ❖ Underdeveloped natural area
	Windmill	24 990m²	❖ Undeveloped grassland area
Other African	Federal Palace	76 000m²	❖ Canal leading to harbour entrance
	Royal Livingstone and Zambezi Sun	46 hectares	❖ Located within the Mosi-Oa-Tunya National Wildlife Park ❖ Adjacent to the Zambezi River and in close proximity to the Victoria Falls, a UNESCO World Heritage Site
LATAM	Monticello	33.7 hectares	❖ Adjacent to Canal Lucano

There were no recorded expansions of any of our properties into areas of biodiversity sensitivity during 2014.

Other operational activities that could impact on biodiversity resources indirectly include:

- Partnered with WWF-SASSI and committed to supporting sustainable seafood programmes.
- Generation of contaminated storm water runoff and the inappropriate disposal of effluent and waste that could result in soil and water pollution. We prevent this by regular and thorough maintenance of our storm water infrastructure and ensuring implementation of sound effluent and waste management practices. In addition, a number of properties have fitted oil separators at the storm water inlets located in parking areas.
- Landscaping activities could lead to the spreading of alien species into underdeveloped natural areas. Our conscious efforts to avoid this include the implementation of a landscaping strategy that encourages using indigenous species, monitoring for early detection of spreading, and eradication of established invasive alien species.
- Movement of storm water across the property could result in erosion in areas where there is a lack of formal storm water infrastructure or where the ground surface has been compromised. Where such impacts are noted, rehabilitation projects are undertaken.
- Access to areas of biodiversity significance and interest could lead to damage or loss of biodiversity resources and/or alter the state of the land making it susceptible to erosion. A number of management measures are in place to limit adverse effects in this regard, such as limiting the hours or seasons of access and monitoring the areas for indications of effects.

In addition to our standard management measures to protect important biodiversity, many of the properties have undertaken specific projects as detailed below:

- Habitat restoration projects involving clearing of alien invasive species and the replanting of indigenous vegetation were undertaken at Wild Coast Sun in the Eastern Cape and the Royal Livingstone in Zambia.
- Morula participated in a project to remove water hyacinths from the adjacent Nooitgedacht Dam.

- Monitoring of IUCN Red Data List species, which include the endangered Grey Crowned Crane, are present at a few properties. In addition, the vulnerable Ground Hornbill is present at the Wild Coast Sun and the Blue Duiker (classified as of least concern) is found at Fish River Sun.
- Carnival City has been involved in various projects and contributed approximately R60 000 towards the RAMSAR-protected Blesbokspruit wetland.

KEY SUSTAINABILITY OBJECTIVES

In the 2013 environmental report, key sustainability objectives for 2014 were set. The table below reflects progress made against these objectives.

Key sustainability objective for 2014	Progress
Undertake legal audits and complete legal registers at 10 southern African properties	No significant environmental incidents or non-compliances were recorded during 2014
	Legal registers completed for Wild Coast Sun, Boardwalk, Sun City, GrandWest, Flamingo, Table Bay Hotel, Carousel, Carnival, Head Office and The Maslow
Undertake legal training for Sun International board	Completed
Create and roll out an environment internal awareness campaign for staff	Completed
Complete the 'train-the-trainer' for the new environmental awareness training package for staff	Completed
Train 1 500 staff members using the Live Smart environmental awareness training package	Completed
Complete ISO 14001 EMS implementation at 10 properties	Completed
Initiate the quarterly campaigns for energy, water, waste and living environment	Quarterly campaigns initiated through the internal communication magazine
Formulate a climate change response strategy	Completed
Complete carbon and water disclosures for submission to the CDP	Completed
Inclusion in the 2013 SRI Index	Completed
Formalise the agreement with SASSI	Completed
Join NBI	Completed
Finalise and implement a green procurement policy	Green procurement policy incorporated into the Group's procurement policy

KEY ENVIRONMENTAL OBJECTIVES FOR 2015

- Formulate a waste management and monitoring strategy for the Group during 2015
- 35% of all waste generated across the Group to be recycled by 2017 from the 2014 baseline for waste generated
- Formulate a Group energy management policy by 2015
- Reduce electricity consumption by 8% per m^2 for all properties by 2016 from the 2014 electricity consumption baseline
- Reduce water consumption across the Group by 5% by 2015 from the 2014 water consumption baseline.

Health and safety report

INTRODUCTION

Sun International takes a holistic approach to occupational health and safety which is proactively integrated into operational practices throughout every level of our business. As we have a moral and statutory duty towards the health and safety of our employees, contractors, suppliers, concessionaires and visitors to our properties, we have adopted an approach to manage health and safety risks aligned to the requirements of ISO 18001 and based on the theme of "pursuing zero harm".

While the board retains ultimate accountability and responsibility over the Group's health and safety performance, the Chief Executive has been charged with a mandate of ensuring that all relevant factors are considered and effected as necessary with the assistance of his executive team. Management in turn reports to the social and ethics committee and in turn the board, in evidencing how it has discharged the relevant responsibilities.

Health and safety performance, risks and opportunities are reported to the social and ethics committee, which meets quarterly, and in turn reports directly to the board.

The Chief Operating Officer is responsible for ensuring that health and safety performance is managed and monitored at each property and is mandated to create a consistent approach to health and safety risk management by facilitating policy and performance standards, as well as monitoring, evaluating and reporting on performance.

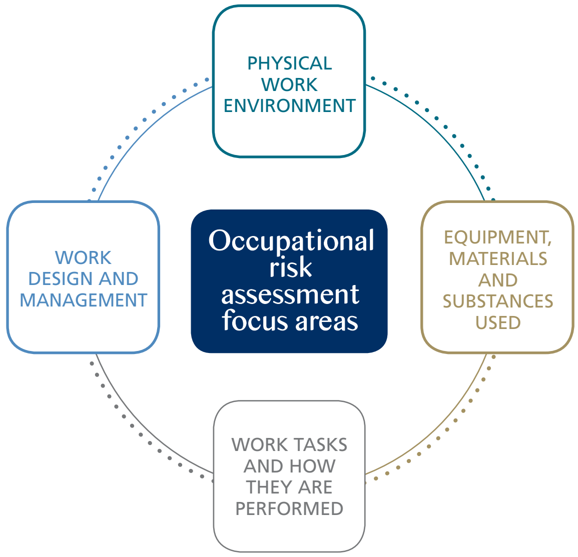
Group Internal Audit department monitors compliance across the Group. Although the South African properties are responsible for compliance with the Occupational Health & Safety Act, properties outside of South Africa and internationally are responsible for compliance with their respective country's occupational health and safety legislation. Minimum standards and ethics are applied where local legislation is silent or does not meet the Group's standards.

EMBEDDING HEALTH AND SAFETY MANAGEMENT

Sun International's health and safety policy aspires to a target of zero harm to people. Each property has a site-specific health and safety policy signed by top management, reviewed annually and aligned with the Group policy.

Joint occupational health and safety committees comprising management and worker representatives have been maintained throughout our properties and meet quarterly. The committees provide a means of two-way communication between site employees and management regarding health and safety risks.

Employees are required to conduct a number of occupational health and safety risk assessments in terms of the OHS Act No. (85 of 1993) and regulations, in order to identify potential hazards in the workplace and to quantify the risks. To ensure our employees are equipped with the adequate knowledge to perform the risk assessments correctly, ongoing occupational health and safety training and awareness is given in line with their site-specific hazards and risks at the various properties. Our risk assessment methodology has been designed to identify hazards in the work environment that could potentially cause harm to people and focuses on the aspects of work and their interaction.



A risk assessment of all bulk LPG installations (storage tank and pipelines) was carried out during 2014 by an approved inspection authority at GrandWest, Carnival City, Sibaya, The Boardwalk and Sun City. The installations have been inspected and registered as MHIs with the relevant authorities.

Regular articles, changes in legislation and other information regarding health and safety management are distributed to our properties from Group level. In the past year, health and safety awareness and training took place at our properties and the training of health and safety officers, representatives, first aiders and fire marshals remained an ongoing priority.

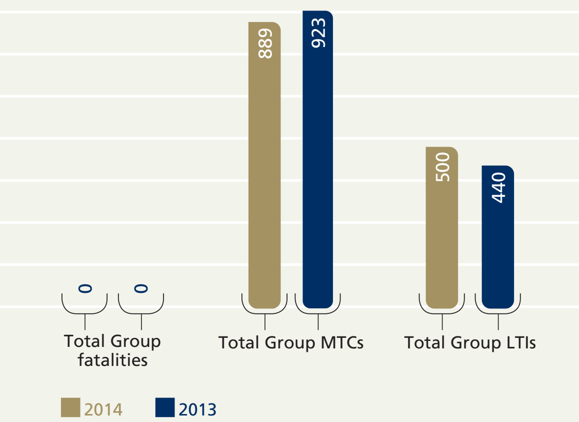
OCCUPATIONAL HEALTH AND SAFETY PERFORMANCE

In the 2013 report, key health and safety targets were set for 2014. The table below reflects the progress made against these objectives.

Targets for 2014	Performance against target
Standardise the methodology for recording and reporting OH&S data with a view to meeting the GRI requirements and Group standard	Achieved
Maintain a fatality rate of zero	Achieved
Maintain a zero occupational disease rate	Achieved
Ensure that legal appointments are compliant at all times	Achieved

Sun International is working in a proactive way to improve health and safety performance by reporting broader outcomes and in particular performance against the Total Recordable Incidents (TRIs) and Disabling Incidents (DIs) measures. Both indicators are standard international measures for reporting occupational health and safety performance and in particular incidents of significance.

TOTAL NUMBER OF RECORDABLE INJURIES



WORK-RELATED FATALITIES BY EMPLOYEES AND FREQUENCY RATES

This is defined as any fatality resulting from a work injury or work-related disease/illness, regardless of the time intervening between injury and death. We are pleased to report that no fatalities were recorded across our operations during the year. This is the fifth consecutive year with no work-related loss of life. As such, we achieved our 2014 target of maintaining a zero fatality rate.

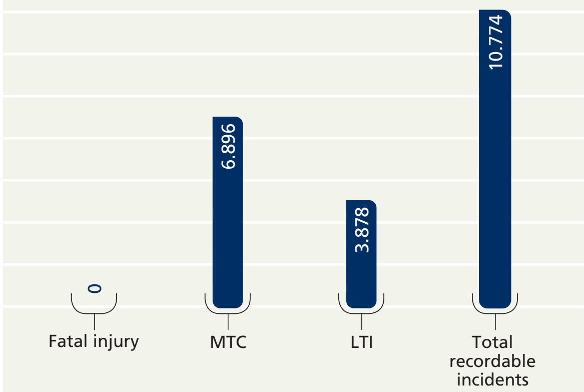
TOTAL MEDICAL TREATMENT CASES AND FREQUENCY RATE

The number of Total Medical Treatment Cases (MTCs), which is a summary of all the no-lost time, restricted duty and lost workday cases, dropped by 34 cases during 2014 compared to the previous year. The Total MTC rate indicated that there were 6.896 cases per 200 000 hours worked for the year.

TOTAL LOST TIME INJURY (LTI)

The total Group LTI is a summary of the number of restricted duty-and-lost workday cases occurring per 200 000 hours worked by employees. The LTI frequency rate for the Group for the 2014 reporting year was estimated at 3.878 injuries per 200 000 hours worked. Based on our analysis, the high LTI rate is as a result of over-reporting. To mitigate the same, a Group Health and Safety Manager will be appointed during 2015 with the mandate to implement systems to measure and monitor the Group's health and safety performance.

FREQUENCY RATES PER 200 000 PERSON HOURS WORKED
2014



OCCUPATIONAL HYGIENE PERFORMANCE INDICATORS

Sun International monitors occupational hygiene and general hygiene management through an independent third party and SANAS-accredited laboratories. The following key result areas are covered in the assessments:

- Statistically meaningful microbiological evaluation as per standard protocol;
- Thorough scrutiny of visual cleanliness throughout food production areas;
- Full appraisal of food safety practices;
- Detailed inspection of facilities, including design, structural and maintenance issues;
- Investigation of relevant documentation and compliance with legislation relating to food hygiene practices; and
- Quantification of all of the above into indices.

LEGIONELLA RISK MANAGEMENT

One of the most pertinent risks associated with the hospitality industry is Legionella disease. Sun International monitors this risk through an independent third party assessment and SANAS-accredited laboratories. The following key risks areas are covered by regular assessments:

- Hot water systems;
- Cold (potable) water systems;
- Shower heads;
- Fountains and irrigation systems; and
- Dead ends in water pipes.

The risk is assessed against a baseline Legionella risk performance indicator which includes Legionella Microbiological Index and Legionella Risk Index.

SAFETY AND HEALTH TARGETS FOR 2015

- Maintain a fatality rate of zero
- Maintain a zero occupational disease rate
- Reduce the incidence of workplace injuries to 2.5 per 100 employees based on 2014 data
- Occupational health and safety legal registers to be developed at all the South African properties by 2016.

Socioeconomic development report

INTRODUCTION

Community involvement is part of Sun International's corporate culture. We know that when the communities within which we operate are sustainably thriving, this has a positive impact for business. Between 2010 and 2013 our contributions to our communities were just under R250 million in total – R75 million was from our almost 2% NPAT and over R165 million from contributions through our various Community Development Trusts which are direct shareholders in many of our operations. We believe that we are making a significant impact in the areas within which we operate.

We have however not always told these stories as well as we could have. In addition, our units each generally have specific casino licence conditions that require them to channel their socioeconomic developments individually, thereby creating fragmented projects. We have this year appointed a Group Socioeconomic Development Manager to assist in coordinating the Group's efforts and ensuring that the projects we invest in make a meaningful difference to all of our stakeholders.

SunTouch houses the Group's revised socioeconomic development (SED) philosophy with a targeted mandate to create shared value for all stakeholders ranging from those in need to those that can alleviate the need.

CREATING SHARED VALUE

After careful review of our SED portfolio, the Group has embraced the concept of Creating Shared Value (CSV) which is a well-researched and globally applied model that focuses on aligning business needs with society's needs, thereby creating shared value for all and authentic sustainable community development.

CSV is measured through indicators such as literacy and levels of access to employment. Return on investment by business is measured by the lasting positive impact and self-sustaining structure delivered by CSV programmes. As a catalyst for change, CSV enables likeminded entities to work together for the greater good. Collaboration is a key driver and resources are shared, thus the impact stretches much further and this impact is measurable and far more sustainable. We believe that we can make a difference in society by collaborating with other major role players to deliver on the objectives of our identified areas of focus. Stakeholders will include public and private sector and public benefit organisations and the communities we operate in.

Our CSV programmes will continue to be based on fundamental principles that are in line with the Group's strategic objectives and aimed at the country's overall developmental objectives. We will be undertaking flagship projects across the Group while at the same time implementing specific local programmes that address the local community needs around our units.

Our CSV projects will primarily be directed at causes that fundamentally advance the lives of beneficiaries, affording them access to the country's economy. Our focus therefore in the coming year centres around the critical need of education. Educated and qualified communities around our businesses not only uplift themselves, but also provide the pools of local and employable individuals we need moving them from being beneficiaries to ultimately being Sun International employees and shareholders.

Going forward, our focus will be on aligning our CSV endeavours to our core business by creating an external talent pipeline that addresses key critical skills needed by business near business, therefore helping Sun International lower its labour costs by having access to a qualified, local workforce while simultaneously advancing the communities we work in.

CSV IN ACTION

Our first CSV project is related to education and entails the creation of hospitality and tourism classrooms in our surrounding community schools. Why is this CSV?

- The need for this project arose out of a business need due to the shortage of qualified chefs and hoteliers both in the country and the Group, and accordingly we believe that we need to start identifying and training learners as early on as high school. This shortage of skilled staff is also a key driver in propelling us forward to initiate the first Gambling Academy in the country that will provide employees within the gambling industry with a tertiary degree or diploma in gaming.
- We will then select the top learners from each of the schools that we support and provide them with bursaries for tertiary education in hospitality and tourism.
- We will commit to providing them with practical training during their studies and will take the top graduates into our business as interns, thereby ensuring that the investment made at high school level realises benefits for our beneficiaries by affording them jobs. The Group benefits by ensuring that learners have the best possible training before they join the Group, which meets the business requirement.
- We will harness the power of collaboration in making this project successful and we have already engaged with other corporates that can contribute meaningfully to the project and

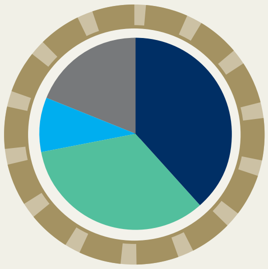
with whom we may have existing relationships, thereby reducing the costs of each classroom which preserves some of the available SED spend for the next classroom instead of equipping the classrooms from one place. For example, the appliances for the classrooms will be either donated or discounted through a Group service provider. The funds that we would have spent on the required stoves and fridges for the home economics classroom can now be spent on renovating a second classroom.

- Collaboration with government – by ensuring that we have engaged with the office of the Minister of Education, we have received the commitment that these classrooms will have the necessary teachers in place to provide the education. Our engagements with the Department of Public Works has also assisted in ensuring that the building of these classrooms will be conducted expediently. Our engagement with the Department of Correctional Services has afforded us the use of inmate labour for the actual renovating of classrooms which comes at no cost and assists in transferring skills to inmates who could possibly use these skills once released from incarceration.
- Our proactive engagement with the relevant communities has brought with it full community support and contributions and will help make these schools safer.
- We will focus also on empowering and training the educators for these classrooms as we believe that these teachers are vital in ensuring the success of those whom they are responsible for.

This is but one example of our CSV in action and we hope to be able to implement many more such projects during the forthcoming year.

2014 SED PERFORMANCE

In the year under review, the Group's total SED spend amounted to R21 264 609. The Group's SED focus has traditionally been targeted at four pillars as indicated below together with the 2014 spend percentage in each of the four pillars. This contribution to our communities was focused as follows:



In the previous year, the Group's focus was mainly on education although this year, in consideration of community needs, the focus in 2014 shifted to health and welfare which includes causes related to HIV/Aids.

Socioeconomic development spend

%	2014	2013
Community development	**15**	14
Education	**38.6**	53
Health and Welfare, including HIV/Aids	**33.6**	25
Other	**3.7**	4
Sports, Arts and Culture	**9.1**	4

The Group's SED spend is verified by Group Internal Audit and by our provincial gambling boards. Management also reports on its SED initiatives and the associated impact analysis to the Group's social and ethics committee.

Examples of our SED projects in each of our target areas include:

Education

Bursaries	Sun International contributed R4 328 123 towards bursaries for students studying an array of subjects from hospitality and nursing to engineering from around the country in communities around our business.
Themba Mzize Primary school	The Wild Coast bought and installed five new prefabricated classrooms for a school in Bizana at a cost of R803 321.
LIV Village	Sibaya Casino contributed R1 071 351 towards the construction of a sustainable early learning school called Lungisa Indlela at LIV Village.

Health and welfare, including HIV/Aids

Reach for a Dream	We continue to afford children with life-threatening diseases opportunities and experiences that are likely their last. This financial year we contributed R195 000.
Abalindi Welfare Society	Sibaya renovated the male ward and completely redid the toilets of this community centre for an amount of R714 944.
SHAWCO	This student-run NGO at the University of Cape Town has been in existence since 1943, providing communities with basic healthcare services. GrandWest injected a further R1 676 000 into the project.

Sports, arts and culture

Carnival City's Sports Festival Games	Carnival City has joined forces with Black Child It's Possible for the annual Carnival City Sports Festival Games to help focus mass participation, promote skills development and early childhood development at a cost of R350 000.
Sun City charity cycling club	Sun City bought and donated cycling gear including bikes in the amount of R544 440. All the gear was donated to community members from around the business.

Community development

Reakgona Disability Centre	Meropa purchased and installed a new fence for the centre at a cost of R309 911.

MONITORING AND EVALUATING OUR SED IMPACT

A number of our properties instituted monitoring and evaluation of major SED projects to measure the impact our initiatives have on the communities that we serve.

These external monitoring and evaluation practices now form part of the Group's national education project going forward. We are implementing a process that will monitor and evaluate the performance of learners in classrooms we renovate, to accurately measure the impact that an improved learning environment will have on learners.

EMPLOYEE VOLUNTEERISM IN SED

Staff volunteerism at Sun International forms part of our culture. At units like Sun City, staff helped build decent homes for deserving families, and at the Boardwalk, the renovations and upgrading of a retirement home were undertaken by members of staff. Employees at all levels assisted the Group to act as a responsible corporate citizen. The Chief Executive has committed in the year under review that employee contributions from the resurrected employee payroll giving plan should be matched by the Group, and accordingly we are anticipating a very successful employee volunteerism plan to compliment our various initiatives.

IN-KIND DONATIONS

Sun International makes in-kind donations to a variety of beneficiaries including clinics, schools, home-based care givers and correctional centres. The in-kind donations are as varied as bedroom linen to kitchen utensils and furniture. Some of our most significant projects make use of in-kind donations, for example sheets donated to correctional centres which are turned into school shirts that are subsequently donated to underprivileged learners. Furthermore, on occasion, our units give space to local artists to sell their creations to international guests.

CONCLUSION

We continue in our endeavours as a responsible corporate citizen and we believe that we are required to contribute meaningfully to our communities as this is where our staff live, our guests originate from and within which we conduct our business. It is imperative for business to address the needs of its communities and by adopting the Creation of Shared Value, we believe that if we are assisting our communities and as a dual purpose addressing a business need, the true value of SED will be realised for all stakeholders.

Global Reporting Initiative (GRI) G3 Content Assessment

STANDARD DISCLOSURES PART I: Profile Disclosures				
1. Strategy and Analysis				
Profile Disclosure	**Description**	**Reference**	**Section**	**Comments**
1.1	Statement from the most senior decision-maker of the organization	8	Chairman's report	The Chairman highlights the key legs of sustainability within his report further pointing/highlighting the significant changes throughout the year, the challenges experienced, and the strategy to overcome them.
1.2	Description of key impacts, risks, and opportunities.	8; online	Chairman's report; Gaming industry review (online); Governance & sustainability (online)	The chairman's report and the chief executive and management report covers and describes the risks, opportunities and impacts of material issues that affect the Group.
2. Organizational Profile				
Profile Disclosure	Description	Reference	Section	Comments
2.1	Name of the organization.	IFC	Our integrated report	The name of the organisation is Sun International Limited (SIL)
2.2	Primary brands, products, and/or services.	4 and 5	Group overview & Group Portfolio (online)	The primary brands, products and services are detailed in the annual integrated report.
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	4 and 5	Group overview & Group Portfolio (online)	A clear organisational chart has been provided for all the operations in the Sun International Group.
2.4	Location of organization's headquarters.	BC	Back Cover	The location of the Head office is disclosed in the Integrated Annual Report.
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	IFC; 4	Our integrated report; Group overview	The Group Structure is disclosed in the Integrated Annual Report. The properties are also mentioned within the Chief Executive and Management Report as well as the Group overview.
2.6	Nature of ownership and legal form.	62	Annual general meeting	Sun International is a publicly-traded company incorporated in South Africa on the JSE.
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	1-7; online	Our business model; Group overview; Gaming market review;	The Group serves the leisure market catering to local and international travellers as well as the casinos located in the SADC region, Chile and Nigeria.
2.8	Scale of the reporting organization.	4-5; 12-49: online	Group Overview; Chief Executive & Management report; Human capital (online)	The scale is reported in terms of number of employees, number of operations, revenue and EBITDA contribution to the Group.
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	IFC, Chairman's report; 4-5	Chairman's report; Group overview	Significant changes are disclosed in the Integrated Annual Report
2.10	Awards received in the reporting period.	45; GRI Table	Chief executive & Management Report.	During the current year our property in Zambia was awarded the following awards: Tripadvisor certificate of excellence, Travel and Leisure - World's best awards (was ranked 9th) and Annual World Travel Awards: Zambia's Leading Hotel.

3. Report Parameters				
Profile Disclosure	**Description**	**Reference**	**Section**	**Comments**
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	1	Our integrated report	The current year is 30 June 2014.
3.2	Date of most recent previous report (if any).	GRI Table	GRI Table	The most recent previous report was for the year ended 30 June 2013.
3.3	Reporting cycle (annual, biennial, etc.)	IFC	Our integrated report	The Group reports annually.
3.4	Contact point for questions regarding the report or its contents.	IFC	Our integrated report	For more information on Sun International and/or this report please contact investor.relations@za.suninternational.com.
3.5	Process for defining report content.	IFC	Our integrated report	The Group has an evolving reporting process that encompasses Governance, Risk and Compliance. We have applied the recommendation of King III report on corporate governance and applied the GRI framework. We also comply with International Financial Reporting Standards (IFRS) as set by the IASB.
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	IFC	Our integrated report	All subsidiaries and operating units are to be covered in the report.
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	IFC	Our integrated report	Sun International covers all operating units and subsidiaries.
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	IFC	Our integrated report	All subsidiaries and operating units are to be covered in the report. Our accounting policies also cover the accounting for subsidiaries. All units in the Group are considered subsidiaries and are therefore consolidated. No data on outsourced functions has been included in the report.
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	Online	Governance & Sustainability	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. SI provides basis of their measurement on OH&S incidents.
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	Online	Governance & Sustainability (online IAR)	A restatement concerning waste management was clearly identified and explained (see p.XX)
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Online	Governance & Sustainability (online IAR)	There are no significant changes.
3.12	Table identifying the location of the Standard Disclosures in the report.	1;GRI Table	Integrated annual report contents	This is covered in this table as well as the IAR.
3.13	Policy and current practice with regard to seeking external assurance for the report.	Online	Governance & Sustainability	The report has been externally assured in accordance with AccountAbility's AA1000AS (2008) assurance standard to meet Type II (moderate) requirements.

4. Governance, Commitments, and Engagement				
Profile Disclosure	**Description**	**Reference**	**Section**	**Comments**
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	Online	Governance & Sustainability	The board structure is clearly laid out and responsibilities of the board are outlined in the board charter and the respective committee sections. These are also disclosed in the King III register which is online.
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	Online	Governance & Sustainability	The board is chaired by Mr MV Moosa, a non-executive director, appointed as chairman on 1 July 2009, he is not considered to be independent, as he is a shareholder and director of Lereko Investments (Pty) Limited, which is a material shareholder of Dinokana Investments (Pty) Limited, a 6.5% shareholder of the Company. The chief executive is Graeme Stephens.
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	Online	Governance & Sustainability	Sun International has a unitary board structure comprising a mix of executive and non-executive directors, the majority of whom are independent non-executive directors. The board presently comprises three executive and ten non-executive directors, eight of whom are considered independent in terms of governance criteria.
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Online	Report of the Board	This is covered in the report to the Board in the online reports.
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	Online	Governance & Sustainability; Remuneration Report	The remuneration structure is designed to attract and retain employees as well as incentivise employees based on the achievement of Group strategic objectives.
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Online	Governance & Sustainability	The process to ensure that conflicts of interest are avoided is reported.
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	Online	Governance & Sustainability	The board appointment are formal and transparent and are conducted by the nomination committee, there is also training in the various trends of social, economic and legal environment impacts that affect the company for board members, furthermore SIL states that there non-executive directors have the necessary skill, qualifications and experience as evident in their resumes.
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	2 - 3	Vision	Vision and Mission statement are stated.
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	Online	Governance & Sustainability	The five strategic priorities are used to measure the CEO's performance. The CEO delegates responsibilities for different aspects of each strategy down through the organisation. Internal reporting structures are aligned to the five strategic priorities, which form the basis of reporting up to board level.
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Online	Committee report's (Governance & Sustainability)	The board has an annual strategy meeting and progress on strategic objectives is reported back to the board.

4. Governance, Commitments, and Engagement continued				
Profile Disclosure	**Description**	**Reference**	**Section**	**Comments**
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	Online	Governance & Sustainability	The Risk committee is responsible for monitoring, developing and communicating the processes for managing risks across the Group. A risk register which includes risks related to sustainability issues has been compiled and is continually reviewed and updated.
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	IFC	Our integrated report; Environmental report	We comply with the following: Companies Act, Consumer Protection Act, National Responsible Gambling Programme, United States Foreign Corrupt Practices Act, The United Kingdom Bribery Act, UN Global Compact Principles, Employment Equity Act, Broad-Based Black Economic Empowerment Act. We also follow the King III guidelines and voluntarily participate in CDP.
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.	Online	Governance & Sustainability	Memberships in SASSI, WWF-SA and the NBI PSEE program.
4.14	List of stakeholder groups engaged by the organization.	Online	Stakeholder engagement (Operations review)	Key shareholders are included in the report of the board.
4.15	Basis for identification and selection of stakeholders with whom to engage.	Online	Stakeholder engagement	Sun International identifies it's stakeholders as those groups that are affected by the operations or decisions of the Group, or who have the ability to influence the performance of the Group.
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Online	Stakeholder engagement.	Material stakeholders have been identified and the Group is actively engaging with them to establish material issues. We have categorised them into various types of stakeholders and groups. Various stakeholders have provided the Group with written updates, and we have addressed the issues raised at risk committee meetings.
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	Online	Stakeholder engagement.	Various stakeholders have provided the Group with written updates, and we have addressed the issues raised at risk committee meetings.

STANDARD DISCLOSURES PART II: Disclosures on Management Approach (DMAs)				
G3 DMA	**Description**	**Reference**	**Section**	**Comments**
DMA EC	Disclosure on Management Approach EC	12-49;52-61; Online	Chief executive and management report; Abridged Financial Information; Enterprise development (online); Governance & sustainability (online)	This is reported in the various sections of the Integrated Annual Report as well as online in the 2014 Report.
DMA EN	Disclosure on Management Approach EN	Online	Governance & Sustainability	Sun International has stated why managing its environmental impact is a material issue and identifies ways in which different aspects (water, energy, emissions, etc.) are handled by management.

G3 DMA	Description	Reference	Section	Comments
DMA LA	Disclosure on Management Approach LA	51; 42	Human capital; Governance & sustainability	This is disclosed online.
DMA HR	Disclosure on Management Approach HR	Online	Human capital; Financials	Labour procedures are outlined in the data collected as management and control procedures are acknowledged.
DMA SO	Disclosure on Management Approach SO	6; 24	Social and relationship capital (Business model); King III	This is disclosed online.
DMA PR	Disclosure on Management Approach PR	12-49; online	Chief Executive and Management Report; Governance & Sustainability	The management approach is disclosed in the Integrated Annual Report.
STANDARD DISCLOSURES PART III: Performance Indicators				
Economic				
Performance Indicator	**Description**	**Reference**	**Section**	**Comments**
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	52;61	Group Statements of Comprehensive Income; Value added statement	This has been disclosed in the IAR
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Online	Governance & Sustainability	This is disclosed online.
EC3	Coverage of the organization's defined benefit plan obligations.	Online	Annual financial Statements	This is covered in the Group Financial Statements.
EC4	Significant financial assistance received from government.	GRI Table	GRI Table	No significant financial assistance has been received in the current financial year.
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	N/A	N/A	Sun International is committed to paying fair and reasonable wages which are competitive at all locations throughout the Group.
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Online	Preferential procurement	This is disclosed online.
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	GRI Table	GRI Table	As part of our bid to the Gaming Boards in the various provinces, we undertake to offer employment to local people at all levels within the organisation by advertising to local communities in the local newspapers, once the position is advertised to the Group. Senior Management appointments in the last financial year have largely been made within the Sun International Group. No appointments at a Senior Management level in these business units have at this stage been made from the local community within the last financial year.
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Online	Socio-Economic Development Report	CSI Spend and SED contributions are outlined. We have successfully implemented an enterprise development programme in South African-based units.

Performance Indicator	Description	Reference	Section	Comments
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	GRI Table	GRI Table	Sun international has interventions and staff training in place to ameliorate negative impacts, such as the Responsible Gambling Programme and child care procedures, which the Group continually monitors.
Environmental				
Performance Indicator	**Description**	**Reference**	**Section**	**Comments**
EN1	Materials used by weight or volume.	Online	Governance & Sustainability	This is disclosed online.
EN2	Percentage of materials used that are recycled input materials.	Online	Governance & Sustainability	This is disclosed online.
EN3	Direct energy consumption by primary energy source.	Online	Governance & Sustainability	This is disclosed online.
EN4	Indirect energy consumption by primary source.	Online	Governance & Sustainability	This is disclosed online.
EN5	Energy saved due to conservation and efficiency improvements.	Online	Governance & Sustainability	New lighting system in Zambia is explained and the reductions achieved are disclosed.
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Online	Governance & Sustainability	New lighting system in Zambia is explained and the reductions achieved are disclosed.
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Online	Governance & Sustainability	This is disclosed online.
EN8	Total water withdrawal by source.	Online	Governance & Sustainability	This is disclosed online.
EN9	Water sources significantly affected by withdrawal of water.	Online	Governance & Sustainability	This is disclosed online.
EN10	Percentage and total volume of water recycled and reused.	Online	Governance & Sustainability	This is disclosed online.
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Online	Governance & Sustainability	This is disclosed online.
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Online	Governance & Sustainability	This is disclosed online.
EN13	Habitats protected or restored.	Online	Governance & Sustainability	This is disclosed online.
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	Online	Governance & Sustainability	This is disclosed online.
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	Online	Governance & Sustainability	This is disclosed online.
EN16	Total direct and indirect greenhouse gas emissions by weight.	Online	Governance & Sustainability	This is disclosed online.
EN17	Other relevant indirect greenhouse gas emissions by weight.	38	Governance & Sustainability	This is disclosed online.

Performance Indicator	Description	Reference	Section	Comments
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Online	Governance & Sustainability	This is disclosed online.
EN19	Emissions of ozone-depleting substances by weight.	Online	Governance & Sustainability	This is disclosed online.
EN20	NOx, SOx, and other significant air emissions by type and weight.	Online	Governance & Sustainability	This is disclosed online.
EN21	Total water discharge by quality and destination.	N/A	N/A	This is not currently measured by the Group.
EN22	Total weight of waste by type and disposal method.	Online	Governance & Sustainability	This is disclosed online.
EN23	Total number and volume of significant spills.	Online	Governance & Sustainability	This is disclosed online.
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	Online	Governance & Sustainability	This is disclosed online.
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	Online	Governance & Sustainability	This is disclosed online.
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Online	Governance & Sustainability	This is disclosed online.
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Online	Governance & Sustainability	This is disclosed online.
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Online	Key sustainability objectives (Environment report)	This is disclosed online.
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	N/A	N/A	This has been deemed 'not applicable' to SIL.
EN30	Total environmental protection expenditures and investments by type.	Online	Energy management initiatives (Environment report); Waste management (Environment report)	This is disclosed online.
Social: Labour Practices and Decent Work				
Performance Indicator	**Description**	**Reference**	**Section**	**Comments**
LA1	Total workforce by employment type, employment contract, and region.	Online	Human capital (Business model); Human capital	Total workforce reported by region and employment type is reported.
LA2	Total number and rate of employee turnover by age group, gender, and region.	Online	Human capital	Turnover reported by age group and region is reported.
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	GRI Table	GRI Table	Part time employees are not entitled to be on the Group provident or Medical Aid Scheme. This is applicable across all operations.

Performance Indicator	Description	Reference	Section	Comments
LA4	Percentage of employees covered by collective bargaining agreements.	Online	Human rights and freedom of association	This is disclosed online.
LA5	Minimum notice period's regarding significant operational changes, including whether it is specified in collective agreements.	Online IAR	GRI Table	Notice periods vary between the different levels of management ranging from 6 months for senior positions to 1 month notice for other employees. The notice period are not specified in any collective agreements with the trade unions as the employees covered in these collective agreements are on 1 month notice. When dealing with a significant operational change, the notice in which to commence discussions with affected employees is subjective and can vary from 1 year to 2 weeks. The period in which to conclude discussions that could lead to the termination of employment can vary from 6 months to 3 months. Upon the ultimate termination, the employees respective notice periods as per their contracts of employments are adhered to.
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	N/A	N/A	This indicator was not covered in the report.
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	Online	Governance & Sustainability	This is disclosed online.
LA8	Education, training, counselling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	53	Human capital	This is disclosed online.
LA9	Health and safety topics covered in formal agreements with trade unions.	Online	GRI Table	Health and Safety is covered and strictly regulated by the Occupational Health and safety Act. No deviations from the Act and its associated regulations are condoned by the Department of Labour and thus the Union and the company cannot go into a separate agreed arrangement on these topics., All agreement with the trade union pertain to improve employment benefits and it is accepted between parties that the OHSA is always followed by the parties. No need to provide for it in any other agreement.
LA10	Average hours of training per year per employee by employee category.	Online	Human Capital	The number of interventions are explicitly stated and the number of employees that benefitted during the reporting period.
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Online	Human capital	Opportunity for improvement. It is unclear what types of skills development interventions are offered, or if any would assist employees in continued employability and/or managing career endings.
LA12	Percentage of employees receiving regular performance and career development reviews.	Online	Human capital; Operations review	The number of employees who received training is reported.
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	Online	Employment equity; Governance & sustainability	This is disclosed online.
LA14	Ratio of basic salary of men to women by employee category.	N/A	N/A	This indicator was not covered in the report.

Social: Human Rights				
Performance Indicator	**Description**	**Reference**	**Section**	**Comments**
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	N/A	N/A	This has not been reported in the current year.
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	N/A	N/A	This has not been reported in the current year.
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	N/A	N/A	This has not been reported in the current year.
HR4	Total number of incidents of discrimination and actions taken.	Online	Governance & Sustainability	This is disclosed online.
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	Online	Governance & Sustainability	The principle of freedom of association is formally endorsed in employee statements and agreements with all trade unions in South Africa and other countries where they operate.
HR6	Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour.	Online	GRI Table	No operations have been identified as being at risk for incidents of child labour. Sun International does not make use of any child labour at our operations.
HR7	Operations identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of forced or compulsory labour.	Online	GRI Table	No operations have been identified as being at risk for incidents of forced or compulsory labour. Sun International does not infringe on this human right.
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	N/A	N/A	This has not been reported in the current year.
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	Online	GRI Table	There have been no instances reported of human rights violations against indigenous people.
Social: Society				
Performance Indicator	**Description**	**Reference**	**Section**	**Comments**
SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	N/A	N/A	This indicator was not covered in the report.
SO2	Percentage and total number of business units analysed for risks related to corruption.	Online	Governance & Sustainability	The social and ethics committee report evidences that the Group as a whole was reviewed (including all units) against the Organisation for Economic Co-operation and Development guidelines for multinational enterprises 2011 regarding corruption. The committee concluded that the Group either complied with or exceeded the requirements and that there were no material areas of concern raised with the committee.
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	Online	GRI Table	A code of ethics and anticorruption policy is provided to employees.

Performance Indicator	Description	Reference	Section	Comments
SO4	Actions taken in response to incidents of corruption.	14	Governance & Sustainability	No such incidents occurred during the period.
SO5	Public policy positions and participation in public policy development and lobbying.	Online	GRI Table	Sun International is Non-political and Non-sectarian in all it's activities.
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	Online	GRI Table	No financial or in-kind contributions have been made to political parties, politicians and related institutions.
SO7	Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes.	Online	GRI Table	The Group is pleased to report that there have been no material instances of non-compliance or material fines imposed during the year under review.
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Online	Governance & Sustainability	The report of the social and ethics committee confirms that there were no issues of non-compliance during the year under review and accordingly no fines.
Social: Product Responsibility				
Performance Indicator	**Description**	**Reference**	**Section**	**Comments**
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	N/A	N/A	We are continuously monitoring the health and safety issues of our resorts and casinos and address any health and safety concerns that might arise.
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	Online	GRI Table	There were no incidents of non-compliance with regulations or voluntary codes concerning the impact of products and services during their life cycles; neither were there any warnings or penalties.
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	Online	GRI Table	The Group is pleased to report that there have been no material instances of non-compliance or material fines imposed during the year under review.
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes.	Online	GRI Table	The Group is pleased to report that there have been no material instances of non-compliance or material fines imposed during the year under review.
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	N/A	N/A	Customers are asked to rate their experiences and the research demonstrates positive feedback.
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Online	The report of the social and ethics committee	Membership in the Casino Association of South Africa (CASA) and the National Responsible Gambling Programme (NRGP) show Sun International's commitment to responsible gambling.
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	Online	The report of the social and ethics committee	The Group is pleased to report that there have been no material instances of non-compliance or material fines imposed during the year under review.
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	N/A	N/A	Customer problems and satisfaction measures are included furthermore there is also a rate of problems that are resolved.

Performance Indicator	Description	Reference	Section	Comments
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Online	The report of the social and ethics committee	The Group is pleased to report that there have been no material instances of non-compliance or material fines imposed during the year under review.

Contact Details **investor.relations@suninternational.com**

Analysis of the Group's standing with reference to the ten UN Global Compact principles

No.	Principle	Analysis of Group's standing
1	HUMAN RIGHTS	
	Businesses should support and respect the protection of internationally proclaimed human rights.	The Sun International Group supports and respects human rights through its daily activities by: ❖ providing safe and healthy working conditions; ❖ encouraging freedom of association; ❖ ensuring non-discrimination in personnel practices; ❖ ensuring that the Group does not use directly or indirectly forced labour or child labour; ❖ making reasonable accommodations for all employees' religious observance and practices; ❖ working to protect the economic livelihood of local communities; ❖ engaging the Group's material stakeholders in assessing and mitigating key material issues; and ❖ enforcing Group polices across the various jurisdictions in which the Group operates.
2	HUMAN RIGHTS	
	Businesses should make sure they are not complicit in human rights abuses.	The Sun International Group supports and respects human rights through its daily activities by: ❖ implementing explicit policies that protect the human rights of workers in its direct employment; ❖ active engagement and open dialogue with stakeholder groups; ❖ internally disciplining human rights abuses; and ❖ raising awareness within the Company of human rights issues within the Company's sphere of influence.
3	LABOUR	
	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	The Sun International Group supports this principle through its daily activities by: ❖ ensuring that all workers are able to form and join a trade union of their choice without fear of intimidation or reprisal, in accordance with national law; ❖ having non-discriminatory policies and procedures with respect to trade union organisation, union membership and activity in such areas as applications for employment and decisions on advancement, dismissal or transfer; ❖ not interfering with the activities of worker representatives while they carry out their functions in ways that are not disruptive to regular Company operations. Practices such as allowing the collection of union dues on Company premises, posting of trade union notices, distribution of union documents, and provision of office space, have proven to help build good relations between management and workers, provided that they are not used as a way for the Company to exercise indirect control; ❖ providing workers' representatives with appropriate facilities to assist in the development of effective collective agreement; ❖ recognising representative organisations for the purpose of collective bargaining; ❖ using collective bargaining as a constructive forum for addressing working conditions and terms of employment and relations between employers and workers, or their respective organisations; ❖ addressing any problem-solving or other needs of interest to workers and management, including restructuring and training, redundancy procedures, safety and health issues, grievance and dispute settlement procedures, disciplinary rules, and family and community welfare; and ❖ providing information needed for meaningful bargaining.
4	LABOUR	
	Businesses should uphold the elimination of all forms of forced and compulsory labour.	The Sun International Group supports this principle through its daily activities by: ❖ adhering to forced labour provisions of national laws and regulations and taking account of international best practice standards; ❖ making available employment contracts to all employees stating the terms and conditions of service, the voluntary nature of employment, the freedom to leave (including the appropriate procedures) and any penalties that may be associated with a departure or cessation of work; and ❖ writing employment contracts in languages easily understood by workers, indicating the scope of and procedures for leaving the job.

No.	Principle	Analysis of Group's standing
5	**LABOUR**	
	Businesses should uphold the effective abolition of child labour.	The Sun International Group supports this principle through its daily activities by: ❖ maintaining awareness of countries, regions, sectors and economic activities where there is a greater likelihood of child labour and responding accordingly with policies and procedures; ❖ the procurement department adhering to this principle by sourcing from reputable suppliers; ❖ adhering to minimum age provisions of national labour laws and regulations and taking account of best practice international standards; and ❖ using adequate and verifiable mechanisms for age verification in recruitment procedures.
6	**LABOUR**	
	Businesses should uphold the elimination of discrimination in respect of employment and occupation.	The Sun International Group supports this principle through its daily activities by: ❖ instituting Company policies and procedures which make qualifications, skill and experience the basis for the recruitment, placement, training and advancement of staff at all levels; ❖ keeping up-to-date records on recruitment, training and promotion that provide a transparent view of opportunities for employees and their progression within the organisation; ❖ where discrimination is identified, addressing complaints, handling appeals and providing recourse for employees through grievance procedures; ❖ promoting access to skills development training and to particular occupations; and ❖ having reasonably adjusted the physical environment to ensure health and safety for employees, customers and other visitors with disabilities.
7	**ENVIRONMENT**	
	Businesses should support a precautionary approach to environmental challenges.	The Sun International Group supports this principle through its daily activities by: ❖ developing a code of conduct or practice for its operations and products that confirms commitment to care for health and the environment; ❖ having developed Company guidelines on the consistent application of the approach throughout the Company; ❖ having established a managerial committee or steering group that oversees the Company application of precaution, in particular risk management in sensitive issue areas; and ❖ having established two-way communication with stakeholders of information about uncertainties and potential risks and how to deal with related enquiries and complaints. The Company also uses mechanisms such as workshop discussions, focus groups, its website and printed media.
8	**ENVIRONMENT**	
	Businesses should undertake initiatives to promote greater environmental responsibility.	The Sun International Group supports this principle through its daily activities by: ❖ having defined the company vision, policies and strategies to include the 'triple bottom line' of sustainable development – economic prosperity, environmental quality and social equity; ❖ having certain sustainability commitments in place; ❖ having adopted environmental audits at all of its operations; ❖ tracking and communicating progress in incorporating sustainability principles into business practices; and ❖ ensuring transparency with stakeholders.
9	**ENVIRONMENT**	
	Businesses should encourage the development and diffusion of environmentally friendly technologies.	The Sun International Group supports this principle through its daily activities by: ❖ improving technology at property level; ❖ making information available to stakeholders that illustrates the environmental performance and benefits of using such technologies; ❖ advancing waste management, energy conservation and responsible water use; and ❖ having environmental management systems in place at most properties.
10	**ANTI-CORRUPTION**	
	Businesses should work against corruption in all its forms, including extortion and bribery.	The Sun International Group supports this principle through its daily activities by: ❖ not tolerating any corruption within the business operations; ❖ defining its stance with all stakeholders particularly in foreign jurisdictions; ❖ carefully mitigating its risk with new partners by conducting probity investigations; and ❖ conducting country risk profiles of new jurisdictions to identify any such risks.

This King III application register is derived from the Institute of Directors Southern Africa ("IODSA") which the Group has licensed in order to adequately assess its compliance with the principles of the King III Code ("King III"). This application forms part of Sun International's 2013/2014 combined report.

King III application register

Chapter	Principle	Principle description	Practice	Applied/ Partially Applied/ Not Applied	Evidence for Applied	Explanation/ compensating practices	Not applied commentary
Chapter 1	Principle 1.1	The board provides effective leadership based on ethical foundation	The board sets the values to which the company will adhere to and these are formulated in the company's code of conduct.	Applied	The board remains committed to ethical and responsible leadership, demonstrating sound corporate governance practices which are embedded throughout the Group companies, in all jurisdictions in which it operates. The Group Code of Ethics commits management and employees to the highest ethical standards of conduct and has been reviewed during the year, without amendment.		
			The board ensures that the board's and management's conduct sets an example in that it aligns to the company values.	Applied	The board, as the custodian of corporate governance, continues to provide the focal point for corporate governance in the Group.		
			The board promotes the stakeholder-inclusive approach of governance and takes account of the impact of the company's operations on internal and external stakeholders.	Applied	The Group Code of Ethics articulates the Group's commitment to all its stakeholders. In addition, the board conducts regular reviews of the Company's stakeholder engagement practices.		
			All deliberations, decisions and actions of board are based on fairness, accountability, responsibility, transparency.	Applied	The board's commitment to good governance remains underpinned by the pillars of fairness, transparency, accountability and responsibility to all stakeholders. These pillars preserve the Group's long-term sustainability, thereby delivering value to all stakeholders. The Group's key tenet is to do the right thing and its governance practices are integral to its licence to operate in society.		
			Directors in performing their stewardship role exercise the following five moral duties: conscience, care, competence, commitment, courage.	Applied	This is inherent in the board's decision making and is also addressed in the board's self assessment evaluations.		
	Principle 1.2	The board ensures that the company is and is seen to be a responsible corporate citizen	The board considers not only financial performance, but also the impact of the company's operations on society and the environment.	Applied	The board recognises that the development, operation and management of the Group's hotels, resorts and gaming operations have environmental and social implications. There are entrenched governance and sustainability principles within the Group's Corporate Sustainability Strategy (CSS) which aims to integrate sustainability considerations into the Group's business decisions, operations and strategy.		
			The board protects, enhances and invests in the wellbeing of the economy, society and the environment.	Applied	EarthGlow was launched in 2013 and integrates Sun International's social and environmental initiatives. The social and ethics committee reviews the Group's progress in this domain.		

Chapter	Principle	Principle description	Practice	Applied/ Partially Applied/ Not Applied	Evidence for Applied	Explanation/ compensating practices	Not applied commentary
			The board ensures that the company performance and interaction with its stakeholders is guided by the Constitution and the Bill of Rights.	Applied	The board regularly reviews the Group's stakeholder engagement practices against such principles.		
			The board satisfies itself that the strategy and business plans are not encumbered by risks that have not been thoroughly examined by management.	Applied	Governance and sustainability considerations, including risk management, are fundamental to Sun International's operations and are interwoven into our strategy and decision making processes, from board and management level to our operations.		
			Evaluating and managing the risks of doing business in weak governance zones forms an important component of risk management.	Applied	Further to the above, the risk committee considers such risks.		
			The board ensures that collaborative efforts with stakeholders are embarked upon to promote ethical conduct and good corporate citizenship.	Applied	The board regularly reviews the Group's stakeholder engagement practices against such principles.		
			The board ensures that measurable corporate citizenship programmes and policies are developed and implemented.	Applied	The Group's CSS has been crystallised into the Group's sustainability policy which reflects Sun International's commitment to sustainable development and is underpinned by the following key tenets: ❖ Maintaining an ethical climate throughout its operations ❖ Engaging with stakeholders ❖ Implementing management systems that are aligned with international best practice ❖ Promoting environmental and social responsibility among guests, employees, suppliers, contractors and concessionaires ❖ Applying social and environmental criteria to the sourcing of goods and services wherever practical ❖ Demonstrating environmentally and socially responsible behaviour ❖ Demonstrating good corporate governance.		
	Principle 1.3	The board ensures that the company ethics are managed effectively	The board ensures that ethical risks and opportunities are incorporated in the risk management process or ethics programme, i.e. an ethics risk and opportunity profile is compiled.	Applied	Ethics risks and opportunities are assessed as part of the Group risk register, reviewed by the risk committee. The social and ethics committee further reviews ethics management.		
			The board ensures that the company's ethics performance is assessed, monitored, reported and disclosed.	Applied	The board remains responsible for ensuring that management endorses a culture of ethical conduct. These values are encapsulated in the Group Code of Ethics, reviewed by the board on an annual basis, and which commits management and employees to the highest ethical standards of conduct.		

Chapter	Principle	Principle description	Practice	Applied/ Partially Applied/ Not Applied	Evidence for Applied	Explanation/ compensating practices	Not applied commentary
			The board has ensured that a code of conduct and ethics-related policies, through which ethical standards are clearly articulated, have been established and implemented.	Applied	The Sun International Group remains committed to ethical and responsible leadership. Our leaders are held accountable for sound corporate governance practices which are embedded throughout the Group's companies, in all jurisdictions in which we operate. Our Code of Ethics articulates the Group's commitment to all its stakeholders.		
			The board ensures compliance with the code of conduct and this is integrated into the strategy and operations of the company, i.e. the ethical organisational culture is reflected in the company's vision and mission; strategies and operations; its decisions and conduct; and the manner in which it treats its internal and external stakeholders.	Applied	The Group's awareness of its responsibilities to all stakeholders finds expression not only in the business performance and the application of our business ethics but also in our efforts to help create sustainable societies.		
Chapter 2	Principle 2.1	The board acts as the focal point for and custodian of corporate governance	The board has a well drafted charter.	Applied	The board is regulated by a Board Charter which details the manner in which the business should be governed by the board in accordance with the principles of sound corporate governance and organisational integrity. The Board Charter is reviewed annually.		
			The board meets at least four times a year.	Applied	A minimum of four board meetings are scheduled each financial year. In addition, the board holds a fifth meeting, in the form of an annual strategy meeting, together with executive management, to deliberate the Group's strategic direction and to agree the Group's annual budget as proposed by management.		
	Principle 2.2	The board appreciates that the strategy, risk, performance and sustainability are inseparable	The board informs and approves strategy (as opposed to being a passive recipient of strategy as proposed by management).	Applied	The board holds an annual strategy meeting, together with executive management, to deliberate the Group's strategic direction. The Group's key strategic objectives are set at the strategy meeting and progress is reported at each board meeting.		
			Board takes steps to ensure that long-term planning will result in sustainable outcomes taking account of people, planet, profit.	Applied	The board is cognisant of the Group's responsibility to people, planet and profit, and considers the sustainability of the Group's business practices and its potential impact on all stakeholders, including the environment. The Group's strategic focus areas have been developed in the context of sustainable business practices. The board assesses the sustainability of the Group's strategic initiatives by conducting an assessment of the long-term impact of any strategic project on the Group's stakeholders.		
			The board ensures that the strategy is aligned with the purpose of the company, the value drivers of its business and the legitimate interests and expectations of its stakeholders.	Applied	The board is fully cognisant that these elements are inseparable and this is demonstrated in the Group sustainability policy statement. The board canvasses these aspects at board meetings and this is further dealt with by the specific committees.		

Chapter	Principle	Principle description	Practice	Applied/ Partially Applied/ Not Applied	Evidence for Applied	Explanation/ compensating practices	Not applied commentary
			Strategy is translated into key performance and risk areas (including finance, ethics, compliance and sustainability); and the associated performance and risk measures are identified and clear.	Applied	This is the output of the board's strategy meeting and the strategic objectives are translated into management's performance contracts. Key risks are identified and dealt with by the board.		
			The board considers sustainability a business opportunity, i.e. long-term sustainability is linked to strategy and guides strategy.	Applied	The board considers financial, operational and sustainability-related information in the context of the Group's strategy.		
	Principle 2.14	The board and its directors act in the best interests of the company	Directors are permitted to take independent advice in connection with their duties at company cost following a board-approved procedure.	Applied	A written policy is in place for directors to seek independent professional advice for the furtherance of their duties if necessary, at the Company's expense.		
			Real or perceived conflicts of interest are disclosed to the board and managed appropriately.	Applied	Directors are required to inform the board of any conflicts or potential conflicts of interest which they may have in relation to any particular area of business. Directors are required to recuse themselves from discussions or decisions on those matters where they have conflicts or potential conflicts of interest, and the board will request a director to recuse himself/herself from the meeting for the duration of the matter under discussion.		
			The company has a policy regarding dealing in securities by directors, officers and selected employees. (Only applicable if listed company.)	Applied	Directors, the Group Company Secretary, and certain identified senior executives who may have access to price sensitive information (and therefore defined as "insiders"), may not deal in the shares of the Company during certain closed periods which fall on the following dates: between 31 December and the date on which the interim results are published; between 30 June and the date on which the year-end results are published; and outside the above closed periods, while the Company is in the process of price-sensitive negotiations or acquisitions, or while the Company is trading under cautionary or pending any price sensitive announcements. Directors, certain senior executives and the Group Company Secretary are required to obtain prior clearance in writing of any proposed share transactions (which includes any transactions under the Company's share option scheme and share plans) from the Chairman of the board, or failing him, the LID, before dealing outside the closed periods, to ensure there are no price sensitive negotiations taking place. Requests for clearance are routed through the Group Company Secretary who also maintains a written record of requests for dealing and clearances. Details of any transactions by directors, certain senior executives and the Group Company Secretary in the shares of the Company (including transactions under the share option scheme and share plans) are advised to the JSE, through the sponsor, for publication on SENS. The Group Company Secretary is the designated compliance officer as prescribed by the Companies Act.		

Chapter	Principle	Principle description	Practice	Applied/ Partially Applied/ Not Applied	Evidence for Applied	Explanation/ compensating practices	Not applied commentary
			The board has unrestricted access to all company information, records, documents and property subject to following a board-approved process.	Applied	The Board Charter provides that the directors are entitled to have access to all relevant Company information and to senior management to assist them in the discharge of their duties and responsibilities to enable them to take informed decisions.		
	Principle 2.15	The board will/ has consider/ed business rescue proceedings or other turnaround mechanisms as soon as the company has been/may be financially distressed as defined in the Companies Act, No 71 of 2008	The board continually monitors whether the company is financially distressed, i.e. if it appears reasonably unlikely that the company will be able to pay its debts as they fall due and payable within the ensuing six months or become insolvent within the ensuing six months.	Applied	The board is apprised on the Group's going concern status at interim and year-end meetings. The solvency and liquidity of the Company is tested on a regular basis.		
	Principle 2.16	The board has elected a Chairman of the board who is an independent non-executive director. The CEO of the company does not also fulfil the role of Chairman of the board	The Chairperson is an independent non-executive director.	Partially Applied	The Board Charter requires the appointment of a Lead Independent Director ("LID") in the event that the board Chairman does not meet the independence criteria in terms of the requisite governance principles. Mr IN Matthews was appointed as the LID with effect from 1 July 2009 and has been reappointed as the LID for the year under review. The LID is appointed annually should the Chairman not be independent. The LID provides leadership and guidance at any meetings or in consultations with other directors or executives in circumstances where the board Chairman may be subject to a conflict of interest. The LID is instrumental in leading and introducing discussion at board and committee meetings regarding the performance and evaluation of the board Chairman.		
			The Chairperson is elected by board members every year.	Applied	The board is chaired by Mr MV Moosa, a non-executive director, who was appointed as board Chairman since 1 July 2009. Mr Moosa has been reappointed as Chairman for the year under review. The Chairman is not independent and the Board Charter prescribes terms for the annual election of the Chairman (and the LID for as long as the Chairman is not considered independent).		

Chapter	Principle	Principle description	Practice	Applied/ Partially Applied/ Not Applied	Evidence for Applied	Explanation/ compensating practices	Not applied commentary
			The Chairman's ability to add value, and his performance against what is expected of his role and function is assessed every year.	Applied	The Chairman's effectiveness and his performance is evaluated every year by the board and the nomination committee.		
			A formal role description exists for the Chairperson.	Applied	The Board Charter details the formal role description for the Chairperson.		
			The nomination committee oversees a formal succession plan for the board, CEO and certain senior executive appointments.	Applied	The nomination committee overseas succession planning for the board. The remuneration committee overseas succession planning for the CEO and senior executive appointments.		
			There is succession planning in place for the Chairperson.	Applied	The nomination committee overseas succession planning for the Chairman.		
			The Chairperson of the board is not the Chairperson of the remuneration committee.	Applied	The LID is the Chairperson of the remuneration committee.		
			It is disclosed whether the Chairperson is an independent non-executive director and if not, the reason for it.	Applied	The Chairman of the board is not independent given his indirect shareholding in the Group. Therefore in accordance with governance best practices, a LID has been appointed. This is disclosed to stakeholders in the Integrated Annual Report.		
	Principle 2.17	The board has appointed the Chief Executive Officer and has established a framework for the delegation of authority	The board appoints the CEO.	Applied	The CEO is appointed by the board.		
			The board has input in other senior executive appointments.	Applied	Senior appointments are reviewed and considered by the remuneration committee.		

Chapter	Principle	Principle description	Practice	Applied/ Partially Applied/ Not Applied	Evidence for Applied	Explanation/ compensating practices	Not applied commentary
			The board defines its own level of materiality and approves a delegation of authority framework.	Applied	The board has defined its own level of materiality. The board's governance and management functions are linked through the Chief Executive, who is tasked with running the business and implementing the policies and strategies adopted by the board. The Chief Executive delegates the appropriate authority to his management team in terms of defined levels of authority and retains accountability to the board.		
			The role and function of the CEO is formalised.	Applied	The role and function of the Chief Executive is formalised, and the board, through the remuneration committee, annually evaluates the performance of the Chief Executive against his performance contract. In addition the Chief Executive's performance in his capacity as a director of the board is assessed by the nomination committee.		
			There is a benchmark, i.e. performance measures, in place to evaluate the performance of the CEO.	Applied	The Chief Executive's performance contract is set during the course of the annual strategy meeting with clearly defined objectives. The remuneration committee together with the board Chairman evaluates the performance of the Chief Executive.		
			The CEO is not a member of the remuneration committee.	Applied	The CEO is not a member of the remuneration committee and attends meetings by invitation.		
			The CEO is not a member of the audit committee.	Applied	The CEO is not a member of the remuneration committee and attends meetings by invitation.		
			The CEO is not a member of the nomination committee.	Applied	The CEO is not a member of the remuneration committee and attends meetings by invitation.		
			There is a formal succession plan in place for the CEO and other senior executives.	Applied	Succession planning, which involves identifying, developing and advancing future leaders and executives of the Group, is an ongoing responsibility of the board and is carried out through the remuneration committee. Detailed succession plans are presented annually to the remuneration committee in this regard.		
	Principle 2.18	The Board comprises a balance of power, with a majority of non-executive directors. The majority of non-executive directors are independent	The board comprises a majority of non-executive directors.	Applied	The board consists of fourteen members, eleven of whom are non-executive directors.		

Chapter	Principle	Principle description	Practice	Applied/ Partially Applied/ Not Applied	Evidence for Applied	Explanation/ compensating practices	Not applied commentary
			A majority of non-executive directors are independent.	Applied	The board consists of eleven non-executive directors of which nine are independent.		
			The nomination committee recommends eligibility of prospective directors on the basis of past performance, contribution and the objectivity of business judgement calls.	Applied	The nomination committee will consider such factors together with other relevant considerations.		
			The board has a minimum of two executive directors – the CEO and the director responsible for finance.	Applied	The board has three executive directors, consisting of the CEO, CFO and Director: Human Resources.		
			When determining the number of directors to serve on the board, the knowledge, skills and resources required as appropriate to the business of the company is considered.	Applied	Director appointments are formal and transparent. The nomination committee assists in identifying suitable members that will compliment the board's requirements in terms of knowledge, skills and resources.		
			The board has considered whether its size, diversity and demographics make it effective.	Applied	In reviewing the composition of the board, the nomination committee considers the following key elements: the board size, diversity and demographics to ensure a balance of skills, views, experience and knowledge relating to the economic, environmental and social environment in which the Company operates as well as the Company's overall strategic objectives.		
			The classification of directors as independent or otherwise is disclosed on the basis of the yearly assessment of the independence of the independent non-executive directors.	Applied	The board, through the nomination committee, annually assesses the independence of the non-executive directors against the criteria set out in King III, the JSE Listings Requirements, as well as the Companies Act. The process and outcome of such assessment is reported in the Integrated Annual Report.		
			At least one-third of non-executive directors rotates every year.	Applied	Directors retire by rotation at least once every three years in accordance with the Company's Memorandum of Incorporation. The nomination committee assesses the performance of those directors and recommends their re-election to the board and shareholders.		
			There is reporting on the procedure and outcome of the assessment of the suitability of non-executive independent directors to continue on the board as such, for a period longer than nine years.	Applied	The nomination committee annually assesses the independence of directors that have served a tenure of no longer than nine years and reports its finding in the Integrated Annual Report.		

Chapter	Principle	Principle description	Practice	Applied/ Partially Applied/ Not Applied	Evidence for Applied	Explanation/ compensating practices	Not applied commentary
			Independent non-executive directors serving for longer than nine years are subjected to a rigorous review of their independence and performance by the board.	Applied	The nomination committee conducted a rigorous independence assessment of the non-executive directors who have served on the board for nine years or more, and concluded that these directors retain their independence in character and judgement, notwithstanding their length of service, and that there were no relationships or circumstances that were likely to affect or be perceived to affect their independence. The board concurred with these findings and is of the view that the aforesaid non-executive directors bring valuable experience and skill to the board, and that they will continue to exercise their independent judgement.		
			The board, through the nomination committee, recommends eligibility for re-election of retiring non-executive directors, while considering past performance, contribution and the objectivity of business judgement calls.	Applied	Directors retire by rotation at least once every three years in accordance with the Company's Memorandum of Incorporation. The nomination committee assesses the performance of those directors and recommends their re-election to the board and shareholders.		
			Non-executive directors that are classified as "independent" by the company are subjected to an annual evaluation of their independence by the Chairperson and the board.	Applied	The board, through the nomination committee, annually assesses the independence of the non-executive directors against the criteria set out in King III, the JSE Listings Requirements, as well as the Companies Act.		
	Principle 2.19	Directors are appointed through a formal process	Procedures for appointments to the board are formal and transparent and are a matter for the board as a whole, assisted by the nomination committee.	Applied	Director appointments are formal and transparent. The nomination committee is in place and assists in identifying suitable members who will address the board's requirements in terms of knowledge, skills and resources.		
			Prior to their appointment, procedures are in place to investigate the candidates' backgrounds along the lines of the approach required for listed companies by the JSE.	Applied	The nomination committee is in place and assists in identifying suitable members who will address the board's requirements in terms of knowledge, skills and resources. Third party service providers are appointed to assist in analysing candidates backgrounds.		
			An agreement is concluded with all non-executive directors that includes the directors' code of conduct to be complied with, the contribution that is expected from the specific individual, the remuneration for holding office as director and the terms of directors' and officers' liability insurance to be provided.	Applied	Upon appointment to the board, directors sign an appointment letter that sets out all of the relevant criteria.		

Chapter	Principle	Principle description	Practice	Applied/ Partially Applied/ Not Applied	Evidence for Applied	Explanation/ compensating practices	Not applied commentary
			The nomination committee identifies and participates in selecting board members.	Applied	The nomination committee is guided by its terms of reference.		
			Details of directors' appointment procedure and composition of board are provided in the integrated report.	Applied	All relevant details are set out in the Integrated Annual Report.		
			The board makes full disclosure regarding individual directors to enable shareholders to make their own assessment of directors.	Applied	All relevant details are set out in the Integrated Annual Report.		
			The nomination committee ensures that new directors have not been declared delinquent nor are serving probation in terms of section 162 of the Act.	Applied	Third party service providers are appointed to assist.		
			Reasons for the removal, resignation or retirement of directors are provided.	Applied	All relevant details are set out in the Integrated Annual Report.		
			The number of meetings held each year by the board and each board committee and the details of attendance of each director (as applicable) at such meetings are disclosed.	Applied	All relevant details are set out in the Integrated Annual Report.		

Chapter	Principle	Principle description	Practice	Applied/ Partially Applied/ Not Applied	Evidence for Applied	Explanation/ compensating practices	Not applied commentary
	Principle 2.20	The induction of and ongoing training, as well as the development of directors are conducted through a formal process	The board ensures that inexperienced directors are developed through mentorship programmes.	Applied	On appointment to the board, all directors are provided with an induction programme and materials aimed at broadening their understanding of their fiduciary duties and responsibilities; the regulatory, statutory and governance framework; the Group and the business environment and markets in which the Group operates. All directors are expected to keep abreast of changes and trends in the business and in the Group's markets. This includes changes and trends in the economic, political, social and legal environments. Training is provided to accelerate board competencies, where necessary, in terms of the Group's professional development policy.		
			The board ensures that continuing professional development programmes are implemented.	Applied	As above.		
			The board ensures that directors receive regular briefings on changes in risks, laws and the business environment.	Applied	As above.		
			The board ensures that a formal induction programme is established for new directors.	Applied	As above.		
	Principle 2.21	The board is assisted by a competent, suitably qualified and experienced Company Secretary	The Company Secretary is empowered by the board to effectively perform her duties.	Applied	The Company Secretary has a reporting line to the board Chairman.		
			The Company Secretary is appointed and removed by the board.	Applied	The appointment and removal of the Group Company Secretary is a matter for the board as a whole.		
			The company complies with the provisions of the Companies Act, 2008 in relation to the appointment and removal of the Company Secretary.	Applied	The Company complies with the relevant provision of the Company Act.		

Chapter	Principle	Principle description	Practice	Applied/ Partially Applied/ Not Applied	Evidence for Applied	Explanation/ compensating practices	Not applied commentary
			The role and function of the Company Secretary is formalised.	Applied	The Board Charter formalises the role and function of the Company Secretary. The Group Company Secretary provides a central source of advice to the board on the requirements of the JSE Listings Requirements, the Companies Act, King III, sustainability considerations and corporate governance. In addition to the Group Company Secretary's statutory and other duties, she provides the board as a whole, directors individually, and the committees, with guidance as to the manner in which their responsibilities should be discharged in the best interests of the Company.		
			The nomination committee establishes procedures for appointments to the board and ensures that these are properly carried out.	Applied	The procedures are documented and carried out effectively.		
	Principle 2.22	The evaluation of the board, its committees and individual directors is performed every year	The board determines its own role, functions, duties and performance criteria as well as that for directors on the board and the board and board committees to serve as a benchmark for performance appraisal.	Applied	These are details in the relevant charters and committees' terms of reference.		
			The results of performance evaluation are used to identify training needs for directors.	Applied	The board is provided with feedback on the performance evaluations and action items for the year ahead.		
			The nomination for re-appointment of a director only occurs after the evaluation of the performance and attendance of the director.	Applied	This is conducted by the nomination committee and a recommendation is provided to the board.		
			The remuneration committee considers the results of the evaluation of the performance of the CEO and other executive directors, both as a directors and as executives in determining remuneration.	Applied	The remuneration committee considers the performance of the CEO and other executive directors in their executive capacity. The nomination committee considers their performance as members of the board.		
			An overview of the appraisal process of the board, board committees, individual directors, the results thereof and action plans are disclosed in the integrated report.	Applied	The appraisal process is disclosed in the Integrated Annual Report and where relevant action plans are identified.		

Chapter	Principle	Principle description	Practice	Applied/ Partially Applied/ Not Applied	Evidence for Applied	Explanation/ compensating practices	Not applied commentary
	Principle 2.23	The board delegates certain functions to well-structured committees without abdicating from its own responsibilities	The risk committee's terms of reference are approved by the board.	Applied	This is on an annual basis.		
			There is a board remuneration committee.	Applied	As disclosed in the Integrated Annual Report.		
			There is a nomination committee.	Applied	As disclosed in the Integrated Annual Report.		
			The nomination committee's terms of reference are approved by the board.	Applied	The committee terms of reference are available online.		
			The remuneration committee's terms of reference deal with: composition; objectives, purpose and activities; delegated authorities – including the extent of power to make decisions; tenure; and reporting mechanism to the board.	Applied	The committee terms of reference are available online.		
			The nomination committee's terms of reference deals with: composition; objectives, purpose and activities; delegated authorities – including the extent of power to make decisions; tenure; and reporting mechanism to the board.	Applied	The committee terms of reference are available online.		
			The audit committee terms of reference deal with: composition; objectives, purpose and activities; delegated authorities – including the extent of power to make decisions; tenure; and reporting mechanism to the board.	Applied	The committee terms of reference are available online.		
			The risk committee is chaired by a non-executive director.	Applied	The risk committee is chaired by Mr PDS Bacon, an independent non-executive director.		
			The audit committee is entitled to obtain independent professional advice at cost of the company on any issue within the ambit of its scope and subject to following a board-approved process.	Applied	The audit committee terms of reference provide that the committee is authorised by the board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.		

Chapter	Principle	Principle description	Practice	Applied/ Partially Applied/ Not Applied	Evidence for Applied	Explanation/ compensating practices	Not applied commentary
			The risk committee's terms of reference deal with: composition; objectives, purpose and activities; delegated authorities – including the extent of power to make decisions; tenure; and reporting mechanism to the board.	Applied	The committee terms of reference are available online.		
			The risk committee is entitled to obtain independent professional advice at cost of the company on any issue within the ambit of its scope and subject to following a board-approved process.	Applied	The risk committee terms of reference mandate that the committee is authorised by the board to seek outside legal or other independent professional advice where necessary in terms of the Company's Professional Advice Policy.		
			The remuneration committee is chaired by an independent director.	Applied	The remuneration committee is chaired by Mr IN Matthews, an independent non-executive director.		
			All members of the remuneration committee are non-executive directors.	Applied	As disclosed in the Integrated Annual Report.		
			The majority of members of the nomination committee are independent.	Applied	As disclosed in the Integrated Annual Report.		
			The nomination committee is entitled to obtain independent professional advice at cost of the company on any issue within the ambit of its scope and subject to following a board-approved process.	Applied	The nomination committee is entitled to seek outside legal or other independent professional advice where necessary per the Company's Professional Advice Policy.		
			The remuneration committee is entitled to obtain independent professional advice at cost of the company on any issue within the ambit of its scope and subject to following a board-approved process.	Applied	The remuneration committee is entitled to seek outside legal or other independent professional advice where necessary per the Company's Professional Advice Policy.		
			The composition and role of each board committee are disclosed.	Applied	As disclosed in the Integrated Annual Report.		
			The names and details of any external advisors who regularly attend or are invited to attend committee meetings are disclosed.	Applied	As disclosed in the Integrated Annual Report.		

Chapter	Principle	Principle description	Practice	Applied/ Partially Applied/ Not Applied	Evidence for Applied	Explanation/ compensating practices	Not applied commentary
	Principle 2.24	A governance framework has been agreed upon between the group and its subsidiary boards	There is a governance framework between the group and its subsidiary boards.	Applied	The board ensures that the subsidiaries adopt best governance practices.		
			Implementation and adoption of policies, processes or procedures of the holding company are considered and approved by the subsidiary company.	Applied	As dealt with by the subsidiary boards.		
			Consultation takes place by the holding company board with the Chairperson of the subsidiary board and nomination committee prior to nominating a shareholder representative director.	Applied	As and when necessary.		
			The holding company respects the fiduciary duty of the director who represents the holding company on the board of the subsidiary to that subsidiary.	Applied	The fiduciary duties of directors observed.		
			Insider Trading is dealt with in terms of relevant stock exchange rules.	Applied	There is a formal policy in place.		
			There are formal policies and practices in place to ensure equal treatment of shareholders within the group.	Applied	There are established practices in place.		
			The integrated report provides details of the implementation and adoption of policies, processes or procedures of the holding company by subsidiary company(ies).	Applied	As and where relevant.		

Chapter	Principle	Principle description	Practice	Applied/ Partially Applied/ Not Applied	Evidence for Applied	Explanation/ compensating practices	Not applied commentary
	Principle 2.25	The company remunerates its directors and executives fairly	There exists remuneration policies and practices that address base pay and bonuses, employee contracts, severance and retirement benefits and share-based and other long-term incentive schemes.	Applied	As disclosed in the Integrated Annual Report in the remuneration report.		
			Participation in incentive schemes is limited to employees and executive directors and provides appropriate limits for individual participation.	Applied	As disclosed in the Integrated Annual Report in the remuneration report.		
			The remuneration committee's terms of reference are approved by the board.	Applied	This is done on an annual basis.		
			Remuneration policies and practices are aligned with company strategy.	Applied	As disclosed in the Integrated Annual Report.		
			High leveraging of incentive schemes is avoided.	Applied	The Group's share plans are detailed in the remuneration report.		
			Incentives are based on targets, both financial and sustainability related, that are stretching, verifiable and relevant.	Applied	The Group's share plans are detailed in the remuneration report.		
			Share incentive awards and options are granted regularly and consistently, generally once a year.	Applied	The Group's share plans are detailed in the remuneration report.		
			Multiple performance measures are used to avoid manipulation of results or poor business decisions.	Applied	The Group's share plans are detailed in the remuneration report.		
			No awards of share options and incentives are allowed in closed periods.	Applied	The Group's share plans are detailed in the remuneration report.		
			The remuneration report includes details of retention benefits paid.	Applied	The Group's share plans are detailed in the remuneration report.		
			Remuneration levels reflect the contribution of senior executives.	Applied	The Group's share plans are detailed in the remuneration report.		
			No backdating of awards of share options and incentives is allowed.	Applied	Stipulated in the share plan rules.		

Chapter	Principle	Principle description	Practice	Applied/ Partially Applied/ Not Applied	Evidence for Applied	Explanation/ compensating practices	Not applied commentary
			The remuneration report includes details of limits for participation in incentive schemes.	Applied	As set out in the remuneration report.		
			If incentives are given for both long-term and short-term goals, the performance drivers are not duplicated and a balance is struck with the need to reward success over the longer term.	Applied	As set out in the remuneration report.		
			Awards of share options and incentives are subject to a vesting period from three to ten years.	Applied	As set out in the remuneration report.		
			Employment contracts do not commit the company to pay on termination arising from an executive's failure.	Applied	As regulated by the employment contract.		
			The value of awards of share options and incentives are not significant in comparison to base pay.	Applied	As set out in the remuneration report.		
			Performance measures for vesting of share options and the reasons for choosing them are disclosed in the remuneration report.	Applied	As set out in the remuneration report.		
			There is no automatic entitlement to bonus or share-based payments on early termination of employment.	Applied	As set out in the share plan rules.		
			The share-based and long-term incentive schemes have special conditions in place for change of control, roll-over for capital reconstruction, early termination of employment or dismissal for good cause.	Applied	As set out in the share plan rules.		
			There is no provision in employment contracts for severance as result of change in control of company.	Applied	As regulated by the employment contract.		
			The remuneration committee advises on the remuneration of non-executive directors.	Applied	As set out in its terms of reference.		

Chapter	Principle	Principle description	Practice	Applied/ Partially Applied/ Not Applied	Evidence for Applied	Explanation/ compensating practices	Not applied commentary
			The company has established share-based and/or long-term incentive schemes.	Applied	As set out in the remuneration report.		
			The remuneration report includes details of main performance parameters.	Applied	As set out in the remuneration report.		
			The remuneration committee considers the appropriateness of early vesting of share-based schemes at the end of employment.	Applied	As set out in the share plan rules.		
			Non-executive fees comprise a base fee and attendance fee per meeting.	Applied	As set out in the remuneration report.		
			The remuneration committee regularly reviews incentive schemes to ensure continued contribution to shareholder value.	Applied	As set out in its terms of reference.		
			The remuneration committee ensures that remuneration levels reflect the contribution of senior executives and executive directors.	Applied	As set out in its terms of reference.		
			Non-executive fees are approved by shareholders in advance by special resolution.	Applied	As disclosed in the Integrated Annual Report.		
			The remuneration committee selects an appropriate comparative group when comparing remuneration levels.	Applied	The remuneration committee considers both executives and non-executive directors' remuneration on an annual basis and further conducts extensive external benchmarking to ensure fair remuneration.		
			The remuneration committee ensures that all benefits, including retirement benefits and other financial arrangements are justified and correctly valued.	Applied	As set out in its terms of reference.		
			The remuneration committee satisfies itself as to the accuracy of recorded performance measures that govern vesting of incentives.	Applied	These are verified by the external auditors.		

Chapter	Principle	Principle description	Practice	Applied/ Partially Applied/ Not Applied	Evidence for Applied	Explanation/ compensating practices	Not applied commentary
			The remuneration committee ensures that the mix of fixed and variable pay, in cash, shares and other elements, meets the company's needs and strategic objectives.	Applied	As set out in the remuneration report.		
			The remuneration committee assists the board in setting and administering remuneration.	Applied	As set out in the remuneration report.		
	Principle 2.26	The company has disclosed the remuneration of each individual director and prescribed officer	The remuneration report includes details of all benefits paid and awarded to directors.	Applied	The Group discloses the remuneration of its executive and non-executive directors, as well as that of prescribed officers in its remuneration report as contained in the Company's Integrated Annual Report.		
			The remuneration report includes an overview of the policy on base pay.	Applied	As set out in the remuneration report.		
			The remuneration report includes details regarding the use of comparative benchmarks.	Applied	As set out in the remuneration report.		
			The remuneration report includes justification of salaries paid above median.	Applied	As set out in the remuneration report.		
			The remuneration report includes details of material payments that are ex-gratia in nature.	Applied	As set out in the remuneration report.		
			The remuneration report includes the term of executive service contracts as well as the notice period for termination.	Applied	There are no term contracts.		
			The remuneration report is included in the integrated report.	Applied	As set out in the remuneration report.		
			The nature and period of restraint provided for in executive service contracts are disclosed in the remuneration report.	Applied	There are no restraint provisions.		
			The maximum and the expected potential dilution as a result of incentive awards are disclosed in the remuneration report.	Applied	As set out in the Integrated Annual Report.		

Chapter	Principle	Principle description	Practice	Applied/ Partially Applied/ Not Applied	Evidence for Applied	Explanation/ compensating practices	Not applied commentary
			Details of the non-executive directors' fees, including those fees payable for serving on a board committee are disclosed in the remuneration report.	Applied	As set out in the remuneration report.		
			Shareholders pass a non-binding advisory vote on the company's remuneration policy every year.	Applied	The Group's remuneration policy is proposed to shareholders for a non-binding advisory vote at each annual general meeting.		
Chapter 3	Principle 3.1	The Board has ensured that the company has an effective and independent audit committee	There is an audit committee.	Applied	The Group has an audit committee comprising four independent non-executive directors as elected by shareholders annually at the annual general meeting. The audit committee evaluates its effectiveness once a year and these assessments are made available to the board for review. The board assesses the effectiveness and independence of the audit committee annually.		
			The audit committee's terms of reference are approved by the board.	Applied	This is done on an annual basis.		
			The nomination committee presents shareholders with suitable candidates for election as audit committee members.	Applied	This is done on an annual basis.		
			The audit committee meets at least twice a year.	Applied	The audit committee meets four times a year.		
			The audit committee meets with the external and internal auditors without management being present at least once a year.	Applied	As detailed in its terms of reference.		
	Principle 3.2	Audit committee members are suitably skilled and experienced independent non-executive directors	The nomination committee evaluates whether audit committee members collectively have a basic level of qualification and experience.	Applied	This is conducted through the assessment of the effectiveness of the audit committee.		
			The role of the audit committee is summarised in the integrated report.	Applied	As set out in the Integrated Annual Report.		
			It is disclosed whether the audit committee has adopted formal terms of reference.	Applied	The terms of reference are available online.		

Chapter	Principle	Principle description	Practice	Applied/ Partially Applied/ Not Applied	Evidence for Applied	Explanation/ compensating practices	Not applied commentary
			The audit committee includes in the integrated report both the following: ❖ a statement on whether or not it considered and recommended the internal audit charter for approval by the board; and ❖ a description of its working relationship with the Chief Audit Executive.	Applied	As set out in the Integrated Annual Report.		
			It is disclosed in the integrated report whether the audit committee has satisfied its responsibilities for the year in compliance with the formal terms of reference.	Applied	As set out in the Integrated Annual Report.		
			The shareholders elect the audit committee members at the AGM.	Applied	This is an annual process.		
			The names and qualifications of all members of the audit committee during the period under review, and the period for which they served on the committee are disclosed in the integrated report.	Applied	As set out in the Integrated Annual Report.		
			The audit committee consists of at least three members.	Applied	There are four independent non-executive directors who are members of the audit committee.		
			All members of the audit committee are independent non-executive directors.	Applied	There are four independent non-executive directors who are members of the audit committee.		
			The integrated report includes information regarding any other roles assigned to the audit committee by the board.	Applied	As set out in the Integrated Annual Report.		

Chapter	Principle	Principle description	Practice	Applied/ Partially Applied/ Not Applied	Evidence for Applied	Explanation/ compensating practices	Not applied commentary
			Audit committee members collectively have knowledge and experience on financial risks, financial and sustainability reporting, and internal controls.	Applied	As set out in the Integrated Annual Report.		
			Audit committee members collectively have knowledge and experience on corporate law.	Applied	As set out in the Integrated Annual Report.		
			Audit committee members collectively have a thorough understanding of the complexities of International Financial Reporting Standards, South African Statements of Generally Accepted Accounting Practice, Global Reporting Initiative standards or any other financial reporting framework and set of standards applicable.	Applied	As set out in the Integrated Annual Report.		
			The board fills vacancies on the audit committee that arise until the next AGM when the formal election is done by shareholders.	Applied	As and when necessary.		
	Principle 3.3	The audit committee is chaired by an independent non-executive director	The Chairperson of the audit committee is an independent non-executive director and not the Chairperson of board.	Applied	The audit committee is chaired by Mr GR Rosenthal who is an independent non-executive director of the Company.		
			The Chairperson of the audit committee is selected by the board.	Applied	Upon the recommendation of the nomination committee.		
			The Chairperson of the audit committee attends the AGM.	Applied	As stipulated in the committee's terms of reference.		
	Principle 3.4	The audit committee oversees integrated reporting	The audit committee arbiters between the management and the external auditors when there is a disagreement on auditing and accounting matters.	Applied	As stipulated in the committee's terms of reference.		

Chapter	Principle	Principle description	Practice	Applied/ Partially Applied/ Not Applied	Evidence for Applied	Explanation/ compensating practices	Not applied commentary
			The audit committee has regard to all factors and risks that may impact on integrity of the integrated report, e.g. judgements, changes in accounting policies, significant or unusual transactions, factors that may predispose management to present misleading information, any evidence that brings into question any previously published financial information, etc.	Applied	The audit committee oversees the integrated reporting of the Company and reviews the integrity of the Integrated Annual Report and recommends approval of same to the board. In addition the audit committee appoints an independent assurance provider to report on the sustainability information contained in the Integrated Annual Report.		
			The audit committee reviews a documented assessment by the management of the going concern premise of the company.	Applied	As mandated by its terms of reference.		
			The audit committee considers the need to issue interim results.	Applied	As mandated by its terms of reference.		
			The audit committee reviews the content of summarised information.	Applied	As mandated by its terms of reference.		
			The audit committee recommends the integrated report for approval by the board.	Applied	As mandated by its terms of reference.		
			The audit committee engages the external auditors to provide assurance on the summarised financial information.	Applied	As mandated by its terms of reference.		
			The audit committee recommends to the board whether to engage an external assurance provider on material sustainability issues.	Applied	As mandated by its terms of reference.		
			The audit committee evaluates the independence and quality of the external assurance providers on sustainability.	Applied	As mandated by its terms of reference.		

Chapter	Principle	Principle description	Practice	Applied/ Partially Applied/ Not Applied	Evidence for Applied	Explanation/ compensating practices	Not applied commentary
			The audit committee reviews the disclosure of sustainability issues in the integrated report to ensure that it is reliable and does not conflict with the financial information.	Applied	As mandated by its terms of reference.		
	Principle 3.5	The audit committee has ensured that a combined assurance model has been applied which provides a coordinated approach to all assurance activities	The audit committee ensures that combined assurance received is appropriate to address all significant risks facing the company.	Applied	The audit committee considers the combined assurance model and adopts a coordinated approach to all assurance activities which identifies the Company's significant risks.		
			The relationship between the external assurance providers and the company is monitored by the audit committee.	Applied	As mandated by its terms of reference.		
	Principle 3.6	The audit committee is satisfied with the expertise, resources and experience of the company's finance function	The audit committee performs review of the finance function every year.	Applied	The audit committee annually considers and satisfies itself of the appropriateness of the expertise and experience of the CFO and of the expertise and adequacy of the finance function.		
			The results of the review of the finance function by the audit committee are disclosed in the integrated report.	Applied	As set out in the Integrated Annual Report.		
	Principle 3.7	The audit committee should be responsible for overseeing internal audit	The audit committee is responsible for the appointment, performance assessment and/or dismissal of the internal audit function or outsourced internal audit service provider.	Applied	As mandated by its terms of reference.		
			The internal audit plan is approved by the audit committee.	Applied	As mandated by its terms of reference.		
			The audit committee ensures that the company's internal audit function is independent and has the necessary resources, standing and authority within the company to enable it to discharge its functions.	Applied	The audit committee is primarily responsible for overseeing the Group internal audit controls and functions and performs an annual assessment of the effectiveness and independence of the internal audit function.		

Chapter	Principle	Principle description	Practice	Applied/ Partially Applied/ Not Applied	Evidence for Applied	Explanation/ compensating practices	Not applied commentary
			The audit committee oversees cooperation between external and internal audit to avoid overlapping of audit scope.	Applied	As mandated by its terms of reference.		
			The audit committee ensures that the internal audit function is subjected to an independent quality review as and when it determines it appropriate.	Applied	As mandated by its terms of reference.		
	Principle 3.8	The audit committee is an integral component of the risk management process	There is a risk committee consisting of board members.	Applied	The risk committee is comprised of non-executive and executive directors together with management representatives.		
			There is a statement from the board in the integrated report on the effectiveness of internal financial controls based on a formal documented review thereof.	Applied	As set out in the Integrated Annual Report.		
			The risk committee has oversight of the company's risk management function.	Applied	As set out in the Integrated Annual Report.		
			The terms of reference of the audit committee set out its responsibilities regarding risk management.	Applied	The terms of reference are available online.		
			The audit committee specifically has oversight of financial reporting risks, internal financial controls, fraud risks as these relate to financial reporting and IT risks as these relate to internal reporting.	Applied	The audit committee receives the report of the risk committee at each meeting and oversees and reviews the risk areas of the Company's operations to be covered in the scope of internal and external audits including internal financial controls, fraud and information technology risks, as they relate to financial reporting risks, in order to ensure that a combined assurance model is applied to provide a coordinated approach on significant risks facing the business. The Chairman of the audit committee is also a member of the risk committee thereby playing an integral role in the risk management of the Company		

Chapter	Principle	Principle description	Practice	Applied/ Partially Applied/ Not Applied	Evidence for Applied	Explanation/ compensating practices	Not applied commentary
	Principle 3.9	The audit committee is responsible for recommending the appointment of the external auditor and overseeing the external audit process	The audit committee approves the external auditors' terms of engagement and remuneration.	Applied	As mandated by its terms of reference.		
			The audit committee monitors and reports on the external auditors' independence.	Applied	The audit committee is responsible for nominating the external auditors for appointment by shareholders at the annual general meeting, determining the fees payable to the auditors and their terms of engagement, evaluating their performance, and assessing the independence of the external auditors. The audit committee reviews the processes relating to the annual audit and agrees scope, fees and procedures before commencement of the audit.		
			The audit committee defines a policy for non-audit services provided by the external auditor.	Applied	As set out in the Integrated Annual Report.		
			The audit committee recommends to shareholders the appointment, reappointment and removal of external auditors.	Applied	As set out in the Integrated Annual Report.		
			The audit committee reviews any accounting and auditing concerns identified as a result of the internal or external audit.	Applied	As set out in the Integrated Annual Report.		
			The audit committee is informed of any Reportable Irregularities identified and reported by the external auditor.	Applied	As mandated by its terms of reference.		
			The audit committee reviews the quality and effectiveness of the external audit process.	Applied	As mandated by its terms of reference.		

Chapter	Principle	Principle description	Practice	Applied/ Partially Applied/ Not Applied	Evidence for Applied	Explanation/ compensating practices	Not applied commentary
	Principle 3.10	The audit committee has reported to the board and the shareholders as to how it has discharged its duties	The audit committee reports internally to the board on its statutory duties and duties assigned to it by the board.	Applied	As mandated by its terms of reference.		
			The audit committee reports to the shareholders on its statutory duties.	Applied	The Chairman is responsible for reporting to the board at quarterly meetings of the directors. The Chairman of the audit committee further reports to shareholders of the Company at the annual general meeting by means of a written report in the Integrated Annual Report and the annual financial statements.		
			There is a description in the integrated report of how the audit committee carried out its functions in the period under review.	Applied	As set out in the Integrated Annual Report.		
			A statement on whether the audit committee is satisfied that the auditor is independent of the company is included in the integrated report.	Applied	As set out in the Integrated Annual Report.		
			The integrated report includes commentary in any way the committee considers appropriate on the financial statements, the accounting practices and the internal financial control of the company.	Applied	As set out in the Integrated Annual Report.		
Chapter 4	Principle 4.1	The board is responsible for the governance of risk.	A policy and plan for a system and process of risk management have been developed.	Applied	As set out in the Integrated Annual Report.		
			The risk policy includes: the company's definitions of risk terms and risk management; risk management objectives; the risk approach and philosophy; and the various responsibilities and ownership for risk management within the company.	Applied	As set out in the Integrated Annual Report.		
			The board's responsibility for risk governance is expressed in the Board Charter and risk policy and plan.	Applied	As confirmed, the Board Charter clearly stipulates that the board is responsible for the governance of risk. The board has a responsibility to monitor and review the risk management strategy of the Company and of the Group and the risk and audit committees assist the board in fulfilling this responsibility.		

Chapter	Principle	Principle description	Practice	Applied/ Partially Applied/ Not Applied	Evidence for Applied	Explanation/ compensating practices	Not applied commentary
			The risk plan includes: the company's risk management structure; the risk management framework – i.e. the approach followed for instance COSO, ISO, IRMSA ERM Code of Practice, IRM (UK), etc; the standards and methodology adopted - this refers to the measureable milestones such tolerances, intervals, frequencies, frequency rates, etc; risk management guidelines; reference to integration through for instance training and awareness programmes; and details of the assurance and review of the risk management process.	Applied	The relevant approach best suited for the nature of the Group's business is incorporated into the Group's risk framework.		
			The integrated report discloses how the board has satisfied itself that risk assessments, responses and interventions are effective.	Applied	As set out in the Integrated Annual Report.		
	Principle 4.2	The board has determined the levels of risk tolerance	The board monitors that risks taken are within the tolerance and appetite levels.	Applied	The Group's risks are ranked according to likelihood and impact considered in terms of risk tolerance and risk appetite.		
			The board sets the levels of risk tolerance every year.	Applied	This is dealt with at the annual risk workshop.		
			It is disclosed where the limits of risk appetite exceed, or deviated materially from, the limits of the company's risk tolerance (the company's ability to tolerate).	Applied	This is done at the risk committee meetings.		
	Principle 4.3	The risk committee and/ or audit committee have assisted the board in carrying out its risk responsibilities	The risk committee considers the risk policy and plan.	Applied	As mandated by its terms of reference.		

Chapter	Principle	Principle description	Practice	Applied/ Partially Applied/ Not Applied	Evidence for Applied	Explanation/ compensating practices	Not applied commentary
			The risk committee reviews the risk management progress and maturity of the company, the effectiveness of risk management activities, the key risks facing the company, and the responses to address these key risks.	Applied	As mandated by its terms of reference.		
			The risk committee monitors the whole risk management process.	Applied	As mandated by its terms of reference.		
			Membership of the risk committee includes executive and non-executive directors; members of senior management and independent risk management experts to be invited, if necessary.	Applied	As set out in the Integrated Annual Report.		
			The risk committee has a minimum of three members.	Applied	The risk committee has 11 members.		
			The risk committee members collectively have adequate and appropriate knowledge, skills and experience on risk.	Applied	As set out in the Integrated Annual Report.		
	Principle 4.4	The board has delegated to management the responsibility to design, implement and monitor the risk management plan	The board's risk policy and plan is implemented by management by means of risk management systems and processes.	Applied	The risk committee delegates its risk function to management and the executive in regard to the risks which are assessed on behalf of the Group.		
			The Chief Risk Officer (CRO) or other senior employee responsible for risk management is a suitably experienced person who has access to and interacts regularly on strategic matters with the board and/or appropriate board committee and executive management.	Applied	Senior employees that are accountable for risk management are members of the risk committee.		

Chapter	Principle	Principle description	Practice	Applied/ Partially Applied/ Not Applied	Evidence for Applied	Explanation/ compensating practices	Not applied commentary
	Principle 4.5	The board has ensured that risk assessments are performed on a continual basis	The board ensures that effective and ongoing risk assessments are performed.	Applied	The risks to which the Group is exposed are regularly identified in terms of a Group risk management process that allocates responsibility, determines the action to be taken and monitors compliance with that action. The key risks of the Group are reviewed by the board.		
			A systematic, documented, formal risk assessment is conducted at least once a year.	Applied	As mandated by its terms of reference.		
			Risks are prioritised and ranked to focus responses and interventions.	Applied	As mandated by its terms of reference.		
			A top-down approach is adopted in risk assessments without being limited to strategic and high-end risks only.	Applied	As mandated by its terms of reference.		
			The board regularly receives and reviews a register of the company's key risks.	Applied	As mandated by its terms of reference.		
			The risk assessment process involves the risks affecting the various income streams of the company, the critical dependencies of the business, the sustainability and the legitimate interests and expectations of stakeholders.	Applied	As mandated by its terms of reference.		
			The board ensures that key risks are quantified where practicable.	Applied	The risk committee provides feedback to the board.		
	Principle 4.6	The board has ensured that frameworks and methodologies are implemented to increase the probability of anticipating unpredictable risks.	The board ensures that a framework and processes are in place to (remove) anticipated unpredictable risks.	Applied	The Group's risk policy framework sets out the processes and procedures for identifying, monitoring and mitigating risks. Any new business opportunity which exposes the Group to risk, results in a risk analysis being carried out by management as a prerequisite to board consideration and approval.		

Chapter	Principle	Principle description	Practice	Applied/ Partially Applied/ Not Applied	Evidence for Applied	Explanation/ compensating practices	Not applied commentary
	Principle 4.7	The board has ensured that management has considered and has implemented appropriate risk responses	Management identifies and notes in the risk register the risk responses decided upon.	Applied	Executive management submits a risk management report to the risk committee three times a year focusing on the top Group risks, detailing the key controls and mitigating actions.		
	Principle 4.8	The board has ensured the continual risk monitoring by management	The board ensures that effective and continuous monitoring of risk management takes place.	Applied	The risk policy framework sets out the procedures and responsibilities for risk assessments. Identified risks are monitored by the executive continuously.		
	Principle 4.9	The board has received assurance regarding the effectiveness of the risk management process	Management provides assurance to the board that the risk management plan is integrated in the daily activities of the company.	Applied	The assurance model adopted by the Group aims to optimise the assurance coverage obtained from management, and internal and external assurance providers on the risks affecting the Company.		
	Principle 4.10	The board has ensured that there are processes in place which enable complete, timely, relevant, accurate and accessible risk disclosure to stakeholders	There is disclosure of any material losses and their causes that the company has suffered for the period under review, the effect that these losses have had on the company and the steps taken by the board and management to prevent a recurrence.	Applied	As and when necessary.		
			There is disclosure of any current, imminent or envisaged risk that is considered to threaten the long-term sustainability of the company.	Applied	As set out in the Integrated Annual Report.		
			The board discloses its views on the effectiveness of the company's risk management processes.	Applied	As set out in the Integrated Annual Report.		

Chapter	Principle	Principle description	Practice	Applied/ Partially Applied/ Not Applied	Evidence for Applied	Explanation/ compensating practices	Not applied commentary
Chapter 5	Principle 5.1	The board is responsible of information technology (IT) governance	The board receives independent assurance on the effectiveness of the IT internal controls.	Applied	There are IT Audits and independent assessments performed by external consultants, auditors and the IT GRC team which is not operational. Assurance is provided on the security controls, current risks and COBIT 5 control maturity as well as validating remediation of risks.		
			The IT governance framework includes relevant structures, processes and mechanisms to enable IT to deliver value to the business and mitigate IT risk.	Applied	As set out in the IT governance framework.		
			The board assumes the responsibility for the governance of IT and places it on the board agenda.	Applied	The IT governance committee is a sub-committee of the risk committee.		
			There is an IT governance framework that supports effective and efficient management of IT resources to facilitate the achievement of the company's strategic objectives.	Applied	The IT Governance Framework is a combination of King III and COBIT 5 controls.		
			The board ensures that an IT charter and policies are established and implemented.	Applied	As mandated in the risk committee's terms of reference.		
	Principle 5.2	IT has been aligned with the performance and sustainability objectives of the company	The board ensures that IT strategy is integrated with the company's strategic and business processes.	Applied	The IT strategy is based on the business strategy so that IT can support and enable the strategic objectives. The IT Strategy changes in line with the business needs so that both technological changes and business enhancements are optimal.		
			The board ensures that there is a process in place to identify and exploit opportunities to improve the performance and sustainability of the company through the use of IT.	Partially Applied		A process needs to be formally defined, adopted and embedded consistently to ensure that opportunities are identified. Currently post-implementation reviews as well as benefits realisation are undertaken.	

Chapter	Principle	Principle description	Practice	Applied/ Partially Applied/ Not Applied	Evidence for Applied	Explanation/ compensating practices	Not applied commentary
	Principle 5.3	The board has delegated to management the responsibility for the implementation of an IT governance framework	Management is responsible for the implementation of all the structures, processes and mechanisms for the IT governance framework.	Applied	All structures have been validated by management and governing bodies; policies and processes are defined and embedded with the use of best practice frameworks.		
			The individual responsible for IT is a suitably qualified and experienced person who has access and interacts regularly on IT governance matters with the board and/or appropriate board committee and executive management.	Applied	The Chief Information Officer participates on the IT governance committee and the risk committee.		
	Principle 5.4	The Board monitors and evaluates significant IT investments and expenditure	The board oversees the value delivery of IT and monitors the return on investment from significant IT projects.	Applied	Management reports to the board on significant IT projects.		
			Business strategies and objectives and the role of IT in achieving them are clear.	Applied	IT has a formal strategy and defined tasks that are refreshed every year to keep in line with the business's objectives.		
			Good governance principles apply to all parties in the supply chain or channel for the acquisition and disposal of IT goods or services.	Applied	A policy exists that governs the procurement and disposal of IT goods and services. Furthermore, a dedicated team is responsible for IT procurement/services that manages contracts and applies risk management standards.		
	Principle 5.5	IT is an integral part of the company's risk management plan	IT risks form an integral part of the company's risk management activities.	Applied	The IT governance committee reports into the risk committee.		
			Management regularly demonstrates to the board that the company has adequate business resilience arrangements in place for disaster recovery.	Applied	A comprehensive Business Continuity Management ("BCM") programme is in place that displays the recovery plans adopted for each unit which is shared quaterly at IT governance committee meetings, whereby the programme status is addressed.		
			The board ensures that the company complies with IT laws and that IT-related rules, codes and standards are considered.	Applied	An IT legal register exists which includes all the IT laws and standards that are relevant to the organisation. Furthermore an IT Risk and Compliance Team manages all the standards, laws and rules that have been adopted.		

Chapter	Principle	Principle description	Practice	Applied/ Partially Applied/ Not Applied	Evidence for Applied	Explanation/ compensating practices	Not applied commentary
	Principle 5.6	The board ensured that information assets are managed effectively.	The board ensures all personal information is treated by the company as an important business asset and is identified.	Applied	A PoPI programme is in existence which is supported by a Privacy and Data Classification Policy. Data in the organisation has been classified with security rules applied to the personally classified information.		
			The board ensures that an Information Security Management System is developed, implemented and recorded that ensures security (confidentiality, integrity and availability of information).	Applied	The ISO 27001 framework for best practice Information Security Management has been adopted. The ISO ISMS is reported on and continually matured within the organisation to ensure continuous protection of information and IT assets.		
	Principle 5.7	A risk committee and audit committee assists the board in carrying out its IT responsibilities	The risk committee assists the board in carrying out its IT governance responsibilities by ensuring that IT risks are adequately addressed through its risk management and monitoring processes.	Applied	The IT governance committee reports into the risk committee. Any significant issues are elevated to the board.		
Chapter 6	Principle 6.1	The board ensures that the company complies with applicable laws and considers adherence to non-binding rules, codes and standards	The company has a system in place to ensure compliance with all applicable laws.	Applied	The board provides a statement of compliance in the Integrated Annual Report confirming that it satisfied itself with the extent of the Company's compliance with King III and with the JSE Listings Requirements. In its statement, the board further reports that there have been no material instances of non-compliance or material fines imposed during the year under review. The risk committee receives a report on matters canvassed in terms of the Group's Legal and Compliance Policy.		
			Compliance with applicable laws is understood not only in terms of the obligations that they create, but also for the rights and protection that they afford.	Applied	The Group remains cognisant of the rights of all stakeholders.		
			The board oversees that the compliance policy and system provide for examination of the context of law, and how other applicable laws interact with it.	Applied	This is canvassed by the risk committee and any material issues are elevated to the board.		
			The board continually monitors the company's compliance with applicable laws, rules, codes and standards.	Applied	The board report contains any material areas of concern.		

Chapter	Principle	Principle description	Practice	Applied/ Partially Applied/ Not Applied	Evidence for Applied	Explanation/ compensating practices	Not applied commentary
			The extent of adherence to applicable non-binding rules, codes and standards is disclosed in the integrated report.	Applied	As set out in the Integrated Annual Report.		
			Details of how board discharged its responsibility to establish an effective compliance framework and processes are disclosed in the integrated report.	Applied	As set out in the Integrated Annual Report.		
	Principle 6.2	The board and each individual director have a working understanding of the effect of applicable laws, rules, codes and standards on the company and its business	The induction or ongoing training programmes of directors incorporate an overview of and changes to applicable laws, rules, codes and standards.	Applied	A prerequisite for appointment to the board is a knowledge and understanding of the conduct of the business and of the laws and customs that govern the activities of the Company. In addition ongoing professional development training is provided to the board for their information.		
			Directors sufficiently familiarise themselves with the general content of applicable laws, rules, codes and standards in order to be able to discharge their legal duties.	Applied	Directors keep abreast of the regulatory landscape and updates are provided in board packs.		
	Principle 6.3	Compliance risk should form an integral part of the company's risk management process	The risk of non-compliance is identified, assessed and responded to through the risk management processes.	Applied	Regular gaming compliance audits are conducted by internal audit. The risk committee reviews the legal and compliance policies and updates them bi-annually. A Group compliance manager has been appointed to oversee the Compliance Risks facing the business.		
	Principle 6.4	The board should delegate to management the implementation of an effective compliance framework and processes	Management has established the appropriate structures; educates, trains and communicates; and measures compliance.	Applied	This is the focus area of the Group's Compliance Manager and each General Manager of the relevant business areas.		
			The CEO has appointed an individual responsible for the management of compliance, e.g. a Chief Compliance Officer.	Applied	King III recommends the establishment of a separate compliance function. The Group confirms that while several business functions are responsible for compliance, including regulatory, statutory and gaming compliance, a Group compliance manager assumes oversight for all Group compliance functions.		

Chapter	Principle	Principle description	Practice	Applied/ Partially Applied/ Not Applied	Evidence for Applied	Explanation/ compensating practices	Not applied commentary
			The individual responsible for compliance is a suitably skilled and experienced person who has access to and interacts regularly on strategic compliance matters with the board and/or appropriate board committees and executive management.	Applied	The Group Compliance Manager interacts with the executive management and the Chief Executive.		
			The compliance function has adequate resources to fulfil its duties.	Applied	The compliance function is supported through decentralised functions as well.		
			The board ensures that a legal compliance policy, approved by the board, has been implemented by management.	Applied	This is continuously assessed.		
			The board receives assurance on the effectiveness of the controls around compliance with laws, rules, codes and standards.	Applied	This is reported via the risk committee.		
			Compliance with laws, rules, codes and standards is incorporated in the code of conduct of the company.	Applied	Compliance is integral to the Group's highly regulated business.		
			There is disclosure of material (or immaterial, but often repeated) regulatory penalties, sanctions or fines for contraventions or noncompliance with statutory obligations that were imposed on the company or any of its directors or officers; or a statement that no such events took place.	Applied	As set out in the Integrated Annual Report.		
Chapter 7	Principle 7.1	The board should ensure that there is an effective risk based internal audit	The company has established an internal audit function.	Applied	As set out in the Integrated Annual Report.		
			The internal audit function evaluates the company's governance processes.	Applied	Group Internal Audit evaluates reports on compliance with King III.		
			The internal audit function performs an objective assessment of the effectiveness of risk management and the internal control framework.	Applied	Group Internal Audit's report on the effectiveness on the Group's risk management is reported to the risk committee. Its review on internal controls is reported to the audit committee.		

Chapter	Principle	Principle description	Practice	Applied/ Partially Applied/ Not Applied	Evidence for Applied	Explanation/ compensating practices	Not applied commentary
			The internal audit function systematically analyses and evaluates business processes and associated controls.	Applied	As mandated by its charter.		
			The internal audit function adheres to the IIA Standards and Code of Ethics.	Applied	As mandated by its charter.		
			The internal audit function provides a source of information as appropriate, regarding instances of fraud, corruption, unethical behaviour and irregularities.	Applied	As mandated by its charter.		
			Where there is no formal internal audit function, full reasons for it are disclosed in the company's integrated report, with an explanation as to how adequate assurance of an effective governance, risk management and internal control environment have been maintained.	Not applicable	The Group has a formal Group Internal Audit function as reported on in the Integrated Annual Report.		
	Principle 7.2	Internal Audit should follow a risk-based approach to its plan	The internal audit plan and approach is informed by the strategy and risks of the company.	Applied	The Head of Group Internal Audit ensures that the audit coverage is established by using a risk-based methodology which is continuously updated. The Group's key risks are part of Group Internal Audit's considerations.		
	Principle 7.3	Internal Audit should provide a written assessment of the effectiveness of the company's system of internal controls and risk management	Internal controls are established not only over financial matters, but also operational, compliance and sustainability issues.	Applied	Group Internal Audit has established the same.		
			Internal Audit provides a written assessment of the system of internal controls and risk management to the board.	Applied	Group Internal Audit provides a written assessment of the Company's system of internal controls and risk management and has provided a positive assurance on the Group's internal financial controls.		
			Internal Audit provides a written assessment of internal financial controls to the audit committee.	Applied	Group Internal Audit provides same to the audit committee and is disclosed in the Integrated Annual Report.		

Chapter	Principle	Principle description	Practice	Applied/ Partially Applied/ Not Applied	Evidence for Applied	Explanation/ compensating practices	Not applied commentary
	Principle 7.5	Internal Audit should be strategically positioned to achieve its objectives	The internal audit function is independent and objective.	Applied	The audit committee reviews the independence and effectiveness of Group Internal Audit.		
			The internal audit function reports functionally to the audit committee.	Applied	The Head of Group Internal Audit attends all executive committee meetings and several committee meetings and reports to the Chairman of the audit committee and the Chief Executive. As the Head of Group Internal Audit reports to the audit committee, this ensures his objectiveness and independence, and the ability to preserve the aim of the audit charter by bringing a systematic and disciplined approach to improve the effectiveness of its processes.		
			The internal audit function has a standing invitation to attend executive committee meetings.	Applied	The Head of Group Internal Audit attends all executive committee meetings and several other committee meetings.		
			The internal audit function is as skilled and resourced as is appropriate for the complexity and volume of risk and assurance needs.	Applied	This is also assessed by the audit committee.		
			The internal audit function develops and maintains a quality assurance and improvement programme.	Applied	This is continuously assessed.		

Chapter	Principle	Principle description	Practice	Applied/ Partially Applied/ Not Applied	Evidence for Applied	Explanation/ compensating practices	Not applied commentary
Chapter 8	Principle 8.1	The board should appreciate that stakeholders' perceptions affect a company's reputation	The gap between stakeholder perceptions and the performance of the company is managed and measured to enhance or protect the company's reputation.	Applied	The board acknowledges that stakeholder perceptions shape corporate reputation and the Group strives to engage in constructive dialogue with its various stakeholders. The board is ultimately accountable and responsible for the key governance processes and the sustainable growth, performance and affairs of the Group, taking into account the legitimate interests and expectations of all stakeholders. The Company has a social and ethics committee, the main purpose of which is to assist the board in ensuring that the Group is, and remains, a good and responsible corporate citizen by monitoring the sustainable development of the Group. This purpose is attained by reviewing the Group's activities having regard to any relevant legislation, legal requirements and prevailing codes of best practice, in relation to matters pertaining to social and economic development, good corporate citizenship, the environment, health and public safety, consumer relationships, labour and employment matters.		
			The process for identification and taking account of the legitimate interests and expectations of stakeholders is reviewed at least once a year.	Applied	This is the subject of the an annual review by the risk committee.		
			The company's reputation and its linkage with stakeholder relationships is a regular board agenda item.	Applied	This is reported to the board via the social and ethics and risk committees'.		
			Stakeholders which could materially affect the operations of the company are identified, assessed and dealt with as part of the risk management process.	Applied	This is canvassed by the risk committee.		
	Principle 8.2	The board should delegate to management to proactively deal with stakeholder relationships	Management develops a strategy and formulates policies for the management of relationships with each stakeholder grouping.	Applied	Management has specific strategies in place to address relevant stakeholder goupings.		

Chapter	Principle	Principle description	Practice	Applied/ Partially Applied/ Not Applied	Evidence for Applied	Explanation/ compensating practices	Not applied commentary
			The board oversees the establishment of mechanisms and processes that support stakeholders in constructive engagement with the company.	Applied	The board reviews these engagements and processes annually.		
			The board encourages shareholders to attend the AGMs.	Applied	The board encourages all stakeholders to attend the annual general meeting.		
	Principle 8.3	The board should strive to achieve the appropriate balance between its various stakeholder groupings, in the best interests of the company	The board takes account of the legitimate interests and expectations of its stakeholders in its decision-making in the best interests of the company.	Applied	The board is ultimately accountable and responsible for the key governance processes and the sustainable growth, performance and affairs of the Group, taking into account the legitimate interests and expectations of all stakeholders. The Company has a social and ethics committee, the main purpose of which is to assist the board in ensuring that the Group is, and remains, a good and responsible corporate citizen by monitoring the sustainable development of the Group. This purpose is attained by reviewing the Group's activities having regard to any relevant legislation, legal requirements and prevailing codes of best practice, in relation to matters pertaining to social and economic development, good corporate citizenship, the environment, health and public safety, consumer relationships, labour and employment matters.		
	Principle 8.4	Companies should ensure the equitable treatment of shareholders	There is equitable treatment of all holders of the same class of shares issued.	Applied	There remains at this stage only one class of shares in issue.		
			The board ensures that minority shareholders are protected.	Applied	The board remains cognisant of this principle.		
	Principle 8.5	Transparent and effective communication with stakeholders is essential for building and maintaining their trust and confidence	The board has adopted communication guidelines that support a responsible communication programme.	Applied	The board continuously monitors the stakeholder communication platforms and engagements.		

Chapter	Principle	Principle description	Practice	Applied/ Partially Applied/ Not Applied	Evidence for Applied	Explanation/ compensating practices	Not applied commentary
			Complete, timely, relevant, accurate, honest and accessible information is provided by the company to its stakeholders whilst having regard to legal and strategic considerations.	Applied	The Company prepares an Integrated Annual Report providing appropriately balanced business and sustainability reporting in line with the principles of King III, while meeting the information needs of its diverse stakeholders. The Company's intention going forward is to simplify the reports to make them more accessible, engaging and readable to a wider base of stakeholders. The board, assisted by the audit committee assumes responsibility for the Integrated Annual Report and ensures that the report fairly represents the performance of the Group. Sustainability reporting is further assured by an independent external assurance provider to ensure that sustainability information is reliable and consistent with the information contained in the annual financial statements. As a testament to the Company providing transparent and effective communication to its stakeholders, the investor relations website is continuously updated to provide an interface between the Company and its stakeholders.		
			Reasons for refusals of requests for information that were lodged with the company in terms of the Promotion of Access to Information Act, 2000 are included in the integrated report.	Applied	There were no refusals of requests.		
	Principle 8.6	The board should ensure that disputes are resolved effectively and as expeditiously as possible	The board has adopted formal dispute resolution processes for internal and external disputes.	Applied	The board has tasked management to ensure that external disputes are resolved as effectively, efficiently and expeditiously as possible through the incorporation of alternative dispute resolution clauses into the contracts that are concluded between the Group companies and third parties. With regard to internal disputes, the Company has established internal dispute resolution processes to deal with grievances and internal matters that are reported via the Group's ethics hotline which is managed by KPMG.		
Chapter 9	Principle 9.1	The board should ensure the integrity of the company's integrated report	The company has controls to enable it to verify and safeguard the integrity of its integrated report.	Applied	The board, assisted by the audit committee, reviews the integrity of the Integrated Annual Report and ensures that the report fairly represents the performance of the Group. In this regard the audit committee, having fulfilled the oversight responsibility regarding the reporting process, and having regard to material factors that may impact on the integrity of the information, has recommended the Integrated Annual Report and the consolidated annual financial statements for the approval of the board.		

Chapter	Principle	Principle description	Practice	Applied/ Partially Applied/ Not Applied	Evidence for Applied	Explanation/ compensating practices	Not applied commentary
	Principle 9.2	Sustainability reporting and disclosure should be integrated with the company's financial reporting	The board includes commentary on the company's financial results in the integrated report.	Applied	The Integrated Annual Report provides appropriately balanced business and sustainability reporting in line with the principles of King III, while meeting the information needs of the Company's diverse stakeholders.		
			The board discloses if the company is a going concern.	Applied	As set out in the Integrated Annual Report.		
			The board ensures that the positive and negative impacts of the company's operations and the plans to improve the positives and eradicate or ameliorate the negatives in the financial year ahead are conveyed in the integrated report.	Applied	As set out in the Integrated Annual Report.		
			The integrated report discloses the nature of the company's dealings with stakeholders and the outcomes of these dealings.	Applied	As set out in the Integrated Annual Report.		
	Principle 9.3	Sustainability reporting and disclosure should be independently assured	Sustainability reporting is independently assured.	Applied	The board obtains an independent assurance on the Group's sustainability information, which includes environmental, social and safety considerations contained within the Integrated Annual Report. In turn, the board, through the audit committee has reviewed the findings of the external assurance provider and is satisfied with the findings.		
			The scope of independent assurance over sustainability report is disclosed in the integrated report.	Applied	As set out in the Integrated Annual Report.		

Independent Assurance Statement

To the board and stakeholders of Sun International

Integrated Reporting & Assurance Services (IRAS) was commissioned to provide independent third party assurance (ITPA) over the sustainability information within Sun International's 2014 Integrated Annual Report (hereafter, "the Report"), covering the period 1 July 2013 to 30 June 2014. The Report consists of not only the printed document, but also the online supplemental information referenced within the printed document. The assurance team comprised primarily of Michael H Rea, our Lead Certified Sustainability Assurance Practitioner, with 15 years' experience in environmental and social performance measurement.

ACCOUNTABILITY AA1000S (REVISED, 2008)

To the best of our ability, this assurance engagement has been managed in accordance with AccountAbility's AA1000AS (2008) assurance standard, where the format of the engagement was structured to meet the AA1000AS Type II (Moderate) requirements.

INDEPENDENCE

IRAS was not responsible for the preparation of any part of the Report and has not undertaken any commissions for Sun International in the reporting period. IRAS has, however, conducted assurance engagements for Sun International's 2010 through 2013 Reports, including the identification of reporting gaps that ultimately have been incorporated into their reporting processes. However, this work has not compromised our ability to afford ITPA over this year's Report. IRAS's responsibility in performing its assurance activities is to the management of Sun International alone and in accordance with the terms of reference agreed with them.

ASSURANCE OBJECTIVES

The objectives of the assurance process were to provide Sun International's stakeholders with an independent "moderate level assurance" opinion on whether the report meets the AA1000AS (2008) principles of **Inclusivity**, **Materiality** and **Responsiveness**, as well as to assess the degree to which the Report is consistent with the Global Reporting Initiative (GRI) G3 guidelines, with the objective of establishing whether or not the Report has met the B+ level of reporting requirements. In meeting the Type II assurance objectives, IRAS undertook a review of selected sustainability performance indicators at the following Sun International operational sites: Sibaya, Boardwalk and Carousel.

These site visits were supported by prior learning from prior year visits to:

2013 GrandWest Casino and the Royal Livingstone/Zambezi Sun complex (Zambia)
2012 Meropa, Carnival City and Sun City
2011 Wild Coast Sun

SCOPE OF WORK PERFORMED

AA1000AS (2008) COMPLIANCE

The process used in arriving at this assurance statement is based on AccountAbility's AA1000AS (2008) guidance, as well as other best practices in assurance. Our approach to assurance included the following:

- A review of sustainability measurement and reporting procedures at Sun International's head offices, via management interviews with the reporting team, as well as through desktop research;
- A review of data collection, collation and reporting procedures at the selected operational sites, with specific reference to the following selected sustainability performance indicators:
  1. Presence and application of **Responsible Gaming** policies and procedures
  2. Quality of systems to report Human Resource data relative to **Employment Equity** targets
  3. Quality of systems to report Human Resource data relative to **Local Employment** targets
  4. **Employee turnover** as a percentage of total workforce, by all causes (i.e. retrenchment, retirement, dismissal, abscondment, medical boarding, resignation, etc.)
  5. **Lost Time Injury Frequency Rate** ((LTIFR) – LTIs and Hours Worked
  6. **Total Recordable Injury Frequency Rate** (TRIFR), including medical treatment cases and first aid cases
  7. Total number of **Guest Injuries** recorded
  8. **Electricity** consumption
  9. **Diesel** and **petrol** consumption
  10. Total volume of **water** consumed
  11. Total volume of **waste** generated and sent to **landfill**
  12. Total volume of **waste** generated and sent for **recycling**
  13. Presence and application of **human rights** training programmes for employees and all key contractors (e.g. security personnel), including a review of all procedures to monitor compliance
  14. Total number of incidents of **human rights infringements** (e.g. excessive use of force by security personnel, limits to rights to freedom of association, etc.);
- Reviews of drafts of the Report for any significant errors and/or anomalies; and
- A series of interviews with the individual responsible for collating and writing various parts of the Report in order to ensure selected claims were reported and substantiated.

It should be noted that due to the scope and nature of this AA1000AS (Type II, Moderate) assurance engagement, the site visits were designed to test the authenticity of data at the primary source of collection and collation, and this Report has been assessed at the point of data aggregation for accuracy of reporting.

GRI COMPLIANCE

In determining the GRI G3 "Application Level" of the Report, we performed the following exercises:

- A review of the process used to define the content of the Report by looking at materiality of issues included in the Report, stakeholder engagement response to stakeholder issues identified, determination of sustainability context and coverage of material issues;

- A review of the approach of management to addressing topics discussed in the Report; and
- A confirmation that the requisite number of performance indicators had been covered in the Report.

FINDINGS

In general, Sun International's sustainability reporting processes are adequate, and it was noted that:

AA1000AS (TYPE II)

- The content of the Report does not differ, in any significant way, from an analysis of the material issues discussed within Sun International, or within its sphere of influence, as per our internal and external materiality scans.
- Sun International has developed systems for data collection, collation and reporting, at both the operation and group level, and appear to be in a constant state of continuous improvement through the development and implementation of enhanced sustainability data policies, procedures, systems and controls. While the ongoing reliance on multiple Excel spreadsheets to collect, collate and report data continues to create opportunities for simple data transcription errors – affecting the accuracy and/or reliability of some data at some collection points at the sites – procedures appear to be improving to address these potential problems. Data challenge improvements are already in the process of being addressed through the Group-wide ERP implementation, which includes Health, Safety & Environmental data.
- Aside from the following exceptions, the tested site-specific data was found to be reasonably accurate and/or reliable, although process improvements at some sites may still be required with respect to the implementation of internal control procedures for data accuracy and reliability. Exceptions:
  - Systems to collect and collate Contractor Hours Worked were inadequate to provide 'actual data', leading to the potential for over-reporting injury frequency rates, and thus decreasing the comparability of this data within Sun International and against other companies.
  - A lack of consistent application of group-wide occupational health & safety definitions, particularly at Boardwalk, has led to the incomplete reporting of work-related injuries among contractors.
  - Waste management systems and controls (waste separation and recycling) are in place at all operations, but some – particularly Carousel – could stand to observe the excellent processes employed at Sibaya, where waste management was deemed 'excellent'.
- As per management assertions, Sun International engages key stakeholders, as defined within this Report, based on the evidence reviewed.
- Within the parameters of a 'Moderate Level Type II assurance assessment', the Report reasonably reflects an accurate accounting of Sun International's performance, including the review of data supplied by the team (excluding those indicators mentioned above) at the selected sites.

GRI G3

- Based on our review of the Report, as well as the processes employed to collect and collate information reported herein, it is our assertion that this Report meets the GRI G3's requirements for Application Level B (responses to all required indicators, as well as no fewer than 20 core indicators, with at least one from each of economic, environment, human rights, labour, society and product responsibility). However, the reporting of performance against some GRI G3 indicators continues to require either data quality improvements, or further detail in disclosure.

RECOMMENDATIONS

AA1000AS (TYPE II)

- Sun International should continue to improve its reporting according to the principles of **Inclusivity**, **Materiality** and **Responsiveness**, as guided by AA 1000AS (2008).
- Sun International should continue to improve its sustainability policies, procedures, systems and controls – particularly with respect to the enhancement of Group definitions and reporting guidance, for health and safety and waste management, inclusive of target setting – to ensure that best practices within the Group can be shared between operations for overall group-level improvement.
- Sun International should ensure that improvement continues to occur with respect to stakeholder engagement procedures, including an independent assessment of whether or not this Report, and all future reports, adequately reflects the reporting requirements of key stakeholders.
- Sun International should employ a sustainability reporting cycle that accommodates AA1000AS (Type II) assurance over key sustainability performance data at selected sites (three per annum). At bare minimum, this should include an overhaul of guidance around reporting definitions to ensure that data submitted by all sites is both consistent and comparable.

GRI G3

- Having addressed the requirements of GRI G3 Application Level B (B+ with this assurance statement), it is our recommendation that Sun International continues to make further improvements on the quality of data included in future reports, with due consideration to be given towards applying the GRI's G4 Guidelines in 2015.

CONCLUSIONS

Based on the information reviewed, IRAS is confident that this Report provides a comprehensive and balanced account of the environmental, safety and social performance of Sun International during the period under review. The data presented is based on a systematic process and we are satisfied that, aside from the exceptions stated above, the reported performance data accurately represents the current environmental, safety and social performance of Sun International, while meeting the AA1000AS (2008) principles of **Inclusivity**, **Materiality** and **Responsiveness**. Moreover, and although the quality or quantity of data of some GRI G3 indicators can be improved, this Report – inclusive of the supplemental GRI Content Index (available via Sun International's website) – appears to meet the GRI G3's requirements for Application Level B (B+ with this assurance engagement).

Integrated Reporting & Assurance Services (IRAS)

Johannesburg

16 October 2014

IRAS
integrated reporting
& assurance services

annual financial
STATEMENTS

CONTENTS

Statement of responsibility by the board of directors
for the year ended 30 June 2014

The directors are responsible for the preparation and integrity of the annual financial statements and related financial information that fairly present the state of affairs and the results of Sun International Limited and that of the Group. The directors also have oversight for the information included in this Integrated Annual Report and are responsible for both its accuracy and its consistency with the annual financial statements.

The annual financial statements as these appear on the Company's website have been prepared in accordance with the International Financial Reporting Standards (IFRS) and in the manner required by the Companies Act No 71 of 2008 together with the JSE Listings Requirements. These are based on appropriate accounting policies, which have been consistently applied and which are supported by reasonable and prudent judgements and estimates and fairly present the state of affairs of the Group as at 30 June 2014.

The directors acknowledge that they are ultimately responsible for the process of risk management and the system of internal financial controls established by the Group and accordingly place considerable importance on maintaining a strong control environment.

The directors are of the opinion, based on the information and explanations given by management, the internal auditors, external auditors and the Group's various risk, governance, compliance and other reporting processes, that the risk management processes and the system of internal controls provide reasonable assurance in all key material aspects that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial controls can provide only reasonable and not absolute assurance against material misstatement or loss.

Following due consideration of the operating budgets, an assessment of the Group's debt covenants and funding requirements, solvency and liquidity assessments, the major risks, outstanding legal, insurance and taxation issues, and other pertinent matters presented by management, the directors are of the view that the Company and the Group have adequate resources and the ability to continue operations for the foreseeable future. For these reasons, the financial statements have been prepared on a going concern basis.

The financial statements have been audited by the Group's independent external auditors, PricewaterhouseCoopers Inc., who have been given unrestricted access to all financial records and related information including the minutes of shareholder, board and board committee meetings. PricewaterhouseCoopers Inc.'s unmodified audit report can be accessed online.

DIRECTORS' APPROVAL

The annual financial statements which were prepared under the supervision of the chief financial officer, Mr AM Leeming, and which appears online were approved by the board of directors on 16 October 2014 and signed on its behalf by:

MV Moosa
Chairman

GE Stephens
Chief Executive

AM Leeming
Chief Financial Officer

16 October 2014

Company Secretary's certificate

TO THE MEMBERS OF SUN INTERNATIONAL LIMITED

I certify that, to the best of my knowledge and belief, the Company has lodged with the Companies and Intellectual Property Commission, all such returns required of a public company in terms of the Companies Act, No. 71 of 2008, as amended, in respect of the financial year ended 30 June 2014 and that all such returns are true, correct and up to date.

CA Reddiar
Company Secretary

16 October 2014

Report of the directors

TO THE SHAREHOLDERS OF SUN INTERNATIONAL LIMITED

The directors have pleasure in submitting the annual financial statements of the Sun International Group for the year ended 30 June 2014.

NATURE OF BUSINESS

The Sun International Group has interests in, and provides management services to businesses in the hotel, resort and casino industry. There has not been any material changes in the nature of the Group's business from the prior year.

EARNINGS

The results of the Company and the Group as contained in the *statements of comprehensive income* and *segmental information* have been provided for review in the accompanying statements.

DIVIDENDS

Dividends totalling 245 cents (gross) per share (2013: 265 cents gross) have been declared by the directors in respect of the year under review as follows:

Interim: declared, 24 February 2014: 90 cents (76.50 cents after dividends tax)

Final: declared, 25 August 2014: 155 cents (131.75 cents after dividends tax)

The final dividend referred to above will be accounted for in the 2015 annual financial statements as it was declared subsequent to the year end.

REVIEW OF OPERATIONS AND FUTURE DEVELOPMENTS

Detailed commentary on the nature of business of the Company and its subsidiaries, acquisitions, future developments and prospects of the Group are addressed within the integrated annual report.

SHARE CAPITAL

The total issued share capital of the Company constitutes 114 129 455 ordinary shares and an authorised share capital of 150 000 000 ordinary shares. The company holds 10 149 477 treasury shares in a wholly owned subsidiary.

The following ordinary shares in the unissued share capital of the Company remain under the control of the directors as a specific authority to allot and issue as follows:

- 1 875 517 ordinary shares for purposes of the share option scheme;
- 10 780 000 ordinary shares for purposes of the share plans;
- all ordinary authorised but unissued shares, pursuant to the transaction as approved by shareholders in 2014 and which entails a 14.9% disposal in SunWest International (Pty) Ltd and Worcester Casino (Pty) Ltd. In terms of this transaction, a change of control is triggered when either an offeror acquiring all or the greater part of the assets or undertaking of the Company, or the acquisition of 35% or more of the issued ordinary shares of the Company, excluding treasury shares, or an offer or a scheme of arrangement or any other transaction or arrangement to be proposed, which will then result in all of the ordinary authorised but unissued shares, being placed under the control of directors.

Details of the authorised and issued share capital appear as a *note* to the Group's financial statements. The details of the *Company's public and non-public shareholders* have been made available for perusal.

SHARE OPTIONS AND SHARE PLANS

Particulars relating to options under the share option scheme **(discontinued in 2006)** and awards under the share plans are provided as a *note* to the Group financial statements.

SUBSIDIARIES

Particulars relating to *interests in principal subsidiaries* are set out in detail for review.

BORROWING CAPACITY

The Company's borrowings are not restricted in terms of its Memorandum of Incorporation. The *Group's debt covenants and debt capacity* are available for review.

DIRECTORS AND COMPANY SECRETARY

The *names of the directors and company secretary in office* at the date of this report are available for review together with the *company secretary's business and postal address*. During the year under the review, the following movement in directorate was noted.

Name of Director	Nature of change	Date of change
Mr E Cibie	Appointed	22 August 2014

In terms of the Company's Memorandum of Incorporation, Ms B Modise, Messrs MV Moosa and GR Rosenthal are required to retire from office at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

Mr E Cibie, who was appointed to the board subsequent to the last annual general meeting, is required in terms of the Company's Memorandum of Incorporation, to retire from office at the forthcoming annual general meeting and being eligible is available for election to the board.

As at 30 June 2014, the directors of the Company beneficially held, directly or indirectly, 1 264 668 ordinary shares in the issued capital of the Company, as follows:

	Direct	Indirect	**2014**	2013
NN Gwagwa*	–	266 102	**266 102**	266 102
AM Leeming	103 982	–	**103 982**	89 360
IN Matthews	2 723	–	**2 723**	2 723
KH Mazwai	91 398	–	**91 398**	87 824
MV Moosa*	–	598 731	**598 731**	598 731
GE Stephens	201 732	–	**201 732**	173 374
	399 835	864 833	**1 264 668**	1 218 114

* *Held indirectly through Lereko Investments (Pty) Ltd and Dinokana (Pty) Ltd*

The following changes in directors' beneficial shareholdings have taken place subsequent to the financial year end and as at date of this report:

ORDINARY SHARES ACQUIRED

GE Stephens	68 719
AM Leeming	22 562
KH Mazwai	14 722
Total	106 003

HOLDING COMPANY

The Company has no holding or ultimate holding company.

SPECIAL RESOLUTIONS PASSED BY THE COMPANY

The Company passed three special resolutions at its annual general meeting held on 22 November 2013 relating to:

- the approval of financial assistance in terms of Section 44 of the Companies Act No. 71 of 2008
- the approval of financial assistance in terms of S45 of the Companies Act No. 71 of 2008
- a general authority to repurchase shares

SUBSEQUENT EVENTS

The material events that have occurred between 30 June 2014 and to the date of this report have been provided as a note to the Group's financial statements.

Report of the audit committee

The audit committee is pleased to present this report to shareholders as required by the Companies Act no. 71 of 2008 ("the Companies Act") and as recommended by King III.

Mr GR Rosenthal
(Committee Chairman)

Independent non-executive director

Meeting attendance: 5/5

Ms ZBM Bassa

Independent non-executive director

Meeting attendance: 5/5

Mr PL Campher

Independent non-executive director

Meeting attendance: 5/5

Ms B Modise

Independent non-executive director

Meeting attendance: 4/5

INTRODUCTION

The audit committee ("the committee") members as nominated by the board and appointed by shareholders in respect of the financial year ended 30 June 2014, each have the requisite financial skills and experience to contribute to the committee's deliberations.

During the period under review and following the assessment of the effectiveness of the committee as conducted by the nomination committee, the members of the committee were nominated by the board for re-election to the committee in the forthcoming financial year. The members have availed themselves for re-election by shareholders at the 2014 annual general meeting.

The committee meetings are also attended by the Chief Executive, Chief Financial Officer, Director: Group Internal Audit, the Group's financial manager, Group's tax manager and external auditors, who attend the committee meetings by invitation. Additional members of management are required to be present at such meetings at the instance of the committee. The committee Chairman is also a member of the risk and social and ethics committees, and attends these meetings to ensure that the committee is kept apprised of matters canvassed given the overlap of matters. The committee chairman then provides feedback to the committee on the relevant matters.

MANDATE

The committee's board approved *mandate and terms of reference* include its statutory duties as detailed in the Companies Act, and is supplemented with the duties assigned to the committee by the board.

The committee is satisfied that it has considered and discharged its responsibilities in accordance with its mandate and terms of reference during the year under review as set out in this report. This was further supported by the committee's most recent evaluation conducted in 2014 and the board's assessment of the committee's effectiveness in fulfilling its mandate.

The committee is assisted in its functions through the Group's Internal Audit as well as the external auditors as set out below.

GROUP INTERNAL AUDIT

Group Internal Audit ("GIA") provides management and the committee with independent evaluations and examinations of the Group's activities and resultant business risks. The head of GIA has unfettered access to the committee Chairman and meets with the Chairman independently of management several times during the year.

GIA provides the committee with assurances relating to the effectiveness of risk management across the Group and on the Group's internal financial controls.

The purpose, authority and responsibilities of GIA are formally defined in an *internal audit charter* which is reviewed by the committee and approved by the board. This review takes place annually, with the charter revised as necessary.

GIA is designed to maintain an appropriate degree of independence from management to render impartial and unbiased judgements in performing its services. The scope of GIA's functions include:

- Performing independent evaluations of the adequacy and effectiveness of Group companies' controls, financial reporting mechanisms and records, information systems and operations
- Reporting on the adequacy of these controls
- Providing additional assurance regarding the safeguarding of assets and financial information.

GIA is also responsible for monitoring and evaluating operating procedures and processes through, inter alia, gaming compliance, the Responsible Gambling Programme compliance, operational health and safety, and environmental audits. Risk assessment is coordinated with the board's assessment of risk through interaction between GIA and the audit and risk committees so as to minimise duplication of effort. The director of GIA reports at all audit and risk committee meetings and has unrestricted access to the chairmen of these committees. The appointment or dismissal of the GIA director is done with agreement of the committee.

The committee further assesses the effectiveness and competency of the GIA director. In the year under review, the committee has considered and satisfied itself on the appropriateness of the expertise of Mr CS Benjamin as the head of GIA and confirmed that he has executed his duties competently with the relevant skill and expertise.

The committee approved GIA's annual audit plan for the 2014/2015 financial year which sets out the number and nature of internal audits planned for the year. GIA provides services across all Group operations and conducts a myriad of internal audits during the year. Any weaknesses that are identified are brought to the attention of the committee, with GIA providing executive management's comments and remedial actions implemented if so required.

In accordance with the requirements of the Institute of Internal Auditors, GIA has undergone an independent quality assurance review on its effectiveness this year, with the last completed independent review having being conducted during 2011. The results of the review indicated that GIA "generally conforms" to the International Standards for the Professional Practice of Internal Auditing.

EXTERNAL AUDIT

The external auditors provide the committee with their independent observations and findings on the Group's internal controls, and make recommendations on improving financial reporting. The Group's external auditors are PricewaterhouseCoopers Inc.

The external auditors' audit approach is risk-based, requiring them to continually identify and assess risks throughout the audit process. The external auditors are directed by operating procedures and place emphasis on understanding how management obtains the assurance that the business is generating reliable information, and then evaluate and validate the basis of this assurance. This approach aligns the methodology closely with the organisational structures and risk management processes.

There is close cooperation between internal and external audit and reliance is placed, where possible, on the work of GIA, therefore minimising duplication of effort. The annual external audit plan, together with the associated audit fee, are reviewed and approved by the committee. The external auditors attend all shareholder meetings of the Company and are re-elected by shareholders annually at the AGM.

EXPERTISE AND EXPERIENCE OF THE CHIEF FINANCIAL OFFICER AND THE FINANCE FUNCTION

The committee considered and satisfied itself on the appropriateness of the expertise and experience of the Chief Financial Officer, Mr AM Leeming, and his abridged résumé details his experience.

Having conducted a review of the appropriateness, skills and adequacy of resourcing of the Group's finance function, the committee has satisfied itself on the overall adequacy, resourcing and appropriateness of the finance function.

INTERNAL FINANCIAL CONTROLS

The board of directors is responsible for the Group's systems of internal financial controls. These systems are designed to provide reasonable but not absolute assurance as to the integrity and reliability of the financial statements. The systems also safeguard, verify and maintain accountability of Group assets, as well as to detect and minimise significant fraud, potential liability, loss and material misstatement while complying with applicable laws and regulations. The board has tasked the committee to oversee the testing of the Group's internal financial controls.

The committee confirms that GIA has adequately tested the Group's internal financial controls to provide the board with positive assurance on the key areas of the Group's internal financial controls.

The committee is of the opinion having received the written assurance provided by GIA that the Group's systems of internal financial controls in all key material aspects is effective and provides reasonable assurance that the financial records may be relied upon for the preparation of the annual financial statements.

INTERNAL CONTROLS

The controls throughout the Group concentrate on all risk areas with an emphasis on critical risk areas in the casino and hotel control environments. These risk areas are closely monitored and subjected to GIA reviews. Furthermore, assessments of the information technology environments are also performed. Continual review and reporting structures enhance the control environments.

GIA is of the opinion that the control environment of the Group is adequate and effective in meeting the risks to which the Group is exposed.

STATUTORY DUTIES

The committee is satisfied that in respect of the 2014 financial year it has performed all the functions required by law to be performed by the committee, including those requirements as set out in section 94(7) of the Companies Act and the JSE Listings Requirements. In this regard the committee has:

- Evaluated the independence and effectiveness of the external auditors, PricewaterhouseCoopers Inc., and is satisfied that the external auditors are effective and remain independent of the Group, having given due consideration to the parameters enumerated under section 94(8) of the Companies Act. The committee, having conducted the relevant assessments, accordingly nominates PricewaterhouseCoopers Inc. as independent auditors to continue in office until the conclusion of the 2015 annual general meeting. Mr ER MacKeown is appointed as the individual registered auditor and member of the aforementioned firm who will undertake the audit
- Considered and approved the budgeted and actual audit fees payable to the external auditors in respect of the audit for the year ended 30 June 2014 together with their terms of engagement, taking into consideration factors such as the timing of the audit, the extent of work required and the scope of the audit
- Ensured and satisfied itself that the appointment of the external auditors, the designated auditor and IFRS advisor (PricewaterhouseCoopers Inc.) are in compliance with the Companies Act, the Auditing Profession Act 2005, and the JSE Listings Requirements
- Considered and pre-approved non-audit services provided by the external auditors and fees relative thereto in terms of its existing policy. This policy provides that the nature and extent of all non-audit services provided by the external auditors are reviewed and approved in advance, ensuring that the independence of the external auditors is not compromised. The non-audit services policy and pre-approval authorisation process was reviewed during the year and the committee concluded that the processes outlined in the policy remains current and relevant
- Confirmed that no reportable irregularities were identified and reported by the external auditors in terms of the Auditing Profession Act 26 of 2005
- Performed the committee's functions for identified subsidiaries within the Group as contemplated by section 94(7) of the Companies Act

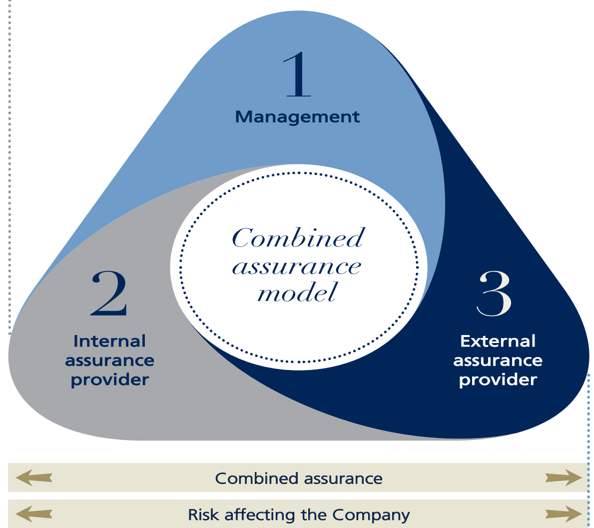
To ensure that all relevant matters are thoroughly and frankly canvassed, the committee meets independently with management, GIA and the external auditors. The committee satisfies itself of the cooperation between the internal and external auditors and serves as a link between the board of directors and the internal and external audit functions.

The committee did not receive any complaints relating to the accounting practices; internal audit; the content or auditing of the Group's financial statements; the internal financial controls of the Group; or any related matters.

COMBINED ASSURANCE

The committee has reviewed the Group's combined assurance model, which provides an additional mechanism that assists the Group in understanding and demonstrating its combined lines of defence in mitigating against areas of risk. The combined assurance model, as depicted below, is structured around the top 20 key risks relevant to the Group. It has been robustly evaluated by management, the risk committee and the committee during the year, thereby providing the committee with the relevant assurance in this regard.

Internal assurance is provided by our internal audit department.



Our external assurance providers include PricewaterhouseCoopers Inc. (PwC), Integrated Reporting and Assurance Services (IRAS) and Marsh, amongst others.

SUSTAINABILITY REPORTING

The committee fulfils an oversight role regarding the Group's Integrated Annual Report and its reporting processes.

The committee has reviewed the findings of the external assurance provider, IRAS, emanating from the performance of an independent assurance exercise on the sustainability content of this Integrated Annual Report. IRAS undertakes its review in part by visiting the Group's different properties and testing the reported information against the actual operations.

The committee is satisfied with the findings of the independent assurance exercise. In addition, it has reviewed the sustainability information set out in the Integrated Annual Report and is satisfied that the sustainability information is reliable and consistent with the information contained in the annual financial statements.

RECOMMENDATION OF THE INTEGRATED ANNUAL REPORT

The committee having fulfilled the oversight responsibility regarding the reporting process and having regard to material factors that may impact on the integrity of the information, has recommended the Integrated Annual Report and the consolidated annual financial statements for approval by the board of directors.

GR Rosenthal
Chairman
Sun International Limited audit committee

16 October 2014

Independent auditor's report to the shareholders of Sun International Limited and its subsidiaries

We have audited the consolidated and separate financial statements of Sun International Limited and its subsidiaries set out on pages 9 to 80, which comprise the statements of financial position as at 30 June 2014, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

The Company's directors are responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated and separate financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Sun International Limited and its subsidiaries as at 30 June 2014, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Other reports required by the Companies Act

As part of our audit of the consolidated and separate financial statements for the year ended 30 June 2014, we have read the Directors' Report, Audit Committee's Report and the Company Secretary's Certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated and separate financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited consolidated and separate financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

PricewaterhouseCoopers Inc

PricewaterhouseCoopers Inc.
Director: ER Mackeown
Registered Auditor

Sunninghill
16 October 2014

PricewaterhouseCoopers Inc., 2 Eglin Road, Sunninghill 2157, Private Bag X36, Sunninghill 2157, South Africa
T: +27 (11) 797 4000, F: +27 (11) 797 5800, www.pwc.co.za

Value added statement

R million	2014	2013	% change
	GROUP		
CASH GENERATED			
Cash derived from revenue	**10 811**	10 223	
Income from investments	**25**	31	
Cash value generated	**10 836**	10 254	6
Paid to suppliers for materials and services	**(3 228)**	(3 016)	
Total cash value added	**7 608**	7 238	5
CASH DISTRIBUTED TO STAKEHOLDERS			
Employees	**(2 159)**	(1 918)	(13)
Government taxes	**(2 838)**	(2 722)	(4)
Shareholders	**(525)**	(534)	2
Lenders	**(532)**	(459)	(16)
	(6 054)	(5 633)	(7)
Cash retained in the business to fund replacement of assets, facilitate future growth and repay borrowings	**1 554**	1 605	(3)
RECONCILIATION WITH CASH GENERATION			
Total cash value added (above)	**7 608**	7 238	
Employee remuneration	**(2 159)**	(1 902)	
Employee tax	**(332)**	(308)	
Income from investments	**(25)**	(31)	
Levies and VAT on casino revenue	**(2 003)**	(1 917)	
Cash generated by operations (per Group cash flow statements)	**3 089**	3 080	–
GOVERNMENT TAXES SUMMARY			
Income tax	**(481)**	(471)	
PAYE	**(332)**	(308)	
Levies and VAT on casino revenue	**(2 003)**	(1 917)	
Other taxes	**(22)**	(26)	
	(2 838)	(2 722)	(4)

Group statements of comprehensive income
for the year ended 30 June

R million	Notes	2014	2013 Restated
Revenue		**10 825**	10 267
Casino		**8 469**	8 195
Rooms		**1 114**	957
Food, beverage and other revenue		**1 242**	1 115
Consumables and services		**(1 205)**	(1 130)
Depreciation and amortisation	2	**(958)**	(851)
Employee costs	3	**(2 544)**	(2 272)
Levies and VAT on casino revenue		**(2 003)**	(1 917)
Promotional and marketing costs		**(718)**	(717)
Property and equipment rentals		**(148)**	(128)
Property costs		**(580)**	(541)
Other operational costs		**(990)**	(831)
Operating profit	4	**1 679**	1 880
Foreign exchange profits		**12**	57
Interest income	5	**25**	31
Interest expense	6	**(550)**	(505)
Profit before tax		**1 166**	1 463
Tax	7	**(417)**	(473)
Profit for the year		**749**	990
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Remeasurements of post employment benefit obligations	15, 22	**17**	16
Tax on remeasurements of post employment benefit obligations		**(5)**	(4)
Items that may be reclassified to profit or loss			
Net profit on cash flow hedges		**1**	3
Tax on net profit on cash flow hedges		**–**	(1)
Transfer of hedging reserve to statements of comprehensive income		**4**	2
Tax on transfer of hedging reserve to statements of comprehensive income		**(1)**	–
Currency translation reserve		**(45)**	550
Total comprehensive income for the year		**720**	1 556
Profit for the year attributable to:			
Minorities		**231**	293
Ordinary shareholders		**518**	697
		749	990
Total comprehensive income for the year attributable to:			
Minorities		**221**	592
Ordinary shareholders		**499**	964
		720	1 556
Earnings per share			
Basic (cents per share)	9	**555**	753
Basic diluted (cents per share)	9	**553**	749

Group statements of financial position
as at 30 June

R million	Notes	2014	2013 Restated	2012 Restated
ASSETS				
Non current assets				
Property, plant and equipment	11	**11 380**	10 594	9 595
Intangible assets	12	**721**	494	479
Available-for-sale investment	13	**48**	48	48
Loans and receivables	14	**10**	13	23
Pension fund asset	15	**45**	29	38
Deferred tax	20	**249**	214	148
		12 453	11 392	10 331
Current assets				
Loans and receivables	14	**4**	52	38
Inventory	16	**97**	81	70
Accounts receivable	17	**517**	476	473
Tax		**42**	41	57
Cash and cash equivalents	25.9	**958**	1 024	753
		1 618	1 674	1 391
Total assets		**14 071**	13 066	11 722
EQUITY AND LIABILITIES				
Capital and reserves				
Ordinary shareholders' equity		**1 497**	2 033	1 309
Minorities' interests		**491**	1 632	1 176
		1 988	3 665	2 485
Non current liabilities				
Deferred tax	20	**460**	501	423
Borrowings	21	**3 772**	3 753	4 496
Other non current liabilities	22	**2 316**	440	506
		6 548	4 694	5 425
Current liabilities				
Accounts payable and accruals	23	**1 516**	1 424	1 246
Provisions	24	**130**	48	43
Borrowings	21	**3 810**	3 166	2 422
Tax		**79**	69	101
		5 535	4 707	3 812
Total liabilities		**12 083**	9 401	9 237
Total equity and liabilities		**14 071**	13 066	11 722

Group statements of cash flows
for the year ended 30 June

R million	Notes	2014	2013 Restated	2012 Restated
Cash flows from operating activities				
Cash receipts from customers		**10 811**	10 223	9 742
Cash paid to suppliers, government and employees		**(7 722)**	(7 143)	(7 008)
Cash generated by operations	25.1	**3 089**	3 080	2 734
Tax paid	25.2	**(494)**	(498)	(531)
Cash generated by operating activities		**2 595**	2 582	2 203
Settlement of long service award obligation		**(40)**	(120)	–
Net cash inflow from operating activities		**2 555**	2 462	2 203
Cash flows from investing activities				
Purchase of property, plant and equipment				
Expansion		**(672)**	(557)	(586)
Replacement		**(1 212)**	(711)	(514)
Purchase of intangible assets		**(210)**	(32)	(60)
Proceeds on disposal of property, plant and equipment		**61**	13	4
Acquisition of subsidiary	25.3	**(27)**	–	–
Disposal of shares in subsidiaries		**4**	–	–
Disposal of subsidiary	25.4	**(10)**	–	–
Investment income		**25**	31	37
Other non current loans repaid/(raised)		**22**	31	(1)
Net cash outflow from investing activities		**(2 019)**	(1 225)	(1 120)
Cash flows from financing activities				
Minority share capital reduction		**(84)**	–	–
Purchase of shares in subsidiaries	25.5	**(126)**	(73)	(817)
Net increase/(decrease) in borrowings	25.6	**633**	(59)	589
Interest paid	25.7	**(532)**	(478)	(495)
Dividends paid	25.8	**(489)**	(525)	(506)
Deferred payment		**48**	–	–
Increase in minority funding		**–**	80	–
Increase in share capital		**–**	32	131
Purchase of treasury shares and share options		**(60)**	(8)	(32)
Net cash outflow from financing activities		**(610)**	(1 031)	(1 130)
Effects of exchange rate changes on cash and cash equivalents		**8**	65	57
Net (decrease)/increase in cash and cash equivalents		**(66)**	271	10
Cash and cash equivalents at beginning of year		**1 024**	753	743
Cash and cash equivalents at end of year	25.9	**958**	1 024	753

Group statements of changes in equity
for the year ended 30 June

R million	Notes	Share capital and premium	Treasury shares and share options	Foreign currency translation reserve	Share based payment reserve	Available for sale investment reserve	Reserve for non-controlling interests*	Hedging reserve	Retained earnings	Ordinary shareholders' equity	Minorities' interests	Total
Balance at 30 June 2012 (as previously reported)		277	(1 600)	228	161	4	(2 206)	(2)	4 634	1 496	1 227	2 723
Effect of changes in accounting policies		–	(187)	–	–	–	–	–	–	(187)	(51)	(238)
Balance at 30 June 2012 (restated)		**277**	**(1 787)**	**228**	**161**	**4**	**(2 206)**	**(2)**	**4 634**	**1 309**	**1 176**	**2 485**
Deemed treasury shares purchased	18		(3)							(3)		(3)
Treasury share options purchased	18		(34)							(34)		(34)
Treasury share options exercised	18		29							29		29
Shares issued	18	32								32		32
Vested share awards	18		14		(14)					–		–
Employee share based payments	32				46					46		46
Release of share based payment reserve					(32)				32	–		–
Release of SFIR equity option reserve					(75)				33	(42)	42	–
Delivery of share awards									(11)	(11)		(11)
Acquisition of minorities' interests	34						(13)		8	(5)	95	90
Profit for the year									697	697	293	990
Other comprehensive income				254				3	10	267	299	566
Dividends paid									(252)	(252)	(273)	(525)
Balance at 30 June 2013 (restated)		**309**	**(1 781)**	**482**	**86**	**4**	**(2 219)**	**1**	**5 151**	**2 033**	**1 632**	**3 665**
Deemed treasury shares purchased	18		**(41)**							**(41)**		**(41)**
Treasury share options purchased	18		**(29)**							**(29)**		**(29)**
Deemed treasury shares disposed	18		**9**							**9**		**9**
Vested share awards	18		**13**		**(13)**					**–**		**–**
Employee share based payments	32				**53**					**53**		**53**
Release of share based payment reserve					**(14)**				**14**	**–**		**–**
Monticello acquisition consideration							**(673)**			**(673)**	**(1 014)**	**(1 687)**
Minority share capital reduction										**–**	**(84)**	**(84)**
Delivery of share awards									**(7)**	**(7)**		**(7)**
Acquisition of minorities' interests	34						**(107)**			**(107)**	**(15)**	**(122)**
Profit for the year									**518**	**518**	**231**	**749**
Other comprehensive income				**(33)**				**2**	**12**	**(19)**	**(10)**	**(29)**
Dividends paid									**(240)**	**(240)**	**(249)**	**(489)**
Balance at 30 June 2014		**309**	**(1 829)**	**449**	**112**	**4**	**(2 999)**	**3**	**5 448**	**1 497**	**491**	**1 988**

* *Reserve for non-controlling interests relates to the premiums paid on purchases of minorities' interests and profits and losses on disposals of interests to minorities.*

Notes to the Group financial statements
for the year ended 30 June

R million	Revenue 2014	Revenue 2013	EBITDA 2014	EBITDA 2013	EBITDAM 2014	EBITDAM 2013	Depreciation and amortisation 2014	Depreciation and amortisation 2013
1. SEGMENTAL ANALYSIS								
South African operations	**8 266**	7 788	**2 334**	2 201	**2 816**	2 687	**664**	581
GrandWest	**2 020**	1 866	**833**	788	**934**	881	**104**	94
Sun City	**1 403**	1 291	**176**	162	**229**	211	**132**	118
Sibaya	**1 095**	1 040	**398**	361	**501**	456	**76**	64
Carnival City	**1 042**	1 061	**312**	315	**376**	403	**81**	73
Boardwalk	**554**	496	**168**	142	**208**	176	**79**	70
Wild Coast Sun	**400**	389	**70**	65	**93**	87	**47**	40
Carousel	**311**	322	**56**	64	**70**	79	**30**	25
Meropa	**278**	292	**106**	114	**133**	143	**19**	17
Windmill	**257**	255	**96**	93	**119**	116	**17**	15
Table Bay	**233**	181	**50**	22	**62**	31	**12**	11
Morula	**208**	230	**16**	26	**23**	35	**17**	16
Flamingo	**152**	152	**49**	44	**59**	56	**11**	11
Golden Valley	**144**	128	**27**	28	**35**	35	**13**	14
Maslow	**113**	41	**6**	(6)	**6**	(5)	**23**	11
Other operating segments	**56**	44	**(29)**	(17)	**(32)**	(17)	**3**	2
Other African operations	**1 071**	948	**195**	173	**242**	223	**108**	87
Zambia	**222**	182	**52**	41	**65**	52	**22**	18
Federal Palace	**216**	198	**28**	40	**30**	52	**49**	32
Botswana	**186**	178	**44**	50	**53**	59	**9**	8
Swaziland	**172**	161	**13**	8	**19**	14	**5**	6
Kalahari Sands	**148**	111	**39**	18	**49**	24	**10**	10
Lesotho	**127**	118	**19**	16	**26**	22	**13**	13
Latam operation	**1 443**	1 498	**303**	318	**377**	395	**166**	159
Monticello	**1 443**	1 498	**303**	318	**377**	395	**166**	159
Management activities	**612**	610	**248**	245	**248**	245	**19**	22
Total operating segments	**11 392**	10 844	**3 080**	2 937	**3 683**	3 550	**957**	849
Other	**(567)**	(577)	**(28)**	(17)	**(595)**	(594)	**1**	2
Central office and other			**(28)**	(17)	**(28)**	(17)	**1**	2
Elimination of intragroup	**(567)**	(577)			**(567)**	(577)		
Other income								
Other expenses								
Total	**10 825**	10 267	**3 052**	2 920	**3 088**	2 956	**958**	851
Other								
Net interest expense and foreign exchange profits								
Management fees paid to minorities					**(36)**	(36)		
Tax								
Minorities' interests								
	10 825	10 267	**3 052**	2 920	**3 052**	2 920	**958**	851

[#] *Adjusted headline earnings include adjustments made for certain items of income or expense. These adjustments include pre-opening expenses and material items considered to be outside the normal operating activities of the Group and/or of a non-recurring nature.*
EBITDA: Earnings before interest, tax, depreciation and amortisation. EBITDA is stated before property and equipment rentals and items adjusted for adjusted headline earnings. Property and equipment rentals are considered to be a form of funding and are therefore categorised after EBITDA with depreciation and interest.
EBITDAM: EBITDA before management fees.

Operating profit and segment results		Net Interest paid		Minorities interest		Tax		Adjusted headline earnings#	
2014	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013
1 562	1 568	**243**	213	**222**	224	**385**	386	**914**	967
723	690	**27**	21	**123**	128	**197**	179	**496**	490
38	39	**–**	–	**–**	–	**–**	–	**38**	39
318	292	**25**	20	**69**	67	**84**	81	**205**	190
217	231	**40**	32	**5**	7	**49**	61	**123**	139
87	71	**51**	35	**4**	3	**3**	2	**31**	29
22	24	**26**	28	**(3)**	(4)	**(3)**	6	**(4)**	(10)
24	37	**–**	1	**–**	–	**–**	–	**24**	37
86	96	**8**	7	**15**	19	**22**	26	**55**	64
77	77	**6**	6	**13**	14	**19**	20	**50**	51
23	2	**47**	48	**(6)**	(12)	**–**	–	**(24)**	(46)
(2)	10	**–**	1	**–**	–	**–**	–	**(1)**	10
37	33	**4**	5	**5**	5	**9**	8	**23**	20
13	14	**9**	9	**–**	–	**3**	3	**1**	2
(70)	(29)	**–**	–	**–**	–	**–**	–	**(70)**	(29)
(31)	(19)	**–**	–	**(3)**	(3)	**2**	–	**(33)**	(19)
68	68	**27**	26	**(17)**	11	**25**	18	**22**	28
30	23	**–**	–	**–**	–	**9**	32	**26**	(6)
(21)	8	**27**	23	**(25)**	4	**(1)**	(21)	**(46)**	8
31	39	**(3)**	(2)	**5**	6	**8**	9	**26**	28
8	2	**2**	2	**2**	1	**2**	(1)	**4**	2
15	(6)	**–**	1	**–**	–	**5**	(2)	**10**	(4)
5	2	**1**	2	**1**	–	**2**	1	**2**	–
126	149	**55**	116	**44**	35	**(40)**	(21)	**99**	60
126	149	**55**	116	**44**	35	**(40)**	(21)	**99**	60
216	197	**23**	–	**12**	18	**36**	66	**120**	119
1 972	1 982	**348**	355	**261**	288	**406**	449	**1 155**	1 174
(293)	(102)	**177**	119	**(30)**	5	**11**	24	**(169)**	(99)
(26)	(17)	**177**	119	**(30)**	5	**11**	24	**(169)**	(99)
–	21								
(267)	(106)								
1 679	1 880	**525**	474	**231**	293	**417**	473	**986**	1 075
(513)	(417)								
(417)	(473)								
(231)	(293)							**(303)**	(345)
518	697	**525**	474	**231**	293	**417**	473	**683**	730

1. SEGMENTAL REVENUE ANALYSIS continued

	Casino		Tables		Slots	
R million	2014	2013	2014	2013	2014	2013
South African operations	**6 738**	6 457	**965**	879	**5 773**	5 578
GrandWest	**1 991**	1 834	**251**	226	**1 740**	1 608
Sun City	**519**	446	**120**	83	**399**	363
Sibaya	**1 070**	1 011	**224**	206	**846**	805
Carnival City	**1 014**	1 031	**160**	163	**854**	868
Boardwalk	**512**	476	**50**	41	**462**	435
Wild Coast Sun	**304**	294	**35**	35	**269**	259
Carousel	**297**	311	**26**	27	**271**	284
Meropa	**275**	289	**27**	31	**248**	258
Windmill	**257**	254	**39**	33	**218**	221
Table Bay	**–**	–	**–**	–	**–**	–
Morula	**196**	215	**15**	16	**181**	199
Flamingo	**150**	150	**11**	11	**139**	139
Golden Valley	**132**	125	**7**	7	**125**	118
Maslow	**–**	–	**–**	–	**–**	–
Other operating segments	**21**	21	**–**	–	**21**	21
Other African operations	**428**	385	**90**	78	**338**	307
Zambia	**–**	–	**–**	–	**–**	–
Federal Palace	**94**	80	**24**	18	**70**	62
Botswana	**109**	103	**16**	15	**93**	88
Swaziland	**80**	80	**20**	22	**60**	58
Kalahari Sands	**99**	75	**18**	11	**81**	64
Lesotho	**46**	47	**12**	12	**34**	35
Latam operation	**1 303**	1 353	**349**	369	**954**	984
Monticello	**1 303**	1 353	**349**	369	**954**	984
Management activities	**–**	–	**–**	–	**–**	–
Total operating segments	**8 469**	8 195	**1 404**	1 326	**7 065**	6 869
Other	**–**	–	**–**	–	**–**	–
Elimination of intragroup	**–**	–	**–**	–	**–**	–
Total	**8 469**	8 195	**1 404**	1 326	**7 065**	6 869

Rooms		Food & Beverage		Other		Total	
2014	2013	**2014**	2013	**2014**	2013	**2014**	2013
764	652	400	336	364	343	8 266	7 788
2	1	–	–	27	31	2 020	1 866
434	430	228	210	222	205	1 403	1 291
11	12	5	7	9	10	1 095	1 040
3	3	–	–	25	27	1 042	1 061
29	10	–	–	13	10	554	496
29	24	40	37	27	34	400	389
5	4	–	–	9	7	311	322
–	–	–	–	3	3	278	292
–	–	–	–	–	1	257	255
174	133	50	42	9	6	233	181
2	3	8	9	2	3	208	230
–	–	–	–	2	2	152	152
3	2	8	–	1	1	144	128
63	20	50	20	–	1	113	41
9	10	11	11	15	2	56	44
342	303	254	219	47	41	1 071	948
119	102	80	60	23	20	222	182
76	69	41	44	5	5	216	198
46	44	27	29	4	2	186	178
39	36	48	39	5	6	172	161
27	21	19	14	3	1	148	111
35	31	39	33	7	7	127	118
8	2	102	103	30	40	1 443	1 498
8	2	102	103	30	40	1 443	1 498
				612	610	612	610
1 114	957	756	658	1 053	1 034	11 392	10 844
–	–	–	–	(567)	(577)	(567)	(577)
–	–	–	–	(567)	(577)	(567)	(577)
1 114	957	756	658	486	457	10 825	10 267

	Assets		Borrowings		Liabilities		Capital expenditure	
R million	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013
1. SEGMENTAL ANALYSIS continued								
South African operations	**7 539**	7 326	**3 160**	3 113	**1 570**	1 215	**1 087**	1 122
GrandWest	**1 295**	1 164	**430**	380	**201**	177	**263**	68
Sun City	**1 705**	1 583	**–**	–	**403**	303	**361**	152
Sibaya	**749**	713	**357**	318	**112**	136	**109**	61
Carnival City	**662**	673	**575**	539	**116**	207	**71**	130
Boardwalk	**1 093**	1 116	**657**	708	**92**	69	**59**	312
Wild Coast Sun	**538**	547	**337**	343	**111**	96	**48**	31
Carousel	**313**	349	**–**	–	**47**	62	**12**	57
Meropa	**173**	160	**118**	118	**22**	31	**21**	16
Windmill	**197**	239	**98**	162	**44**	26	**37**	14
Table Bay	**121**	102	**391**	344	**34**	31	**28**	12
Morula	**116**	126	**–**	–	**45**	37	**14**	33
Flamingo	**103**	89	**69**	66	**24**	15	**27**	7
Golden Valley	**187**	179	**128**	135	**28**	17	**26**	8
Maslow	**203**	259	**–**	–	**231**	8	**6**	217
Other operating segments	**84**	27	**–**	–	**60**	–	**5**	4
Other African operations	**1 569**	1 602	**380**	354	**257**	278	**75**	53
Zambia	**403**	443	**–**	–	**33**	38	**24**	26
Federal Palace	**717**	715	**362**	324	**84**	96	**22**	9
Botswana	**152**	146	**–**	2	**22**	25	**9**	5
Swaziland	**63**	69	**16**	23	**31**	33	**3**	2
Kalahari Sands	**128**	122	**–**	1	**59**	57	**10**	6
Lesotho	**106**	107	**2**	4	**28**	29	**7**	5
Latam operations	**3 387**	2 494	**1 275**	498	**263**	244	**826**	92
Monticello	**2 590**	2 494	**556**	498	**212**	244	**154**	92
Ocean Sun Casino	**797**	–	**719**	–	**51**	–	**672**	–
Management activities	**477**	745	**356**	409	**299**	472	**95**	33
Total operating segments	**12 972**	12 167	**5 171**	4 374	**2 389**	2 209	**2 083**	1 300
Other	**808**	644	**2 411**	2 545	**1 573**	(297)	**–**	–
Central office and other	**808**	644	**1 900**	2 057	**1 984**	110	**–**	–
Dinokana	**–**	–	**511**	488	**–**	–	**–**	–
Elimination of intragroup	**–**	–	**–**	–	**(411)**	(407)	**–**	–
Total	**13 780**	12 811	**7 582**	6 919	**3 962**	1 912	**2 083**	1 300
Other								
Tax	**42**	41			**79**	69		
Deferred tax	**249**	214			**460**	501		
Borrowings					**7 582**	6 919		
	14 071	13 066	**7 582**	6 919	**12 083**	9 401	**2 083**	1 300

R million	2014	2013
2. DEPRECIATION AND AMORTISATION		
Property, plant and equipment (refer note 11)	**(882)**	(790)
Intangible assets (refer note 12)	**(76)**	(61)
	(958)	(851)
3. EMPLOYEE COSTS		
Salaries, wages, bonuses and other benefits	**(2 114)**	(2 032)
Pension costs – defined contribution plans	**(194)**	(173)
– defined benefit plans surplus recognition (refer to note 15)	**(2)**	(3)
Other benefits – long service award (refer to note 22)	**(2)**	1
– post retirement (refer to note 22)	**(14)**	(13)
– farewell gifts (refer to note 22)	**–**	(6)
Employee share based payments (refer to note 32)	**(53)**	(46)
Restructure costs (refer to note 24)	**(165)**	–
	(2 544)	(2 272)
Number of employees at the end of the year	**11 003**	11 521
Permanent core employees	**8 808**	9 450
Permanent scheduled employees	**1 609**	1 599
Temporary employees	**586**	472
4. OPERATING PROFIT IS STATED AFTER CHARGING THE FOLLOWING:		
Operating lease charges		
Plant, vehicles and equipment	**(31)**	(35)
Property lease charges	**(99)**	(88)
Cash charge	**(74)**	(73)
Straight line charge	**(25)**	(15)
Auditors' remuneration	**(22)**	(22)
Audit fees	**(18)**	(16)
Fees for other services	**(3)**	(5)
Expenses	**(1)**	(1)
Professional fees	**(46)**	(42)
Impairment of property, plant and equipment (refer to note 11)	**(39)**	–
Net profit on disposal of property, plant and equipment	**9**	–
5. INTEREST INCOME		
Interest earned on cash and cash equivalents	**23**	29
Preference share dividends	**1**	1
Tax authorities	**1**	1
	25	31
6. INTEREST EXPENSE		
Interest paid on borrowings	**(375)**	(282)
Preference share dividends	**(165)**	(208)
Imputed interest on loans payable	**(18)**	(21)
Transfer from hedging reserve	**(4)**	(2)
Fair value of derivative financial instruments	**–**	(4)
Tax authorities	**(1)**	(1)
Capitalised to property, plant and equipment (refer to note 11)	**13**	13
	(550)	(505)

R million	2014	2013
7. TAX		
Normal tax – South African	**(407)**	(451)
– Foreign	**12**	4
	(395)	(447)
Current tax – current year	**(478)**	(461)
– prior years	**(3)**	(10)
Deferred tax – current year	**55**	8
– prior years	**31**	16
Other taxes (refer to note 25.2)	**(22)**	(26)
	(417)	(473)
Effect of tax losses not recognised as deferred tax assets	**31**	41
Reconciliation of rate of tax	**%**	%
Standard rate – South African	**28.0**	28.0
Adjusted for:		
Disallowable expenses	**5.2**	0.6
Exempt income	**(0.7)**	(0.5)
Preference shares dividends	**4.0**	3.6
Foreign tax rate variations	**(0.3)**	(0.8)
Prior year over-provisions	**(2.4)**	(0.4)
Other taxes	**2.0**	1.8
Effective tax rate	**35.8**	32.3
8. EBITDA RECONCILIATION		
Operating profit	**1 679**	1 880
Depreciation and amortisation	**958**	851
Property and equipment rentals	**148**	104
Pre-opening Maslow lease rentals	**–**	24
Net profit on disposal of property, plant and equipment	**(9)**	–
Impairment of Maslow assets	**39**	–
Pre-opening expenses	**36**	37
Restructure costs	**165**	–
Settlement of BEE shareholder options	**16**	–
Employee benefits	**–**	(15)
Insurance captive trust distribution	**(25)**	–
Other	**13**	4
Reversal of Dinokana and Employee Share Trusts' consolidation*	**32**	35
EBITDA	**3 052**	2 920

* *The consolidation of the Dinokana and Employee Share Trusts are reversed as the Group does not receive the economic benefits of these trusts.*

R million	2014	2013
9. EARNINGS PER SHARE		
Profit attributable to ordinary shareholders	**518**	697
Headline earnings adjustments	**30**	–
Net profit on disposal of property, plant and equipment	**(9)**	–
Impairment of Maslow assets	**39**	–
Tax relief on the above items	**(15)**	–
Minorities' interests in the above items	**(3)**	–
Headline earnings	**530**	697
Adjusted headline earnings adjustments	**192**	12
Pre-opening expenses	**36**	37
Settlement of BEE shareholder options	**16**	–
Pre-opening Maslow lease rentals	**–**	24
Employee benefits	**–**	(15)
Restructure costs	**165**	–
Insurance captive trust distribution	**(25)**	–
Other	**13**	4
Foreign exchange profits on intercompany loans	**(13)**	(38)
Tax relief on the above items	**(44)**	(1)
Minorities' interests in the above items	**(18)**	(2)
Reversal of Employee Share Trusts' consolidation	**23**	24
Adjusted headline earnings	**683**	730
Number of shares for diluted EPS calculation (000's)		
Weighted average number of shares in issue	**93 301**	92 589
Adjustment for dilutive share awards	**417**	521
Diluted weighted average number of shares in issue	**93 718**	93 110
Number of shares for diluted adjusted HEPS calculation (000's)		
Weighted average number of shares in issue	**93 301**	92 589
Weighted deemed treasury shares	**1 294**	1 085
Weighted treasury shares held by Employee Share Trusts	**9 317**	9 317
Adjusted weighted average number of shares in issue	**103 912**	102 991
Adjustment for dilutive share awards	**417**	521
Diluted adjusted weighted average number of shares in issue	**104 329**	103 512
Earnings per share (cents)		
Basic	**555**	753
Headline	**568**	753
Adjusted headline	**657**	709
Diluted earnings per share (cents)		
Basic	**553**	749
Headline	**566**	749
Adjusted headline	**655**	705

Earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue.

Adjusted headline earnings include adjustments made for certain items of income or expense. These adjustments include pre-opening expenses and material items considered to be outside the normal operating activities of the Group and/or of a non-recurring nature.

For the diluted earnings per share calculation the weighted average number of ordinary shares in issue is adjusted to take account of potential dilutive share awards granted to employees. The number of shares taken into account is determined by taking the number of shares that could have been acquired at fair value based on the monetary value of the subscription rights attached to the outstanding share options and awards. This calculation is done to determine the 'unpurchased' shares to be added to the ordinary shares outstanding for the purpose of computing the dilution.

R million	2014	2013
10. DIVIDENDS PAID		
A final dividend of 155 cents per share for the year ended 30 June 2013 was declared on 26 August 2013 and paid on 23 September 2013.	**(152)**	
An interim dividend of 90 cents per share for the year ended 30 June 2014 was declared on 21 February 2014 and paid on 24 March 2014.	**(88)**	
A final dividend of 150 cents per share for the year ended 30 June 2012 was declared on 24 August 2012 and paid on 25 September 2012.		(145)
An interim dividend of 110 cents per share for the year ended 30 June 2013 was declared on 22 February 2013 and paid on 25 March 2013.		(107)
	(240)	(252)
A final gross dividend of 155 cents per share for the year ended 30 June 2014 was declared on 25 August 2014 and paid on 22 September 2014. The Company has no STC credits available and the dividend is therefore subject to the 15% withholding tax, resulting in a net dividend of 131.75 cents per share.		
11. PROPERTY, PLANT AND EQUIPMENT		
Net carrying value		
Freehold land and buildings	**5 844**	5 541
Leasehold land and buildings	**1 498**	1 536
Infrastructure	**926**	957
Plant and machinery	**456**	494
Equipment	**1 501**	1 229
Furniture and fittings	**382**	413
Vehicles	**31**	37
Operating equipment	**185**	179
Capital work in progress	**557**	208
	11 380	10 594

	Cost						
2014 R million	Opening	Reclassi-fications	Exchange rate adjustments	Additions	Disposals and OE usage	Impair-ments	Closing
Asset type							
Freehold land and buildings	**6 680**	**(6)**	**(10)**	**480**	**(41)**	**–**	**7 103**
Leasehold land and buildings	**2 219**	**31**	**23**	**31**	**(26)**	**(39)**	**2 239**
Infrastructure	**1 406**	**2**	**(10)**	**28**	**(13)**	**–**	**1 413**
Plant and machinery	**1 037**	**8**	**(6)**	**32**	**(5)**	**–**	**1 066**
Equipment	**3 273**	**125**	**(6)**	**592**	**(261)**	**–**	**3 723**
Furniture and fittings	**980**	**29**	**(4)**	**42**	**(54)**	**–**	**993**
Vehicles	**85**	**1**	**–**	**9**	**(10)**	**–**	**85**
Operating equipment	**179**	**–**	**(1)**	**69**	**(62)**	**–**	**185**
Capital work in progress	**208**	**(254)**	**2**	**601**	**–**	**–**	**557**
	16 067	**(64)***	**(12)**	**1 884**	**(472)**	**(39)**	**17 364**

2014 **R million**	Accumulated depreciation Opening	Reclassi-fications	Exchange rate adjustments	Depreciation on disposals	Depreciation	Closing
Asset type						
Freehold land and buildings	**(1 139)**	**–**	**4**	**24**	**(148)**	**(1 259)**
Leasehold land and buildings	**(683)**	**1**	**(3)**	**23**	**(79)**	**(741)**
Infrastructure	**(449)**	**–**	**2**	**13**	**(53)**	**(487)**
Plant and machinery	**(543)**	**–**	**3**	**3**	**(73)**	**(610)**
Equipment	**(2 044)**	**11**	**5**	**244**	**(438)**	**(2 222)**
Furniture and fittings	**(567)**	**(21)**	**1**	**52**	**(76)**	**(611)**
Vehicles	**(48)**	**–**	**–**	**9**	**(15)**	**(54)**
	(5 473)	**(9)***	**12**	**368**	**(882)**	**(5 984)**

* *Reclassified to intangible assets.*

2013 **R million**	Cost Opening	Reclassi-fications	Exchange rate adjustments	Additions	Disposals and OE usage	Closing
Asset type						
Freehold land and buildings	5 721	508	418	34	(1)	6 680
Leasehold land and buildings	1 990	128	65	141	(105)	2 219
Infrastructure	1 295	54	65	19	(27)	1 406
Plant and machinery	942	78	42	43	(68)	1 037
Equipment	3 147	135	106	287	(402)	3 273
Furniture and fittings	1 112	69	40	52	(293)	980
Vehicles	76	1	2	21	(15)	85
Operating equipment	153	6	8	68	(56)	179
Capital work in progress	602	(998)	3	603	(2)	208
	15 038	(19)	749	1 268	(969)	16 067

2013 **R million**	Accumulated depreciation Opening	Reclassi-fication	Exchange rate adjustments	Depreciation on disposals	Depreciation	Closing
Asset type						
Freehold land and buildings	(979)	–	(41)	1	(120)	(1 139)
Leasehold land and buildings	(699)	–	(9)	104	(79)	(683)
Infrastructure	(418)	–	(8)	27	(50)	(449)
Plant and machinery	(531)	–	(15)	68	(65)	(543)
Equipment	(1 998)	9	(62)	395	(388)	(2 044)
Furniture and fittings	(768)	–	(16)	293	(76)	(567)
Vehicles	(50)	–	(1)	15	(12)	(48)
	(5 443)	9	(152)	903	(790)	(5 473)

The R39 million impairment on leasehold land and buildings is as a result of the onerous lease over The Maslow property (refer to note 4). The Maslow forms part of the operating segment, South African operations. The recoverable amount has been calculated using a discounted cash flow valuation. A discount rate of 11.7% was used.

Net carrying value of property, plant and equipment held under finance leases is R99 million (2013: R107 million) and relate mainly to equipment.

A copy of the register of properties is available for inspection by members of the public at the registered office of the Company.

Borrowing costs of R13 million (2013: R13 million) were capitalised during the year and are included in 'Additions' above. The capitalisation rate used of 3.9% (2013: 7.4%) is equal to the specific borrowing costs of the loans used to finance the relevant projects.

Included in freehold land and buildings and infrastructure are assets of R2 234 million (2013: R1 739 million) where the residual value is deemed to approximate the carrying value.

R million	2014	2013
12. INTANGIBLE ASSETS		
Net carrying value		
Computer software	**280**	67
Sun International brand	**72**	72
Bid costs	**113**	130
Management contracts	**4**	4
Goodwill	**132**	120
Lease premiums	**14**	15
Restraint of trade	**1**	2
Capital work in progress	**105**	84
	721	494

2014 R million	Cost						
	Opening	Additions	Acquisition of subsidiary	Disposals	Reclassi-fication	Exchange rate adjustments	Closing
Asset type							
Computer software	182	178	18	(33)	64	–	409
Sun International brand	72	–	–	–	–	–	72
Bid costs	582	6	–	–	–	–	588
Management contracts	5	–	–	–	–	–	5
Goodwill	228	–	14	–	–	(2)	240
Lease premiums	37	–	–	–	–	–	37
Restraint of trade	10	5	–	–	–	–	15
Capital work in progress	84	21	–	–	–	–	105
	1 200	210	32	(33)	64	(2)	1 471

R million	Accumulated amortisation and impairments					
	Opening	Amortisation	Disposals	Reclassi-fication	Exchange rate adjustments	Closing
Asset type						
Computer software	(115)	(46)	23	9	–	(129)
Bid costs	(452)	(23)	–	–	–	(475)
Management contracts	(1)	–	–	–	–	(1)
Goodwill	(108)	–	–	–	–	(108)
Lease premiums	(22)	(1)	–	–	–	(23)
Restraint of trade	(8)	(6)	–	–	–	(14)
	(706)	(76)	23	9	–	(750)

2013 R million	Cost Opening	Additions	Disposals	Reclassi- fication	Exchange rate adjustments	Closing
Asset type						
Computer software	159	14	(12)	19	2	182
Sun International brand	72	–	–	–	–	72
Bid costs	579	–	–	–	3	582
Management contract	5	–	–	–	–	5
Goodwill	196	–	–	–	32	228
Lease premiums	37	–	–	–	–	37
Restraint of trade	10	–	–	–	–	10
Capital work in progress	66	18	–	–	–	84
	1 124	32	(12)	19	37	1 200

R million	Accumulated amortisation and impairments Opening	Amortisation	Disposals	Reclassi- fication	Exchange rate adjustments	Closing
Asset type						
Computer software	(89)	(27)	11	(9)	(1)	(115)
Bid costs	(423)	(28)	–	–	(1)	(452)
Management contract	(1)	–	–	–	–	(1)
Goodwill	(108)	–	–	–	–	(108)
Lease premiums	(21)	(1)	–	–	–	(22)
Restraint of trade	(3)	(5)	–	–	–	(8)
	(645)	(61)	11	(9)	(2)	(706)

SUN INTERNATIONAL BRAND

The Sun International brand is classified as an indefinite life intangible asset as the Group believes that it will benefit from the name for an indefinite period. The brand was tested for impairment by discounting five years of projected cash flows on relevant operations and management contracts. Discount rates were based on the risk free rate of the appropriate country, a standard risk premium and a country risk premium and ranged from 7% to 13%. In determining the growth rates applied in the impairment calculations, consideration was given to the location of the business, including economic and political facts and circumstances. Based on these calculations, there is no indication of impairment.

GOODWILL

The goodwill opening balance relates to the acquisition of San Francisco Investment Resorts SA (SFIR) on 20 August 2008. Goodwill comprises intellectual property and the casino licence. The R14 million addition to goodwill relates to the acquisition of Powerbet Gaming Proprietary Limited (Powerbet).

Goodwill was tested for impairment by performing a 'value-in-use' valuation by applying a discount rate that ranges from 8% to 12%. The recoverable amount of all cash generating units has been determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five year period. Cash flows beyond the five year period are extrapolated using the estimated growth rates stated above. The recoverable local territory tax rates were applied and a terminal growth rate based on local inflation plus a premium. The difference between the 'value-in-use' valuation and the net asset value of the cash generating unit (including goodwill) is R106 million for SFIR and R17 million for Powerbet.

R million	2014	2013
13. AVAILABLE-FOR-SALE INVESTMENT		
Cape Town International Convention Centre Company Proprietary Limited (CTICC)		
Balance at beginning and end of year	**48**	48
Directors' valuation	**48**	48

The 24.8% (2013: 24.8%) investment in the unlisted CTICC was part of the Group's bid commitments in the Western Cape. The investment was stated at fair value based on the latest available statutory financial statements, prepared on a going concern basis and in accordance with IFRS, of the CTICC being 30 June 2013. The Group has no significant influence over the Company, therefore the investment was designated as available-for-sale.

The available-for-sale asset has been classified as level 3.

R million	2014	2013
14. LOANS AND RECEIVABLES		
Preference share funding of empowerment partners	**1**	11
Guarantee deposits	**–**	15
Other loans	**6**	4
	7	30
Current portion	**(1)**	(28)
	6	2
Derivative financial instruments		
Foreign exchange contracts (FECs)	**7**	35
Current portion	**(3)**	(24)
	4	11
	10	13
Loans & receivables are due over the following periods:		
Less than 1 year	**4**	52
1 – 2 years	**5**	8
2 – 3 years	**2**	3
3 – 4 years	**1**	2
4 years and onwards	**2**	–
	14	65
	%	%
The weighted average interest and dividend rates were as follows:		
Preference share funding of empowerment partners*	**6.3**	6.3
Other loans	**1.7**	3.8
Weighted average	**2.0**	5.6

* *These rates are linked to the prime bank overdraft rate.*

The preference share funding of empowerment partners and other loans are fully performing. The preference share funding of empowerment partners, guarantee deposits and other loans are held at amortised cost.

The fair value of loans and receivables approximates their carrying value.

R million	2014	2013
15. RETIREMENT BENEFIT INFORMATION		
Valuation in terms of the Financial Services Board (FSB) guidelines		
A valuation of the defined benefit fund was carried out on 1 July 2013 by an independent firm of consulting actuaries and was approved by the FSB in August 2014. The fund was found to have a surplus of R377 million, of which R144 million has been designated as a solvency reserve by the trustees in terms of circular PF 117 issued by the Financial Services Board (FSB). Any allocation of assets to contingency reserves reduces the amount of surplus available for distribution to former members and other stakeholders. The Group carries out statutory actuarial valuations every three years.		
Present value of funded obligations	**(338)**	(278)
Fair value of fund assets	**715**	503
Surplus before contingency reserve	**377**	225
Contingency reserve	**(144)**	(80)
Employer surplus account	**(35)**	(22)
Surplus	**198**	123
IAS 19R valuation		
The surplus calculated in terms of IAS 19R: Employee Benefits is presented below. It should be noted that this valuation is performed on a different basis to the valuation in terms of the FSB guidelines.		
The amount recognised in the statement of financial position is determined as follows:		
Present value of funded obligations	**(391)**	(317)
Balance at beginning of year	**(317)**	(321)
Current service cost	**(4)**	(6)
Interest cost	**(27)**	(26)
Contributions by plan participants	**(1)**	(1)
Actuarial (loss)/gain	**(26)**	25
Benefits paid	**39**	12
Transfers of reinsured pensioner liability	**(55)**	–
Fair value of plan assets	**875**	677
Balance at beginning of year	**677**	545
Expected return on plan assets	**59**	44
Actuarial gain	**122**	99
Contributions by plan participants	**1**	1
Benefits paid	**(39)**	(12)
Transfers of reinsured pensioner liability	**55**	–
Present value of retirement benefit surplus	**484**	360
Less: application of asset ceiling	**(439)**	(331)
Balance at beginning of year	**(331)**	(186)
Interest income	**(30)**	(15)
Adjustment to asset ceiling	**(78)**	(130)
Pension fund asset	**45**	29

The expected return on assets is calculated using the discount rate at the start of the period of 9% per annum rather than a "best estimate" return assumption based on actual assets in which the Fund invested.

In applying the asset ceiling the present value of the retirement benefit surplus that may be recognised as an asset is limited to the lower of the amount as determined above or the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan plus any cumulative unrecognised net actuarial losses and past service costs.

The present value of the retirement surplus of the fund for the current and prior years is as follows:

R million	2014	2013	2012	2011	2010
Present value of funded obligations	**(391)**	(317)	(321)	(290)	(249)
Fair value of plan assets	**875**	677	545	501	454
Surplus	**484**	360	224	211	205
Experience adjustment on plan obligations	**7%**	(8%)	6%	10%	(1%)
Experience adjustment on plan assets	**14%**	15%	3%	4%	7%

R million	2014	2013
15. RETIREMENT BENEFIT INFORMATION continued		
The amounts recognised in profit or loss for the year are as follows (refer to note 3):		
Current service cost	**4**	6
Interest cost	**(2)**	(3)
	2	3
The amounts recognised in other comprehensive income are as follows:		
Net actuarial gain	**(96)**	(124)
Effect of asset ceiling	**78**	130
(Surplus)/deficit	**(18)**	6
Net movement in total comprehensive income for the year	**(16)**	9

A 1% increase in the future rate increase of the pension fund liability assumption from 9.45% per annum to 10.45% per annum results in the liability decreasing by R46.4 million, or 11.9% and the resultant decrease in the total of the service and interest costs on the defined benefit obligation is R1.9 million, or 4.7%.

A 1% decrease in the future rate of increase of the pension fund liability assumption from 9.45% per annum to 8.45% per annum results in the liability increasing by R57.7 million, or 14.8% and the resultant increase in the total of the service and interest costs on the defined benefit obligation is R2.2 million, or 5.3%.

The principal actuarial assumptions used were as follows:	2014	2013
Discount rate	**9.45%**	9.00%
Inflation rate	**6.60%**	6.00%
Expected return on plan assets	**9.45%**	9.00%
Future salary increases	**8.10%**	7.50%
Future pension increases	**6.60%**	6.00%

The average life expectancy in years of an employee retiring at age 60 at 30 June 2014 and of a member retiring at age 60, 20 years after the statement of financial position date are as follows:	2014	2013
Male	**19.4**	19.4
Female	**24.2**	24.2

Mortality rates are assumed to be in accordance with the following standard tables:

Before retirement:
SA1985-90 Ultimate table for males and females

After retirement:
PA 90 rated down 2 years for males and females

Plan assets comprise:

	2014	2013
Listed equity investments	**74%**	76%
Bonds and cash	**25%**	19%
Other	**1%**	5%

Pension plan assets include the Company's ordinary shares with a fair value of R3.6 million (2013: R3.5 million).

The expected return on plan assets has been set equal to the discount rate used to value the defined benefit obligations of the fund.

The fund has an amount of R35 million allocated to the employee surplus account that is currently being utilised towards a contribution holiday, which is expected to last for at least 1 year.

R million	2014	2013
16. INVENTORY		
Merchandise	**24**	25
Consumables and hotel stocks	**73**	56
	97	81
17. ACCOUNTS RECEIVABLE		
Financial instruments		
Trade receivables	**226**	212
Less provision for doubtful debts	**(23)**	(13)
Net trade receivables	**203**	199
Other receivables	**181**	113
	384	312
Non financial instruments		
Prepayments	**118**	119
VAT	**15**	45
	517	476

The fair value of accounts receivables approximates their carrying value.

The Group has increased the provision for doubtful debts by R10 million (2013: R3 million) for the possible impairment of its trade receivables during the year ended 30 June 2014. The Group has not utilised the provision during the year ended 30 June 2014 (2013: Rnil). The movement of the provision for impaired receivables has been included in other operational costs in the statements of comprehensive income.

Other receivables are expected to be fully recoverable based on historical recoverability. The trade receivables which are fully performing relate to customers that have a good track record with the Group in terms of recoverability.

The aging of trade receivables at the reporting date was:

	2014		2013	
R million	Gross	Provision for doubtful debts	Gross	Provision for doubtful debts
Fully performing	**109**	**–**	111	–
Past due by 1 to 30 days	**47**	**–**	42	–
Past due by 31 to 60 days	**13**	**–**	14	–
Past due by 61 to 90 days	**12**	**(1)**	7	–
Past due by more than 90 days	**45**	**(22)**	38	(13)
	226	**(23)**	212	(13)

R million	**2014**	2013	2012
18. SHARE CAPITAL AND PREMIUM			
Authorised			
150 000 000 (2013:150 000 000) ordinary shares of 8 cents each	**12**	12	12
100 000 000 (2013:100 000 000) variable rate cumulative redeemable preference shares of 1 cent each	**1**	1	1
Issued*			
Share capital	**9**	9	9
Share premium	**300**	300	268
Treasury shares and share options	**(1 829)**	(1 781)	(1 787)
	(1 520)	(1 472)	(1 510)

All issued shares are fully paid.
* *The issued preference shares have been included in borrowings in note 21.*

1 875 517 shares in the unissued share capital of the Company remain under the control of the directors as a specific authority in terms of section 38(1) of the Companies Act to allot and issue in accordance with the share option scheme. 10 780 000 shares were placed under the specific control of the directors to allot and issue in accordance with the EGP and BMSP.

	2014		2013		2012	
	Number of shares	**Rm**	Number of shares	Rm	Number of shares	Rm
Movement during the year						
Statutory shares in issue	**114 129 455**	**309**	114 129 455	309	113 487 165	277
Balance at beginning of year	**114 129 455**	**309**	113 487 165	277	111 095 130	146
Exercise of treasury share options	**–**	**–**	642 290	32	2 053 988	124
Shares issued	**–**	**–**	–	–	338 047	7
Treasury shares and share options	**(21 082 140)**	**(1 829)**	(20 895 969)	(1 781)	(21 010 770)	(1 787)
Balance at beginning of year	**(20 895 969)**	**(1 781)**	(21 010 770)	(1 787)	(17 218 464)	(1 613)
Deemed treasury shares purchased	**(409 119)**	**(41)**	(149 361)	(3)	(831 273)	(72)
Additional treasury shares consolidated in respect of Dinokana	**–**	**–**	–	–	(3 427 077)	(187)
Treasury share options exercised	**–**	**–**	–	29	–	61
Treasury shares and deemed treasury shares disposed of	**91 894**	**9**	110 342	–	2 174	–
Treasury share options purchased	**–**	**(29)**	–	(34)	–	(20)
Vested shares awards	**131 054**	**13**	153 820	14	463 870	44
Closing balance	**93 047 315**	**(1 520)**	93 233 486	(1 472)	92 476 395	(1 510)
Treasury shares & share options						
Held by subsidiary	**10 149 477**	**1 069**	10 549 477	1 107	10 549 477	1 107
Deemed treasury shares & share options	**1 615 485**	**308**	1 029 314	222	1 144 115	228
Held by Dinokana	**6 719 759**	**367**	6 719 759	367	6 719 759	367
Held by Employee Share Trusts	**2 597 419**	**85**	2 597 419	85	2 597 419	85
	21 082 140	**1 829**	20 895 969	1 781	21 010 770	1 787

No treasury share options were exercised during the year (2013: 642 290 shares). 409 119 (400 000 purchased shares are from the issue of treasury shares), RSP and BMSP (2013: 149 361 RSP and CSP) shares were purchased during the year under review and 91 894 (2013: 110 342 RSP) RSP, CSP and BSMP shares were disposed.

R million	2014	2013
19. RETAINED EARNINGS		
Retained earnings at the end of the year comprise:		
Company	**4 162**	3 710
Subsidiaries and equity investments	**1 286**	1 441
	5 448	**5 151**
20. DEFERRED TAX		
Balance at beginning of year	**287**	275
Credited to the statement of comprehensive income	**(55)**	(8)
Prior year over provision	**(31)**	(16)
Adjustment due to rate change	**–**	1
Acquisition of a subsidiary	**(2)**	–
Currency translation adjustments	**6**	30
Charged to other comprehensive income	**6**	5
Balance at end of year	**211**	287
Deferred tax arises from the following temporary differences:		
Deferred tax liabilities		
Accelerated asset allowances		
Balance at beginning of year	**683**	597
Reclassified from fair value adjustments	**–**	4
Currency translation adjustments	**2**	47
(Credited)/charged to statement of comprehensive income	**(45)**	35
	640	683
To be recovered after more than 12 months	**539**	576
To be recovered within 12 months	**101**	107
Deferred tax assets		
Assessable losses	**(253)**	(261)
Balance at beginning of year	**(261)**	(174)
Currency translation adjustments	**4**	(40)
Acquisition of subsidiary	**(2)**	–
Adjustment due to rate change	**–**	1
Charged/(credited) to statement of comprehensive income	**6**	(48)
Disallowed accruals and provisions	**(175)**	(152)
Balance at beginning of year	**(152)**	(133)
Currency translation adjustments	**–**	3
Reclassification from fair value adjustments	**–**	(13)
Credited to statement of comprehensive income	**(23)**	(9)
Fair value adjustments	**(1)**	17
Balance at beginning of year	**17**	(15)
Reclassification to disallowed accruals and provisions	**–**	13
Reclassfication to PPE	**–**	(4)
Currency translation adjustments	**–**	20
Charged directly to other comprehensive income	**6**	5
Credited to statement of comprehensive income	**(24)**	(2)
	(429)	(396)
To be recovered after more than 12 months	**(94)**	(108)
To be recovered within 12 months	**(335)**	(288)
Net deferred tax liability	**211**	287
Aggregate assets and liabilities on subsidiary company basis:		
Deferred tax assets	**(249)**	(214)
Deferred tax liabilities	**460**	501
	211	287

R million	2014	2013	2012
21. BORROWINGS			
Non current			
Term facilities	**2 279**	1 113	1 136
V&A loan	**319**	329	334
Redeemable preference shares	**1 106**	2 243	2 925
Lease liabilities	**30**	17	55
Vacation Club members	**38**	51	46
	3 772	3 753	4 496
Current			
Short-term banking facilities	**2 488**	2 549	1 892
Term facilities	**45**	213	101
Redeemable preference shares	**876**	12	5
Lease liabilities	**29**	63	47
V&A loan	**10**	5	–
Minority shareholder loans	**362**	324	377
	3 810	3 166	2 422
Total borrowings	**7 582**	6 919	6 918
Secured	**442**	483	528
Unsecured	**7 140**	6 436	6 390
	7 582	6 919	6 918

The fair value of borrowings approximate their carrying values except for the V&A loan which has a fair value of R368 million (2013: R387 million). The fair value has been determined on a discounted cash flow basis using a discount rate of 9% (2013: 9%).

The carrying amounts of the borrowings are denominated in the following currencies:

R million	2014	2013	2012
US Dollar	**210**	727	764
Chilean Peso	**383**	95	120
South African Rand	**6 989**	6 097	6 034
	7 582	6 919	6 918

Included in the South African Rand amount is a loan from Nedbank of R507 million. This loan was taken out to fund the purchase and fitout of the Ocean Sun Casino in Panama. The Company has entered into an interest rate cross currency swap to fix the interest rate and convert payments into dollars.

Lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in event of default.

R million	2014	2013	2012
Net book value of property, plant and equipment encumbered by secured loans	**2 348**	2 442	3 436
The borrowings are repayable as follows:			
6 months or less	**876**	300	450
6 months – 1 year	**2 934**	2 858	1 972
1 – 2 years	**333**	1 400	771
2 – 3 years	**1 392**	633	1 132
3 – 4 years	**1 036**	1 197	1 309
4 years and onwards	**1 011**	531	1 284
	7 582	6 919	6 918
Interest rates			
Year end interest and dividend rates are as follows:			
Short-term banking facilities	**7.3%**	6.6%	7.1%
Term facilities	**6.0%**	7.6%	7.7%
V&A loan	**12.2%**	12.2%	12.2%
Redeemable preference shares	**7.5%**	6.9%	7.0%
Lease liabilities	**9.0%**	9.1%	9.3%
Vacation Club members	**10.9%**	10.9%	10.9%
Minority Shareholders' loans	**5.0%**	5.0%	6.1%
Weighted average	**7.2%**	7.2%	7.4%

As at 30 June 2014, interest rates on 23% (2013: 27%) of the Group's borrowings were fixed. 69% (2013: 78%) of these fixed borrowings were for periods longer than 12 months. The interest rates other than on the V&A loan, approximate those currently available to the Group in the market.

R million	2014	2013	2012
21. BORROWINGS continued			
Redeemable preference shares			
SIL	**–**	417	1 111
SISA	**1 350**	1 350	1 350
RAH	**121**	–	–
Dinokana	**511**	488	469
	1 982	2 255	2 930

Preference dividends on the SIL preference shares were payable semi-annually on 31 March and 30 September and calculated at a rate of 77% (2013: 77%) of the bank prime overdraft rate. The preference shares were redeemed during the current financial year.

Preference dividends on the SISA preference shares are payable semi-annually on 31 August and 28 February and are calculated at an average rate of 7.1% (2013: 6.8%). The SISA preference shares are redeemable as follows:

	R million
October 2014	365
December 2016	675
October 2017	240
December 2017	70
	1 350

Preference dividends on the RAH preference shares are payable semi-annually on 31 May and 30 November and are calculated at a rate of 71% of the bank prime overdraft rate. The preference shares are redeemable in December 2016.

Preference dividends on the Dinokana preference shares are payable semi-annually on 31 March and 30 September and are calculated at a rate of 91.3% (2013: 91.3%) of the bank prime overdraft rate. The preference shares are redeemable on 3 December 2014.

A register of non current borrowings is available for inspection at the registered office of the Company.

The Group had unutilised borrowing facilities of R1.7 billion (2013: R527 million) at 30 June 2014. All undrawn borrowing facilities are renewable annually and none have fixed interest rates.

Capitalised lease liabilities

Finance lease liabilities are primarily for slot machines. At the time of entering into the capital lease arrangements, the commitments are recorded at the present value using applicable interest rates. The aggregate amounts of minimum lease payments and the related imputed interest under the capitalised lease contracts payable in each of the next five financial years and thereafter are as follows:

R million	2014	2013	2012
Gross minimum lease payments:			
No later than 1 year	**30**	63	47
Later than 1 year and no later than 5 years	**31**	22	57
	61	85	104
Imputed interest:			
No later than 1 year	**(1)**	–	–
Later than 1 year and no later than 5 years	**(1)**	(5)	(2)
	(2)	(5)	(2)
Net capital payments of finance lease liabilities	**59**	80	102
Net carrying value of assets held under finance leases	**99**	107	116

R million	2014	2013
22. OTHER NON CURRENT LIABILITIES		
Financial instruments		
Monticello purchase consideration (refer to note 26)	**1 687**	–
Derivative financial instruments		
Interest rate cross currency swaps (refer to note 26)	**55**	44
	1 742	44
Current portion		
Interest rate cross currency swaps	**–**	(15)
	1 742	29
Non-financial instruments		
Straight lining of operating leases	**116**	91
Deferred income	**252**	138
Sun City Vacation Club	**111**	23
DTI Grant	**8**	–
Discounted slot machines	**24**	–
Lessor contribution	**109**	115
Deferred payments	**51**	–
Apartments for Ocean Sun Casino	**48**	–
Other	**3**	–
Accrual for farewell gifts	**6**	6
Long service award	**42**	82
Lease restoration provision	**5**	5
Post-retirement medical aid liability	**112**	99
	584	421
Current portion	**(10)**	(10)
	574	411
	2 316	440

Monticello purchase consideration

As announced on SENS on 2 July 2014 Sun International, on 30 June 2014, reached agreement to acquire a further 54.7% interest in Monticello for approximately US$114 million giving the Group an effective 98.9% interest. In addition Sun International will acquire shareholder loans and cash of approximately US$32 million.

The R1 687 million relates to the purchase of an additional 54.7% in Monticello. R1 586 million is in respect of the initial cash amount, while R101 million is in respect of a possible earn out payment.

Straight lining of operating leases

Lease payments relating to property are straight-lined over the term of the leases.

Deferred income

Deferred income includes sales proceeds in respect of the Vacation Club units constructed at Sun City. This revenue is recognised over the 15 year period of the members' contracts.

Lessor contributions were received in respect of the Maslow refurbishment. The contribution is recognised over 20 years and reduces the rental expense.

Apartments for Ocean Sun Casino

In terms of the purchase agreement for the apartments on level 65 of the Trump Tower, payment is only due in December 2015 ($2 million) and December 2016 ($2.5 million).

R million	**2014**	2013

22. OTHER NON CURRENT LIABILITIES continued

Post-retirement medical aid liability

The Group contributes towards the post-retirement medical aid contributions of eligible employees employed by the Group as at 30 June 2003. Employees who joined the Group after 1 July 2003 are not entitled to any co-payment subsidy from the Group upon retirement. Employees are eligible for such benefits on retirement based upon the number of completed years of service. The methods of accounting and valuation are similar to those used for defined benefit schemes. The actuarial valuation to determine the liability is performed annually.

	2014	2013
Present value of unfunded obligations in the statements of financial position	**112**	99

The Group has no matched asset to fund the obligations. There are no unrecognised actuarial gains or losses and no unrecognised past service costs.

	2014	2013
Movement in unfunded obligation:		
Benefit obligation at beginning of year	**99**	109
Interest cost	**10**	9
Current service cost	**4**	4
Actuarial loss/(gain)	**1**	(22)
Benefits paid	**(2)**	(1)
Benefit obligation at end of year	**112**	99
The amounts recognised in profit and loss are as follows (refer to note 3):		
Current service cost	**4**	4
Interest cost	**10**	9
	14	13
The amounts recognised in other comprehensive income are as follows:		
Actuarial loss/(gain)	**1**	(22)
Net movement in total comprehensive income for the year	**15**	(9)

The expected expense to be recognised in the statement of comprehensive income for the year ending 30 June 2015 is R15 million.

	2014	2013
The principal actuarial assumptions used for accounting purposes were:		
Discount rate	**9.65%**	9.45%
Price inflation allowed by Group	**6.80%**	5.31%
The average life expectancy in years of a pensioner retiring at age 60 on the statement of financial position date and of a member retiring at age 60, 20 years after the statement of financial position date are as follows:		
Male	**19.4**	19.4
Female	**24.2**	24.2

A 1% increase in the future rate of increase of the medical aid subsidy assumption from 5.78% (2013: 5.31%) per annum to 6.78% (2013: 6.31%) per annum results in the liability increasing by R22.8 million (2013: R20.4 million), or 20.3% (2013: 20.5%) and the resultant increase in the total of the service and interest costs is R3.3 million (2013: R2.9 million), or 21.6% (2013: 21.8%).

A 1% decrease in the future rate of increase of the medical aid subsidy assumption from 5.78% (2013: 5.31%) per annum to 4.78% (2013: 4.31%) per annum results in the liability decreasing by R18.1 million (2013: R16.1 million), or 16.1% (2013: 16.2%) and the resultant reduction in the total of the service and interest costs is R2.6 million (2013: R2.3 million), or 17.0% (2013: 17.1%).

The present value of the post retirement medical aid obligation for the current and prior years is as follows:

	2014	2013	2012	2011	2010
Present value of obligations	**112**	99	109	91	75
Experience adjustment on plan obligations	**1%**	(22%)	7%	7%	(25%)

R million	2014	2013
22. OTHER NON CURRENT LIABILITIES continued		
Long service award		
The Group offers employees a long service award. Employees are eligible for such benefits based upon the number of completed years of service. The method of accounting and valuation are similar to those used for defined benefit schemes. The actuarial valuation to determine the liability is performed annually.		
Movement in unfunded obligation:		
Benefit obligation at beginning of year	**81**	222
Interest cost	**3**	19
Current service cost	**4**	22
Actuarial gain	**(6)**	(5)
Settlement of past liability	**(40)**	(120)
Loss/(gain) on part settlement of liability	**1**	(37)
Benefits paid	**(1)**	(20)
Benefit obligation at end of year	**42**	81
The amounts recognised in profit and loss are as follows (refer to note 3):		
Current service cost	**4**	22
Interest cost	**3**	19
Loss/(gain) on part settlement of liability	**1**	(37)
Actuarial gain	**(6)**	(5)
	2	(1)
The principal actuarial assumptions used for accounting purposes were:		
Discount rate	**8.35%**	7.65%
Salary inflation assumption	**N/A**	7.30%

During the 2013 financial year, the Group settled the old long service liability for non-bargaining unit employees for R120 million. A settlement of R40 million was made to bargaining unit employees in the current year. The new long service policy is now applicable to all employees.

A 1% increase in the discount rate will have a resultant decrease in the liability of R2.5 million (2013: R5.2 million), and a resultant decrease in the total of the service and interest costs of R0.1 million (2013: R0.3 million).

A 1% decrease in the discount rate will have a resultant increase in the liability of R2.7 million (2013: R5.8 million), and a resultant increase in the total of the service and interest costs of R0.1 million (2013: R0.3 million).

The expected expense to be recognised in the statement of comprehensive income for the year ending 30 June 2015 is R3.7 million.

The present value of the long service awards obligation for the current and prior years is as follows:

R million	2014	2013	2012	2011	2010
Present value of obligations	**42**	81	222	167	156
Experience adjustment on plan obligations	**14%**	6%	20%	(3%)	–

R million	2014	2013
22. OTHER NON CURRENT LIABILITIES continued		
Farewell gift liability		
The Group offers a farewell gift to employees who are retiring or resigning. Employees are eligible for such based upon the number of completed years of service. The method of accounting and valuation are similar to those used for defined benefit schemes. The actuarial valuation to determine the liability is performed annually.		
Movement in unfunded obligation:		
Benefit obligation at beginning of year	**6**	–
Interest cost	**–**	1
Actuarial loss	**–**	5
Benefit obligation at end of year	**6**	6
The amounts recognised in profit and loss are as follows (refer to note 3):		
Interest cost	**–**	1
Actuarial loss	**–**	5
Total	**–**	6
The principal actuarial assumptions used for accounting purposes were:		
Discount rate	**8.65%**	8.20%
Salary inflation assumption	**7.95%**	7.40%

A 1% increase in the discount rate will have a resultant decrease in the liability of R0.6 million (2013: R0.6 million), and a resultant decrease in the total of the service and interest costs of R0.04 million (2013: R0.1 million).

A 1% decrease in the discount rate will have a resultant increase in the liability of R0.7 million (2013: R0.7 million), and a resultant increase in the total of the service and interest costs of R0.04 million (2013: R0.1 million).

The expected expense to be recognised in the statement of comprehensive income for the year ending 30 June 2014 is R0.9 million (2013: R1 million).

The present value of the Farewell gift liability obligation for the current year is as follows:

	2014	2013	2012	2011	2010
Present value of obligations	**6**	6	–	–	–
Experience adjustment on plan obligations	**–**	(83%)	–	–	–

R million	2014	2013
23. ACCOUNTS PAYABLE AND ACCRUALS		
Financial instruments		
Trade payables	**265**	209
Accrued expenses	**741**	699
Interest payable	**8**	10
Capital creditors	**29**	22
Current portion of interest rate cross currency swaps	**–**	15
Other payables	**93**	79
	1 136	1 034
Non financial instruments		
VAT	**41**	47
Employee related accruals	**339**	343
	1 516	1 424
The fair value of all non derivative financial instruments approximates their carrying value.		
24. PROVISIONS		
Balance at beginning of year:		
Progressive jackpots	**40**	38
Ster Century guarantee	**8**	5
	48	43
Created during the year:		
Progressive jackpots	**–**	146
Ster Century guarantee	**–**	3
Restructure provision	**112**	–
	112	149
Utilised/settled during the year:		
Progressive jackpots	**(22)**	(144)
Ster Century guarantee	**(8)**	–
	(30)	(144)
Balance at end of year:		
Progressive jackpots	**18**	40
Ster Century guarantee	**–**	8
Restructure provision	**112**	–
	130	48

Restructure provision

During the current year the Group embarked on a section 189 and 189A of the Labour Relations Act restructuring process as part of the initiatives to improve operational performance. The process is still ongoing and has taken longer than expected due to extensive but constructive consultation with the unions and affected parties. The process is expected to be completed in the first half of the next financial year. R53 million has already been paid out during the financial year and a provision of R112 million has been raised for employees who have accepted early retirement and voluntary retrenchment. The liability is calculated based on the current remuneration level as well as years of employment. This brings the total cost relating to the restructure to R165 million (refer to note 3).

Progressive jackpots

This is the provision for wide area progressives. The full provision is expected to be utilised within the next financial year.

R million	2014	2013
25. CASH FLOW INFORMATION		
25.1 Cash generated by operations		
Operating profit	**1 679**	1 880
Non cash items and items dealt with separately:		
Depreciation and amortisation	**958**	851
Operating equipment usage	**62**	56
Derivative financial instruments	**55**	(58)
Employee share based payments	**53**	46
Pre-opening Maslow lease rentals	**–**	24
Impairment of Maslow assets	**39**	–
Foreign exchange profit	**12**	57
Deferred income accrued for	**120**	52
Long service award release	**–**	(21)
Other non-cash movements	**20**	36
	2 998	2 923
Delivery of share awards	**(7)**	(11)
Cash generated by operations before working capital changes	**2 991**	2 912
Working capital changes	**98**	168
Inventory	**(17)**	(6)
Accounts receivable	**(43)**	16
Accounts payable, accruals and provisions	**158**	158
	3 089	3 080
25.2 Tax paid		
Liability at beginning of year	**(28)**	(44)
Current tax provided (refer to note 7)	**(481)**	(471)
CGT, STC and withholding taxes (refer to note 7)	**(22)**	(26)
Foreign exchange adjustments	**–**	15
Liability at end of year	**37**	28
	(494)	(498)
25.3 Acquisition of subsidiary		
Effective 30 October 2013, the Group acquired a 100% shareholding in Powerbet Gaming (Pty) Ltd ("Powerbet"). A purchase price allocation has been performed in the results as set out below:		
Computer software (refer to note 12)	**(18)**	–
Deferred tax liability	**3**	–
Accounts receivable	**(1)**	–
Cash and cash equivalents	**(3)**	–
Accounts payable and accruals	**3**	–
Net assets	**(16)**	–
Goodwill recognised (refer to note 12)	**(14)**	–
Consideration settled in cash	**(30)**	–
Cash and cash equivalents	**3**	–
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.

R million	2014	2013
25. CASH FLOW INFORMATION continued		
25.4 Disposal of subsidiary		
On 30 June 2014 the Group disposed of 100% of its interest in Sun International Travel Proprietary Limited.		
The effect on the results is as follows:		
Accounts receivable	**(4)**	–
Cash and cash equivalents	**(10)**	–
Accounts payable and accruals	**20**	–
Net liabilities disposed of	**6**	–
Consideration received	**–**	–
Profit realised on disposal	**6**	–
Net cash outflow	**(10)**	–
25.5 Purchase of shares in subsidiaries (refer to note 34)		
Monticello	**–**	(73)
Afrisun Leisure Investments	**(120)**	–
Afrisun Gauteng	**(3)**	–
Teemane	**(3)**	–
	(126)	(73)
25.6 Increase/(decrease) in borrowings		
Increase in borrowings	**992**	20
Decrease in borrowings	**(280)**	(715)
Imputed interest	**(18)**	(21)
(Decrease)/increase in short term banking facilities	**(61)**	657
	633	(59)
25.7 Interest paid		
Interest expense	**(550)**	(505)
Imputed interest on loans payable	**18**	21
Fair value of derivative financial instruments	**–**	4
Non cash transfer from hedging reserve	**–**	2
	(532)	(478)
25.8 Dividends paid		
To shareholders	**(240)**	(252)
To minorities in subsidiaries	**(249)**	(273)
	(489)	(525)
25.9 Cash and cash equivalents		
Cash at bank	**834**	841
Cash floats	**124**	183
	958	1 024

26. FINANCIAL RISK MANAGEMENT

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group at all times maintains adequate committed credit facilities in order to meet all its commitments as and when they fall due. Repayment of borrowings are structured to match the expected cash flows from operations to which they relate.

The Group's preference share funding is subject to debt covenants which are reviewed on an ongoing basis.

The following are the contractual undiscounted maturities of financial liabilities (including principal and interest payments) presented in Rands:

R million	On demand or not exceeding 6 months	More than 6 months but not exceeding 1 year	More than 1 year but not exceeding 2 years	More than 2 years but not exceeding 5 years	More than 5 years
2014					
Term facilities	**79**	**105**	**508**	**1 797**	**316**
Minority shareholder loans	**362**	**–**	**–**	**–**	**–**
V&A loan	**25**	**25**	**55**	**195**	**244**
Redeemable preference shares	**946**	**49**	**76**	**1 156**	**–**
Lease liabilities	**20**	**7**	**11**	**24**	**–**
Vacation Club members	**–**	**–**	**–**	**–**	**81**
Short-term banking facilities*	**78**	**2 410**	**–**	**–**	**–**
Derivative financial instruments	**(9)**	**(10)**	**(16)**	**(8)**	**97**
Trade payables	**265**	**–**	**–**	**–**	**–**
Accrued expenses	**741**	**–**	**–**	**–**	**–**
Interest payable	**8**	**–**	**–**	**–**	**–**
Capital creditors	**29**	**–**	**–**	**–**	**–**
Other payables	**93**	**–**	**–**	**–**	**–**
Monticello purchase consideration	**1 687**	**–**	**–**	**–**	**–**
	4 324	**2 586**	**634**	**3 164**	**738**
2013					
Term facilities	457	154	296	907	132
Minority shareholder loans	324	–	–	–	–
V&A loan	23	23	50	179	315
Redeemable preference shares	69	69	921	1 191	–
Lease liabilities	32	31	20	2	–
Vacation Club members	–	–	–	–	99
Short-term banking facilities*	95	2 454	–	–	–
Derivative financial instruments	7	8	12	8	–
Trade payables	209	–	–	–	–
Accrued expenses	699	–	–	–	–
Interest payable	10	–	–	–	–
Capital creditors	22	–	–	–	–
Other payables	79	–	–	–	–
	2 026	2 739	1 299	2 287	546

* *These are 364 day notice facilities. As at date of this report no notice on any of these facilities had been received.*

All derivative financial instruments are classified as level 2 financial instruments.

26. FINANCIAL RISK MANAGEMENT continued

Credit risk

Credit risk arises from loans and receivables, accounts receivable (excluding prepayments and VAT), and cash and cash equivalents. Trade debtors consist mainly of large tour operators. The granting of credit is controlled by application and account limits. Cash investments are only placed with high quality financial institutions.

The maximum exposure to credit risk is represented by the carrying amount of all financial assets determined to be exposed to credit risk, with the exception of financial guarantees granted by the Group for which the maximum exposure to credit risk is the maximum amount the Group would have to pay if the guarantees are called on (refer to note 28).

The Group has no significant concentrations of credit risk with respect to trade receivables due to a widely dispersed customer base. Credit risk with respect to loans and receivables is disclosed in note 14.

Market risk

Market risk includes foreign currency risk, interest rate risk and other price risk. The Group's exposure to other price risk is limited as the Group does not have material investments which are subject to changes in equity prices.

(a) Foreign currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures primarily with respect to US Dollar, Sterling, Botswana Pula, Chilean Peso, Nigerian Naira, Zambian Kwacha and Colombian Peso.

The Group manages its foreign currency risk by ensuring that the net foreign currency exposure remains within acceptable levels. Companies in the Group use foreign exchange contracts (FECs) and interest rate cross currency swaps to hedge certain of their exposures to foreign currency risk. The Group has one material FEC outstanding at 30 June 2014 (2013: two) with a fair value of R55 million (2013: R32 million). The notional amount of the outstanding FEC at 30 June 2014 was R500 million (2013: R239 million). Refer to paragraph (b) for the interest rate cross currency swaps.

Included in the statements of financial position are the following amounts denominated in currencies other than the functional currency of the Group (Rand):

R million	**2014**	2013
FINANCIAL ASSETS		
US Dollar	**353**	366
Sterling	**11**	28
Botswana Pula	**84**	80
Chilean Peso	**294**	246
Nigerian Naira	**35**	35
Euro	**–**	2
Zambia ZMW	**23**	30
Colombian Pesos	**15**	–
FINANCIAL LIABILITIES		
US Dollar	**400**	726
Botswana Pula	**13**	12
Chilean Peso	**645**	251
Nigerian Naira	**82**	74
Zambia ZMW	**21**	29
Colombian Pesos	**4**	–

Foreign currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate in Rand due to changes in foreign exchange rates.

26. FINANCIAL RISK MANAGEMENT continued

FOREIGN CURRENCY SENSITIVITY

A 10% strengthening in the Rand against foreign currencies at 30 June 2014 would decrease profit before tax by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis was performed on the same basis for 2013.

R million	**2014**	2013
US Dollar	**29**	30
Sterling	**–**	(1)

A 10% weakening in the Rand against these currencies at 30 June 2014 would have an equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant.

A 10% strengthening in the Chilean Peso against the US Dollar at 30 June 2014 would increase/(decrease) the profit before tax by the amount shown below. This analysis assumes that all other variables, remain constant.

R million	**2014**	2 013
Profit before tax	**–**	(3)

A 10% weakening in the Chilean Peso against the US Dollar at 30 June 2013 would have had an equal but opposite effect to the amount shown above, on the basis that all other variables remain constant.

(b) Cash flow interest rate risk

The Group's cash flow interest rate risk arises from cash and cash equivalents and variable rate borrowings. The Group is not exposed to fair value interest rate risk as the Group does not have any fixed interest bearing financial instruments carried at fair value.

The Group manages interest rate risk by entering into short and long term debt instruments with a combination of fixed and variable interest rates. It also uses floating-to-fixed interest rate swaps and interest rate cross currency swaps to hedge its foreign currency and interest rate cash flow risk. At 30 June 2014, the following derivative financial instruments were in place:

	2014		2013	
	SIL interest rate cross currency swap	**Emfuleni interest rate swaps**	Emfuleni interest rate swaps	SFIR interest rate cross currency swaps
Notional amount	**R500 million**	**R300 million**	R300 million	US$41 million
Fixed exchange rate	**9.881[1]**			526 – 591[2]
Swapped notional	**US$51 million**			
Fixed rate	**3.87%**			
30 September 2015 swap		**5.57%**	5.57%	
29 September 2017 swap		**5.97%**	5.97%	
Variable rate	**3 month Jibar + 2.05 NACS**	**Linked to quarterly Jibar**	Linked to quarterly Jibar	Linked to USD Libor
Fair value liability/(asset) at 30 June	**R55 million**	**(R4 million)**	(R4 million)	R44 million
Transfer of profit from hedging reserve to foreign exchange profits				R2 million
Net profit on cash flow hedges		**R1 million**	R3 million	

1 *Swapped Rands for US Dollars.*
2 *3 fixed rate swaps were entered into swapping US Dollars for Chilean Pesos (US$1: CLP 526 – 591).*

The term over which the cash flows are expected to occur and impact on profit and loss is the same as set out in the derivatives maturity analysis on page 40.

26. FINANCIAL RISK MANAGEMENT continued

The interest rate characteristics of new and refinanced debt instruments are restructured according to expected movements in interest rates (refer to note 21).

INTEREST RATE SENSITIVITY

A 1% increase in interest rates at 30 June would decrease profit before tax by the amounts shown below. This analysis assumes that all other variables remain constant.

R million	**2014**	2013
Profit before tax	**(58)**	(34)

A 1% decrease in interest rates at 30 June would have an equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant.

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide benefits for its stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust this capital structure, the Group may issue new shares, adjust the amount of dividends paid to shareholders, return capital to shareholders or buy back existing shares.

The board of directors monitors the level of capital, which the Group defines as total share capital, share premium, treasury shares and treasury share options.

There were no changes to the Group's approach to capital management during the year.

The Group is not subject to externally imposed capital requirements.

Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Assets	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets				
Unlisted investments	–	–	48	48
Loans and receivables				
Derivatives used for hedging	–	7	–	7
Total assets	–	7	48	55

Liabilities	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through profit or loss				
Derivatives used for hedging	–	55	–	55
Total liabilities	–	55	–	55

Financial instruments in level 3

There have been no changes in level 3 instruments for the year ended 30 June 2014 or for the prior two years.

27. SUBSIDIARIES AND NON-CONTROLLING INTERESTS

The following is summarised financial information of material subsidiaries with non-controlling interests. See note 34 for transactions with non-controlling interests. The information is before inter-company eliminations with other companies in the Group.

2014

Total comprehensive income

		Total			Attributable to non-controlling interest	
	Non-controlling interests %	Profit after tax	Other comprehensive income	Total comprehensive income	Profit after tax	Total comprehensive income
Material subsidiaries with non-controlling interests						
Afrisun Gauteng	5%	111	1	112	5	5
Afrisun KZN	35%	197	–	197	69	69
Emfuleni Resorts	15%	8	–	8	1	1
SunWest International	25%	465	–	465	117	117
San Francisco Investment Resorts SA (Monticello)	*56%	9	–	9	5	5
Other	Various	139	(11)	128	34	24
Total		929	(10)	919	231	221

* *As at 30 June 2014, an agreement had been reached to purchase an additional 54.7% of San Francisco Investment Resorts SA.*

Statement of financial position

	Current assets	Non current assets	Current liabilities	Non current liabilities	Net assets	Net assets attributable to non-controlling interests
Material subsidiaries with non-controlling interests						
Afrisun Gauteng	27	635	(676)	(18)	(32)	(2)
Afrisun KZN	30	719	(463)	(31)	255	89
Emfuleni Resorts	39	1 062	(265)	(470)	366	55
SunWest International	81	1 335	(733)	(368)	315	79
San Francisco Investment Resorts SA (Monticello)	139	2 238	(908)	(251)	1 218	682

Dividends and statement of cash flows

	Dividends paid to non–controlling interests during the year	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Net increase/ (decrease) in cash and cash equivalents
Material subsidiaries with non-controlling interests					
Afrisun Gauteng	3	171	(70)	(94)	7
Afrisun KZN	61	278	(109)	(155)	14
Emfuleni Resorts	–	182	(58)	(129)	(5)
SunWest International	113	703	(290)	(428)	(15)
San Francisco Investment Resorts SA (Monticello)	–	142	(130)	(30)	(18)

Dividends paid to the remaining subsidiaries with non-controlling interests amounted to R72 million.

27. SUBSIDIARIES AND NON-CONTROLLING INTERESTS continued

2013

Total comprehensive income

		Total			Attributable to non-controlling interest	
	Non-controlling interests %	Profit after tax	Other compre-hensive income	Total compre-hensive income	Profit after tax	Total compre-hensive income
Material subsidiaries with non-controlling interests						
Afrisun Gauteng	5%	136	1	137	7	7
Afrisun KZN	36%	187	1	188	67	67
Emfuleni Resorts	17%	(6)	3	(3)	–	–
SunWest International	26%	439	1	440	116	116
San Francisco Investment Resorts SA (Monticello)	56%	63	168	231	35	129
Other	Various	180	126	306	68	273
Total		999	300	1 299	293	592

Statement of financial position

	Current assets	Non current assets	Current liabilities	Non current liabilities	Net assets	Net assets attributable to non-controlling interests
Material subsidiaries with non-controlling interests						
Afrisun Gauteng	23	650	(730)	(17)	(74)	(4)
Afrisun KZN	21	692	(447)	(31)	235	85
Emfuleni Resorts	59	1 086	(258)	(539)	348	59
SunWest International	103	1 168	(585)	(387)	299	78
San Francisco Investment Resorts SA (Monticello)	144	2 350	(719)	(537)	1 238	693

Dividends and statement of cash flows

	Dividends paid to non-controlling interests during the year	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Net increase/ (decrease) in cash and cash equivalents
Material subsidiaries with non-controlling interests					
Afrisun Gauteng	12	332	(128)	(201)	3
Afrisun KZN	78	290	(60)	(225)	5
Emfuleni Resorts	–	109	(315)	201	(5)
SunWest International	124	633	(78)	(541)	14
San Francisco Investment Resorts SA (Monticello)	–	212	(88)	(164)	(40)

Dividends paid to the remaining subsidiaries with non-controlling interests amounted to R59 million.

R million	2014	2013
28. CONTINGENT LIABILITIES		
Group companies have guaranteed borrowing facilities of certain Group subsidiaries in which the Group has less than 100% shareholding. The Group has therefore effectively underwritten the minorities' share of these facilities in the amount of R583 million at 30 June 2014 (June 2013: R612 million).		
Wild Coast Land Claim		
The land claimants, being the Mgungundlovu Community, are asking the Land Claims Court for relief in the form of declaring the company's long-term notarial lease over the Wild Coast Sun property invalid; alternatively ordering restitution of ownership of the property from the State to the Community. The latter ground is not an issue. The first ground is being defended in that the loss of the lease would result in the revocation of the Wild Coast Sun's casino licence due to the absence of tenure to the property, which is a requirement in terms of the Eastern Cape gambling legislation. The trial is scheduled to start in early November 2014. It is difficult to assess the Community's prospects of success with this ground but at a Group level the exposure is perhaps not significant.		
29. CAPITAL EXPENDITURE AND RENTAL COMMITMENTS		
Capital commitments		
Contracted	**657**	183
Authorised by the directors but not contracted	**1 434**	1 259
	2 091	1 442
To be spent in the forthcoming financial year	**2 004**	1 442
To be spent thereafter	**87**	–
	2 091	1 442

Future capital expenditure will be funded by a combination of internally generated cash flows and debt facilities.

Rental commitments

The Group has the following material rental agreements as at 30 June 2014:

(i) For the Group's head office in Sandton, expiring on 1 July 2029, with an annual rental of R15.4 million, escalating at 7% per annum. The Group has the option to renew the lease for 5 years after the expiration of the initial lease.

(ii) For the land upon which the Wild Coast Sun Resort is situated, expiring on 9 March 2029, at an annual rental of R0.1 million, escalating at 5% per annum. The Group has an option to renew the lease to March 2079. The rental payment would be negotiated and cannot increase by more than 15% based on the rental payable in March 2029.

(iii) For the land upon which the Flamingo casino complex is situated, expiring on 30 September 2096, with an annual rental of R0.1 million, plus contribution to the maintenance cost of the golf course.

(iv) For the Sands Hotel building expiring on 30 June 2019, with an annual rental of R11.2 million, escalating at 8% per annum. The Group has the option to renew the lease to June 2029.

(v) For the Maslow Hotel building expiring on 31 December 2031, with an annual rental of R22 million, escalating at 7% per annum.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

R million	2014	2013
No later than 1 year	**45**	52
Later than 1 year and no later than 5 years	**255**	194
Later than 5 years	**1 166**	956
	1 466	1 202

R million	**2014**	2013
30. RELATED PARTY TRANSACTIONS		
Key management personnel have been defined as: Sun International Limited board of directors and Sun International Management executive team with Group oversight. The definition of key management includes the close members of family of key management personnel and any entity over which key management exercises control. Close members of family are those family members who may be expected to influence, or be influenced by that individual in their dealings with the Group. They may include the individual's domestic partner and children, the children of the individual's domestic partner and dependants of the individual or the individual's domestic partner.		
(i) Key management compensation		
NON-EXECUTIVE DIRECTORS		
Fees	**5**	5
EXECUTIVE DIRECTORS		
Basic remuneration	**11**	9
Bonuses/performance related payments	**12**	6
Retirement contributions	**2**	2
Other benefits	**1**	16
Fair value of options expensed	**10**	9
	36	42
	41	47
OTHER KEY MANAGEMENT		
Basic remuneration	**28**	25
Bonuses/performance related payments	**20**	18
Retirement contributions	**5**	4
Other benefits	**2**	3
Fair value of options expensed	**20**	16
	75	66

Details of individual directors' emoluments and share options are set out in the Remuneration report.

Share based compensation granted

SHARE OPTION SCHEME

All share options and grants were awarded to key management on the same terms and conditions as those offered to other employees of the Group.

Directors
No share options were granted to the executive directors of the Group during 2014 (2013: nil). The number of share options held by executive directors at the end of the year was nil (2013: 14 063).

Other key management
The number of share options held by other key management at the end of the year was 131 438 (2013: 106 907).

30. RELATED PARTY TRANSACTIONS continued

Other share schemes

Movements on share grants is set out below:

R million	2014 Executive management	2014 Other key management	2014 Average grant price	2013 Executive management	2013 Other key management	2013 Average grant price
EGP						
Opening balance	**121 768**	**420 390**	**86.03**	209 338	641 144	86.10
Movement in employees	**–**	**112 276**	**88.17**	78 061	(78 061)	87.12
Exercised	**–**	**–**	**–**	(47 670)	(67 399)	82.74
Lapsed termination of employment	**–**	**(57 213)**	**87.06**	(109 852)	–	86.50
Lapsed vesting condition not met	**(18 923)**	**(78 285)**	**77.25**	(20 208)	(75 294)	90.47
Granted	**369 193**	**592 680**	**102.19**	12 099	–	89.46
Closing balance	**472 038**	**989 848**	**97.37**	121 768	420 390	86.03
CSP						
Opening balance	**96 867**	**267 529**	**88.06**	137 805	475 146	86.84
Movement in employees	**–**	**25 291**	**87.82**	80 469	(80 469)	87.21
Lapsed termination of employment	**–**	**(47 728)**	**88.24**	(92 377)	–	86.66
Lapsed vesting condition not met	**(25 494)**	**(71 965)**	**89.46**	(29 030)	(127 148)	84.12
Granted	**(19 540)**	**(55 157)**	**89.46**	–	–	
Closing balance	**51 833**	**117 970**	**86.55**	96 867	267 529	88.06
DBP						
Opening balance	**17 253**	**29 580**	**86.06**	16 839	32 904	88.60
Movement in employees	**–**	**11 666**	**87.10**	6 293	(6 293)	89.00
Matching award	**(1 463)**	**(8 016)**	**97.04**	(10 018)	(14 357)	91.49
Lapsed termination of employment	**–**	**(2 825)**	**83.80**	(8 595)	–	83.29
Granted	**–**	**–**	**–**	12 734	17 326	85.47
Closing balance	**15 790**	**30 405**	**84.21**	17 253	29 580	86.06
RSP & BMSP						
Opening balance	**267 240**	**174 315**	**93.03**	288 546	303 086	90.54
Movement in employees	**–**	**30 015**	**89.25**	108 125	(108 125)	84.75
Vested	**(16 273)**	**(33 891)**	**97.35**	(101 126)	(20 646)	93.78
Lapsed termination of employment	**–**	**–**	**–**	(138 647)	–	90.39
Granted	**49 183**	**126 305**	**95.38**	110 342	–	105.65
Closing balance	**300 150**	**296 744**	**93.17**	267 240	174 315	93.03

	2014	2013
(ii) Shareholding of key management		
Percentage holding by key management		
Sun International Limited	**1.8**	1.5
Afrisun KZN	**0.7**	0.9
National Casino Resort Manco Holdings	**5.7**	8.6
Teemane	**–**	0.3
	R'000	R'000
Dividends received by key management		
Sun International Limited	**1 993**	1 863
Afrisun KZN	**1 303**	2 056
National Casino Resort Manco Holdings	**280**	814
Teemane	**–**	70
	3 576	4 803

30. RELATED PARTY TRANSACTIONS continued

(iii) Other commercial transactions with related parties

Interest in timeshare

Certain members of key management own timeshare at Sun City, which was acquired at market prices.

Sale of subsidiary to related party

The Company sold its investment in Sun International Travel Proprietary Limited at 30 June 2014 to a company in which Ms ZBM Bassa, who serves as a non-executive director on the SIL board, has an interest.

(iv) Other related party relationships

Management agreements are in place between SIML and various Group companies. A management fee is charged by SIML in respect of management services rendered.

R million	2014	2013
31. INSURANCE CONTRACTS		
The Group has a captive insurance company which underwrites a range of insurance risks on behalf of Group operating companies. On consolidation these insurance contracts are eliminated. The insurance captive purchases reinsurance cover for any individual loss exceeding R3 million. Amounts arising from these contracts are as follows:		
Reinsurance premium costs	**15**	16

R million	2014 Number of shares	2014 Average price	2013 Number of shares	2013 Average price
32. SHARE INCENTIVE SCHEMES				
All share schemes are equity settled.				
(i) Share option scheme				
Movements in the number of share options outstanding are as follows:				
MOVEMENT DURING THE YEAR				
Balance at beginning of year	**837 730**	**48.24**	1 503 833	48.68
Exercised	**(463 347)**	**41.06**	(666 103)	49.24
Balance at end of year	**374 383**	**57.11**	837 730	48.24
OPTIONS HELD BY SHARE OPTION TRUST				
Balance at the beginning of year	**33 501**	**42.89**	12 188	44.89
Purchased from employees	**463 347**	**41.06**	666 103	49.24
Options exercised	**–**	**–**	(642 290)	50.54
Options lapsed	**(49 095)**	**38.35**	(2 500)	25.63
Balance at end of the year	**447 753**	**41.50**	33 501	42.89
	822 136	**48.61**	871 231	48.04

Share options held by participants at the end of the year have the following terms:

Financial year of grant	Financial year of lapse	Vested options	Average price R
2005	2015	368 758	55.83
2006	2016	5 625	74.00
Balance at 30 June 2014		**374 383**	**57.11**
Balance at 30 June 2013		837 730	48.24

32. SHARE INCENTIVE SCHEMES continued

(i) Share option scheme continued

Share options held by Share Option Trust at the end of the year have the following terms:

Financial year of grant	Financial year of lapse	Options held	Average price R
2005	2015	441 409	38.47
2006	2016	6 344	61.83
Balance at 30 June 2014		**447 753**	**41.50**
Balance at 30 June 2013		33 501	42.89

Share options are exercisable on the expiry of one year from the date of grant in cumulative tranches of 25% per annum and vest on retirement, retrenchment and death. Options lapse if not exercised within ten years of their date of grant. Options under the scheme were granted at prices ruling on the JSE Limited at the date of granting those options. No options were issued during the year.

(ii) Conditional share plan

CSP awards provide senior executives with the opportunity to receive shares in Sun International Limited by way of a conditional award, which is subject to the fulfilment of predetermined performance conditions on the expiry of a three year performance period. The performance condition is related to the Company's total shareholder return (TSR) over a three year period, relative to the TSR of constituents in the INDI 25 index and gambling/hotels sub-sectors of the travel and leisure sector that have a market capitalisation of greater than R1 billion. No awards vest if the Group's TSR falls below the median TSR of the comparator group while all the awards vest if the Group's TSR falls within the upper quartile. Between the median and upper quartile the CSP awards vest linearly as the ranking of the Group's TSR increases. For awards made in 2011 and 2012, 40% of the award is based on the performance condition related to the Company's TSR over a 3 year period as described above. In addition two new performance conditions were included as follows:

30% of the award is based on achieving AHEPS threshhold and on-target performance targets.

30% of the award is based on the Group achieving and maintaining a B-BBEE rating level of 4 or better as at December 2013.

Movements in the number of share grants outstanding are as follows:

	2014		2013	
	Number of grants	**Weighted average grant price R**	Number of grants	Weighted average grant price R
Balance at beginning of year	**492 725**	**88.00**	787 449	91.48
Lapsed – termination of employment	**(32 437)**	**87.96**	(97 894)	86.66
Lapsed – performance condition not met	**(130 504)**	**89.46**	(212 656)	84.12
Granted	**–**	**–**	15 826	89.46
Balance at end of year	**329 784**	**87.43**	492 725	88.00
Share grants outstanding at the end of the year vest on the following dates, subject to fulfilment of performance conditions:				
Year ending on 30 June				
2014	**–**	**–**	246 204	89.46
2015	**100 023**	**89.46**	246 521	86.55
2016	**229 761**	**86.55**	–	–
	329 784	**87.43**	492 725	88.00

32. SHARE INCENTIVE SCHEMES continued

(iii) Equity growth plan

EGP rights provide senior executives with the opportunity to receive shares in Sun International Limited through the grant of conditional EGP rights, which are rights to receive shares equal in value to the appreciation of the Sun International share price between the date on which the conditional EGP rights are granted and the date on which they are exercised, subject to the fulfilment of predetermined performance conditions over a specified performance period. The performance condition applied to the grants is that the Group's adjusted headline earnings per share should increase by 2 percent per annum above inflation over a three-year performance period. If the performance condition is not met at the end of 3 years it is retested at the end of 4 and 5 years from the date of grant. From 2011, the awards are no longer re-tested at the end of years 4 and 5. These awards lapse after the initial 3 year period.

Movements in the number of share grants outstanding are as follows:

	2014		2013	
	Number of grants	**Weighted average grant price R**	Number of grants	Weighted average grant price R
Balance at beginning of year	**2 653 173**	**85.68**	3 767 343	85.98
Lapsed – termination of employment	**(182 447)**	**89.48**	(278 723)	86.73
Lapsed – performance condition not met	**(563 428)**	**78.58**	(437 581)	90.47
Exercised	**(315 589)**	**84.08**	(409 965)	82.74
Granted	**1 233 549**	**101.71**	12 099	89.46
Balance at end of year	**2 825 258**	**94.03**	2 653 173	85.68
Exercisable at end of year	**1 001 158**	**87.16**	636 778	84.12
Share grants outstanding at the end of the year become exercisable on the following dates, subject to fulfilment of performance conditions:				
Year ending on 30 June				
2013	**–**	**–**	1 217 422	80.84
2014	**1 001 158**	**87.16**	676 610	89.46
2015	**643 796**	**90.07**	759 141	90.07
2016	**609 817**	**94.87**	–	–
2017	**570 487**	**109.65**	–	–
	2 825 258	**94.03**	2 653 173	85.68

(iv) Deferred bonus plan

DBP shares are Sun International Limited shares acquired by senior executives with a portion of their declared annual bonus and entitle the participant to receive a matching award (an equal number of Sun International Limited shares as acquired) at the end of a three-year period. The matching award is conditional on continued employment and the DBP shares being held by the participant at the end of the three-year period.

Movements in the number of matching awards outstanding are as follows:

	2014		2013	
	Number of grants	**Weighted average grant price R**	Number of grants	Weighted average grant price R
Balance at beginning of year	**91 745**	**86.23**	88 559	88.86
Lapsed – termination of employment	**(1 722)**	**82.87**	(22 030)	85.62
Granted	**–**	**–**	62 818	85.47
Matching awards	**(17 116)**	**95.92**	(37 602)	91.49
	72 907	**84.04**	91 745	86.23
DBP shares held at the end of the year entitle participants to matching awards on the following dates:				
Year ending on 30 June				
2014	**–**	**–**	15 451	97.04
2015	**22 964**	**80.93**	23 949	80.93
2016	**49 943**	**85.47**	52 345	85.47
	72 907	**84.04**	91 745	86.23

32. SHARE INCENTIVE SCHEMES continued

(v) Restricted share plan and Bonus matching share plan (RSP and BMSP)

RSP and BMSP shares are Sun International Limited shares granted to key staff in return for continuing employment with the Group and matches their bonus payment. The shares will be forfeited and any dividends received on the shares will be repayable should the employee leave the Group prior to the expiry of the vesting period. The vesting period is either 3 or 5 years. In the case of a three year award, 100% of the shares awarded will vest after 3 years and in the case of the five year award, 50% vests after 3 years, 25% after 4 years and the remaining 25% after 5 years.

Movement in the number of shares outstanding are as follows:

	2014		2013	
	Number of grants	**Weighted average grant price R**	Number of grants	Weighted average grant price R
Balance at beginning of year	**770 036**	**91.63**	896 069	90.23
Granted during the year	**432 198**	**95.30**	126 595	103.54
Lapsed – resignation	**(78 802)**	**89.41**	(98 803)	90.69
Vested during the year	**(131 046)**	**95.50**	(153 825)	93.90
Balance at end of year	**992 386**	**92.89**	770 036	91.63
RSP and BMSP share grants outstanding at the end of the year vest on the following dates, subject to fulfilment of employment conditions:				
Year ending on 30 June				
2014	**–**	**–**	131 046	95.50
2015	**237 886**	**88.55**	387 823	88.05
2016	**8 258**	**89.25**	133 710	94.90
2017	**635 900**	**92.41**	89 872	92.62
2018	**110 342**	**105.65**	27 585	105.65
	992 386	**92.89**	770 036	91.63

VALUATION OF SHARE INCENTIVE GRANTS

The fair values of CSP and EGP options granted during the year were estimated using the binomial asset pricing model. For the DBP, RSP and BMSP the share grants are valued based on the ruling share price on the date of the grant. The table below sets out the valuation thereof and the assumptions used to value the grants:

2014	**CSP**	**EGP**	**DBP**	**RSP & BMSP**
Weighted average grant price		**R101.71**		**R95.30**
Weighted average 400-day volatility		**25.55%**		**n/a**
Weighted average long term risk rate		**5.25%**		**n/a**
Weighted average dividend yield		**3.83%**		**n/a**
Valuation		**R34 million**		**R41 million**
2013				
Weighted average grant price	R89.46	R89.46	R85.47	R103.54
Weighted average 400-day volatility	23.00%	26.00%	n/a	n/a
Weighted average long term risk rate	4.80%	4.80%	n/a	n/a
Weighted average dividend yield	3.80%	3.80%	n/a	n/a
Valuation	R0.9 million	R0.3 million	R5 million	R13 million

The employee share based payment expense for the year was R53 million (2013: R46 million).

33 EMPLOYEE SHARE TRUSTS

These trusts have been consolidated in the Group's financial statements in terms of IFRS10 – Consolidated Financial Statements. However, the trusts are controlled by their trustees. The majority of the trustees are representatives elected by and from the employees who are beneficiaries of the trust. The Company has no beneficial interest in and has no control over the trusts. The Group does not share in any economic benefits of the trusts.

Sun International Employee Share Trust

The Sun International Employee Share Trust was established to enable eligible employees to share in the success of the Group through share ownership. The share scheme excludes participants of any other Group share incentive scheme. Eligible employees will benefit from income and growth distributions made by the trust.

The trust is funded through interest free loans from the participating companies in the Group. These loans have been fair valued and imputed interest at 12% per annum is recognised over the expected loan period. Loans will be repaid through dividend flows and proceeds on the disposal of the underlying investments held by the trust.

The economic interest held by the trust in Group companies is set out below:

	2014 %	2013 %
Afrisun Gauteng	**3.5%**	3.5%
Emfuleni Resorts	**3.5%**	3.5%
SunWest	**3.3%**	3.3%
Meropa	**3.5%**	3.5%
Teemane	**3.5%**	3.5%
Afrisun KZN	**3.5%**	3.5%
Mangaung Sun	**3.5%**	3.5%
Worcester	**3.5%**	3.5%
Sun International Limited – direct	**2.5%**	2.5%
– indirect	**2.8%**	2.8%

Sun International Black Executive Management Trust (SIBEMT)

As a further commitment to BEE and to assist Sun International in retaining black managerial staff, to attract new black talent and to contribute towards the creation of sustainable black leadership, a trust was formed for the benefit of current and future South African black management of the Group. Permanent employees of the Sun International Group, who occupy management grade levels, and are black South Africans are eligible to participate in the SIBEMT.

The economic interest held by the trust in Group companies is set out below:

	2014 %	2013 %
Sun International Limited – indirect	**0.4%**	0.4%

34. TRANSACTIONS WITH NON-CONTROLLING INTERESTS

2014

The Group acquired an additional 0.1% and 0.7% in Afrisun Gauteng and Teemane respectively for R3 million each in July 2013.

The Group purchased the remaining 23% interest in Afrisun Leisure Investments from WIP Gaming during August 2013 for R120 million. This acquisition resulted in the Group's effective shareholding increasing in the following subsidiaries: SunWest +0.9%; Worcester +2.3%; Afrisun KZN +0.9%; Afrisun Gauteng +1.3%; Afrisun KZN Manco +3.3%; Emfuleni +2.1% and Gauteng Casino Resorts Manco +11.2%.

During February 2014 the Group sold 3.7% of its shareholding in Teemane for R4 million.

The effect of the above transactions is explained below.

Acquisition of additional interests in subsidiary	
July 2013	
Carrying amount of non-controlling interest acquired*	–
Consideration paid to non-controlling interest	(6)
Movement in non-controlling interest	(6)
August 2013	
Carrying amount of non-controlling interest acquired	15
Consideration paid to non-controlling interest	(120)
Movement in non-controlling interest	(105)
Dilution in shareholding	
February 2014	
Carrying amount of non-controlling interest sold*	–
Consideration paid by minority	4
Movement in non-controlling interest	4
Net movement in non-controlling interest	(107)

** Amounts are less than R1 million.*

2013

In November 2012, Chilean Enterprises exercised their option thereby taking up their unpaid share capital in SFI. This reduced SIL's shareholding by 1.86% to 42.41%. In April 2013, IGGR and Lasud decided not to take up their options. Novosun took up these options by converting their loans into share capital. IGGR sold its shareholding in April 2013. The remaining shareholders took up these shares in proportion to their shareholding which resulted in SIL's effective shareholding increasing to 44.21%.

The effect of the above transactions is explained below.

Dilution in shareholding – November 2012	
Carrying amount of non-controlling interest diluted	(18)
Increase in NAV as a result of an increase in Share capital in SFI	34
Movement in non-controlling interest	16
Acquisition of additional interests in subsidiary – April 2013	
Carrying amount of non-controlling interest acquired	52
Consideration paid to non-controlling interest	(73)
Movement in non-controlling interest	(21)
Net movement in non-controlling interest	(5)

35. CHANGES IN ACCOUNTING POLICIES

The Group adopted IFRS 10, 'Consolidated financial statements', IFRS 11, 'Joint arrangements', IFRS 12, 'Disclosure of interests in other entities', and consequential amendments to IAS 28, 'Investments in associates and joint ventures' and IAS 27, 'Separate financial statements on the 1st of July 2013. The Group also adopted IAS 19 (revised 2011), 'Employee benefits' on the same date. The accounting policies are applied retrospectively and had the following impact on the financial statements.

(a) Consolidation of an entity in which the Group holds less than 50%

In terms of IFRS 10, 'Consolidated Financial Statements' Dinokana Proprietary Limited ("Dinokana") is assessed to be a subsidiary of Sun International. This has resulted in the restatement of the 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 30 June 2013 statement of financial position is as follows:

R million	As previously reported	Consolidation of Dinokana	Restated
Non current borrowings	6 670	249	6 919
Treasury shares	(1 594)	(187)	(1 781)
Minorities interest	1 693	(61)	1 632
Cash and cash equivalents	1 023	1	1 024
The effect of the restatement on the 30 June 2013 statement of comprehensive income is as follows:			
Interest expense	(486)	(19)	(505)
Profit for the year attributable to minorities	314	(19)	295
The effect of the restatement on the 30 June 2013 statement of cash flows is as follows:			
Cash and cash equivalents at end of year	1 023	1	1 024

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

(b) Remeasurement of post employment benefit obligations

In terms of IAS 19R, 'Employee Benefits', remeasurements of post employment benefit obligations should be included in other comprehensive income and no longer in profit and loss. The effect of the change on the 30 June 2013 statement of comprehensive income is as follows:

R million	As previously reported/As restated above	Effective change	Restated
Employee benefits	(2 256)	(16)	(2 272)
Tax	(477)	4	(473)
Profit for the year attributable to minorities (as stated above in section (a))	295	(2)	293

The effect of the above changes led to an increase in basic earnings per share of 17 cents.

36. SUBSEQUENT EVENTS

The following events have taken place since 30 June 2014:

(i) During April 2014 public hearings were held in relation to the Group's application to amend its Morula licence to allow the relocation of the licence to Menlyn Maine on the east side of Pretoria. On the 31st of July 2014, the Gauteng Gambling Board ("GGB") announced that the Group's application had been approved thereby permitting the relocation of the casino from Mabopane to Menlyn. The approval is subject to conditions that are reflective of the commitments made in the application.

Detailed planning of the R3 billion development will now commence in conjunction with further engagement with the GGB to conclude detailed agreements for the amendment of the Morula licence conditions. The development is part of an R8 billion, 315 000 m^2 precinct of which R825 million is either already built or under construction. Sun International will provide the entertainment node which includes a 110 room five star hotel, 8 000 seat entertainment arena, convention and exhibition facility and a casino with 2 000 slot machines and 60 tables.

Notification has been received of certain legal objections to the proposed relocation and development and these are being addressed. Once the amendments to the Morula licence are issued by the GGB and in the absence of any legal impediment the detailed planning and construction of the casino will commence and is anticipated to take approximately 36 months.

(ii) As announced on SENS on 18 August 2014 Sun International has entered into agreements with Minor International Pcl ("Minor"), a large global company with investments in hotels, restaurants and lifestyle brands, whereby Sun International will dispose of a significant portion of its African portfolio to Minor. The interests Sun International will dispose of and its shareholding pre and post the transaction are set out in the table below:

	Effective ownership		
	Pre the transaction	% disposed	Post the transaction
Gaborone Sun	80%	80%	16%
Kalahari Sands	100%	80%	20%
Lesotho Sun and Maseru Sun	47%	80%	9%
Royal Swazi and Ezulwini Sun	51%	80%	10%
Royal Livingstone and Zambezi Sun	100%	50%	50%

On conclusion of the transaction the Royal Livingstone and Zambezi Sun will be accounted for as a joint venture, Gaborone Sun and Kalahari Sands as associates and Lesotho Sun, Maseru Sun, Royal Swazi and Ezulwini Sun as available-for-sale assets. The collective purchase consideration amounts to R664 million plus the face value of any shareholder loans.

Sun International will continue to manage the casino operations situated at each of the assets and Minor will assume day-to-day management responsibility for the hotel operations other than the Royal Livingstone and Zambezi Sun, which will be jointly managed under a joint venture arrangement. The agreements reached cater for a sharing of management fees, the marketing of the properties, and the provision by Sun International of support services. Starting with the existing African assets it is the intention of the alliance to explore other hotel and gaming opportunities in particular those that may arise in Africa and Asia.

The proposed transaction is subject to various regulatory approvals and the relevant submissions have been made.

(iii) The Group's application for a casino licence in Cartagena, Colombia was approved by the Colombian gaming regulator on 28 July 2014. This paves the way for the Group's proposed casino, which forms part of a mixed use development in Cartagena. The casino, which will be developed at a cost of US$30 million, will have 310 slots machines and 16 tables. The Group will lease the casino component of the development which includes a 284 room, five 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 market. We are starting to mobilise the construction company and expect the casino to open in 2015.

36. SUBSEQUENT EVENTS continued

(iv) It was announced on 13 May 2014 that the Group has concluded a transaction which will see Grand Parade Investments Limited ("GPI") exit its investments in SunWest and Worcester. Tsogo Sun Holdings Limited ("Tsogo") will acquire a 40% shareholding in both properties including the acquisition from Sun International of a 14.9% interest in each of SunWest and Worcester for a combined cash consideration of R635 million. GPI has, since inception, been the primary BEE stakeholder in SunWest and Worcester and wishes to monetise its stake in these assets in order to pursue other interests. Tsogo has limited exposure to the Western Cape metropolitan markets and wishes to enhance its presence in this market. Sun International and GPI are of the considered view that Tsogo is the only party that can provide similar BEE ownership credentials to that of GPI and furthermore Tsogo has the financial capability to implement a transaction of this magnitude.

Tsogo will have representation on the board of directors of SunWest and Worcester however it will have no operational responsibility or interaction as all operations will continue to be managed by Sun International Management Limited under each of its existing management contracts.

The proposed transaction is subject to competition commission and gambling board approval and the relevant submissions have been made. Shareholders voted in favour of the transaction at the annual general meeting held on 22 August 2014.

(v) As announced on SENS on 13 May 2014, Sun International will acquire up to a 70% interest in GPI Slots. GPI Slots is the holding company of GPI's limited payout ("LPM") gaming operations that own and operate LPMs. Given the fast growing nature of the LPM and EBT industry in South Africa and the negative impact thereof on the Group's traditional casino business, a strategic decision was taken to look for opportunities to enter this space.

The acquisition will be made in three tranches with an initial acquisition of a 25.1% interest in GPI Slots for a cash consideration of R225 million plus 25.1% of the face value of shareholder loans. The Group has options to acquire a further 25% interest in one year's time and an additional 20% one year thereafter.

The relevant submissions to the Competition Commission and gambling boards have been made. While the regulatory process may still take some time we expect all approvals to be received by November 2014. Shareholders voted in favour of the transaction at the general meeting held on 22 August 2014.

Company statements of comprehensive income
for the year ended 30 June

R million	Notes	2014	2013
Revenue		**719**	824
Operational costs		**(17)**	(9)
Operating profit	1	**702**	815
Foreign exchange profit		**10**	35
Interest income	2	**61**	46
Interest expense	3	**(77)**	(80)
Profit before tax		**696**	816
Tax	4	**(3)**	(25)
Profit for the year		**693**	791
Other comprehensive income		**–**	–
Total comprensive income for the year		**693**	791

Company statements of financial position
as at 30 June

R million	Notes	2014	2013
ASSETS			
Non current assets			
Investments in subsidiaries	6	**3 864**	3 755
Loans and receivables	7	**280**	294
Deferred tax	8	**9**	–
		4 153	4 049
Current assets			
Loans and receivables	7	**1 783**	1 071
Cash and cash equivalents		**57**	14
Tax		**–**	–
		1 840	1 085
Total assets		**5 993**	5 134
EQUITY AND LIABILITIES			
Capital and reserves			
Ordinary shareholders' equity		**4 653**	4 162
		4 653	4 162
Non current liabilities			
Deferred tax	8	**–**	4
Borrowings	10	**974**	681
Other non current liability	11	**80**	30
		1 054	715
Current liabilities			
Accounts payable and accruals	12	**276**	247
Borrowings	10	**2**	9
Tax		**8**	1
		286	257
Total liabilities		**1 340**	972
Total equity and liabilities		**5 993**	5 134

Company statements of cash flows
for the year ended 30 June

R million	Notes	2014	2013
Cash flows from operating activities			
Cash generated by operations	13.1	**72**	58
Tax paid	13.2	**(9)**	(16)
Net cash inflow from operating activities		**63**	42
Cash flows from investing activities			
Increase in investment in SFIR		**(56)**	–
Investment income	13.3	**784**	871
Other non current investments and loans (made)/realised	13.4	**(702)**	123
Net cash inflow from investing activities		**26**	994
Cash flows from financing activities			
Increase/(decrease) in borrowings	13.5	**295**	(714)
Interest paid	13.6	**(86)**	(86)
Dividends paid	5	**(255)**	(268)
Increase in share capital		**–**	32
Net cash outflow from financing activities		**(46)**	(1 036)
Net cash and cash equivalents movement for the year		**43**	–
Cash and cash equivalents at beginning of year		**14**	14
Cash and cash equivalents at end of year		**57**	14

Company statements of changes in equity
for the year ended 30 June

R million	Note	Share capital	Share premium	Share based payment reserve	Retained earnings	Total equity
Balance at 30 June 2012		**9**	**268**	**129**	**3 155**	**3 561**
Share issue			32			32
Employee share based payments				46		46
Release of share based payment reserve				(32)	32	-
Total comprehensive income for the year					791	791
Dividends paid	5				(268)	(268)
Balance at 30 June 2013		**9**	**300**	**143**	**3 710**	**4 162**
Employee share based payments				53		53
Release of share based payment reserve				(14)	14	-
Total comprehensive income for the year					693	693
Dividends paid	5				(255)	(255)
Balance at 30 June 2014		**9**	**300**	**182**	**4 162**	**4 653**

Notes to the Company financial statements
for the year ended 30 June

R million	2014	2013
1. OPERATING PROFIT IS STATED AFTER THE FOLLOWING:		
Revenue		
Dividend income	**714**	819
Guarantee fees	**5**	5
Operating costs		
Directors fees	**(5)**	(5)
Security Transfer Tax	**–**	(3)
2. INTEREST INCOME		
Interest earned on loans and receivables	**67**	50
Interest earned on cash and cash equivalents	**3**	2
Imputed interest on loans receivable	**(9)**	(6)
	61	46
3. INTEREST EXPENSE		
Interest paid on borrowings	**(61)**	(28)
Preference share dividends	**(25)**	(58)
Imputed interest on V&A loan	**9**	6
	(77)	(80)
4. TAX		
Current tax – current year	**(16)**	(14)
– prior year	**1**	(2)
Deferred tax – current year	**13**	(5)
Withholding tax	**(1)**	(4)
	(3)	(25)
Reconciliation of rate of tax		
Standard rate – South African	**28.0%**	28.0%
Adjusted for:		
Exempt income	**(29.0%)**	(28.1%)
Disallowable expenses	**1.4%**	2.5%
Prior year (over)/under provision	**(0.1%)**	0.2%
Withholding tax	**0.1%**	0.5%
Effective tax rate	**0.4%**	3.1%
5. DIVIDENDS PAID		
A final dividend of 155 cents per share for the year ended 30 June 2013 was declared on 23 August 2013 and paid on 23 September 2013	**(161)**	
An interim dividend of 90 cents per share for the year ended 30 June 2014 was declared on 21 February 2014 and paid on 24 March 2014	**(94)**	
A final dividend of 150 cents per share for the year ended 30 June 2012 was declared on 24 August 2012 and paid on 25 September 2012		(155)
An interim dividend of 110 cents per share for the year ended 30 June 2013 was declared on 22 February 2013 and paid on 25 March 2013		(113)
	(255)	(268)

A final gross dividend of 155 cents per share for the year ended 30 June 2014 was declared on 22 August 2014 and paid on 22 September 2014. The Company has no STC credits available and these dividends are therefore subject to the 15% withholding tax, resulting in a net dividend of 131.75 cents per share.

R million	2014	2013
6. INVESTMENTS IN SUBSIDIARIES		
Shares at cost		
Balance at beginning of year	**3 755**	3 663
Additional investment in SFIR	**56**	46
Employee share based payments	**53**	46
Balance at end of year	**3 864**	3 755
The interests of the Company in the aggregate pre tax net profits and losses of its subsidiaries amounted to R1 363 million (2013: R1 196 million) and R104 million (2013: R32 million) respectively and post tax net profits and losses of its subsidiaries amounted to R1 039 million (2013: R822 million) and R103 million (2013: R47 million) respectively.		
7. LOANS AND RECEIVABLES		
Loans		
Share incentive schemes	**154**	125
Loan to Group company	**1**	1
Loans to subsidiaries	**2 329**	1 660
	2 484	1 786
Less: Impairment of loans to subsidiaries	**(421)**	(421)
	2 063	1 365
Current portion	**(1 783)**	(1 071)
	280	294
Loans are due over the following periods:		
Less than 1 year	**1 783**	1 071
4 years and onwards	**280**	294
	2 063	1 365
The weighted average interest and dividend rates were as follows:		
Share incentive schemes	**NIB**	NIB
Loans to subsidiaries	**3.1%**	2.5%
Other	**NIB**	NIB
Weighted average	**3.1%**	2.5%
NIB – Non interest bearing		
The carrying amounts of the loans to subsidiaries are denominated in the following currencies:		
US Dollar	**766**	–
Chilean Pesos	**–**	49
Nigerian Naira	**192**	172
South African Rand	**1 371**	1 439
	2 329	1 660
Other than the impaired loans, the loans are fully performing with the associated credit risk considered to be low.		
The fair value of loans and receivables approximates their carrying value.		
The loans and receivables are classified as level 3 financial instruments and there have been no changes or transfers between levels during the year.		

R million	2014	2013
8. DEFERRED TAX		
Balance at beginning of year	**4**	(1)
Statement of comprehensive income (credit)/charge for the year	**(13)**	5
Balance at end of year	**(9)**	4
Deferred tax arises from the following temporary differences:		
Deferred tax assets		
Fair value adjustments	**(12)**	(12)
Balance at beginning of year	**(12)**	(1)
Reclassification to deferred tax liability (fair value adjustments)	**–**	(11)
To be recovered after more than 12 months	**(12)**	(12)
	(12)	(12)
Deferred tax liabilities		
Doubtful debts and prepayments	**3**	16
Balance at beginning of year	**16**	–
(Credited)/charged to statement of comprehensive income	**(13)**	5
Reclassification from deferred tax asset (fair value adjustments)	**–**	11
To be recovered after more than 12 months	**3**	16
	3	16
Net deferred tax (asset)/liability	**(9)**	4
9. SHARE CAPITAL AND PREMIUM		
Authorised		
150 000 000 (2013:150 000 000) ordinary shares of 8 cents each	**12**	12
100 000 000 (2013:100 000 000) variable rate cumulative redeemable preference shares of 1 cent each	**1**	1
Issued*		
Share capital	**9**	9
Share premium	**300**	300
	309	309

* The issued preference shares have been included in borrowings in note 10.

1 875 517 shares in the unissued share capital of the Company remain under the control of the directors as a specific authority in terms of section 38(1) of the Companies Act to allot and issue in accordance with the share option scheme. 10 780 000 shares were placed under the specific control of the directors to allot and issue in accordance with the EGP and BSMP.

	2014		2013	
	Number of shares	**Rm**	Number of shares	Rm
Movement during the year				
Balance at beginning of year	**114 129 455**	**309**	113 487 165	277
Exercised treasury share options	**–**	**–**	642 290	32
Statutory shares in issue at end of year	**114 129 455**	**309**	114 129 455	309

R million	2014	2013
10. BORROWINGS		
Non current		
Redeemable preference shares	**–**	417
Term Facility	**719**	–
V&A loan	**255**	264
	974	681
Current		
Overdraft	**2**	9
Total borrowings	**976**	690

All borrowings are unsecured.

The fair value of borrowings approximate their carrying values except for the V&A loan which has a fair value of R245 million (2013: R258 million). The fair value has been determined on a discounted cash flow basis using a discount rate of 9% (2013: 9%).

The carrying amounts of the borrowings are denominated in Rand.
The borrowings are repayable over the following periods:

	2014	2013
Less than 6 months	**2**	9
6 months – 1 year	**–**	–
1 – 2 years	**176**	–
2 – 3 years	**185**	417
3 – 4 years	**114**	–
4 years and onwards	**499**	264
	976	690

The following are the contractual undiscounted maturities of financial liabilities (including principal and interest payments) presented in Rands:

R million	On demand or not exceeding 6 months	More than 6 months but not exceeding 1 year	More than 1 year but not exceeding 2 years	More than 2 years but not exceeding 5 years	More than 5 years
2014					
Borrowings	**30**	**30**	**239**	**570**	**526**
Bank overdraft	**2**	**–**	**–**	**–**	**–**
Accounts payable and accruals	**276**	**–**	**–**	**–**	**–**
	308	**30**	**239**	**570**	**526**
2013					
Borrowings	29	29	60	538	401
Bank overdraft	9	–	–	–	–
Accounts payable and accruals	247	–	–	–	–
	285	29	60	538	401

10. BORROWINGS continued

R million	2014	2013
Interest rates		
Year end interest and dividend rates as follows:		
Redeemable preference shares	–	6.5%
Term facilities	3.6%	–
V&A loan	8.3%	8.3%
Overdraft	7.0%	6.5%
Weighted average	6.0%	6.4%

As at 30 June 2014, interest rates on 78% (2013: 38%) of the Company's borrowings were fixed. 100% (2013: 100%) of these fixed borrowings were for periods longer than 12 months. The interest rates other than on the V&A loan, approximate those currently available to the Group in the market.

A change of 1% in interest rates at the reporting date would have (decreased)/increased profit before tax by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis as for 2013.

	2014	2013
Increase of 1%	(4)	(8)
Decrease of 1%	4	8

A register of non current loans is available for inspection at the registered office of the Company. The Company's borrowings are not restricted by its memorandum of incorporation.

11. OTHER NON CURRENT LIABILITIES

	2014	2013
FEC liability	55	–
Emfuleni guarantee fee liability	25	30
	80	30

The FEC is classified as a level 2 financial instrument.

12. ACCOUNTS PAYABLE AND ACCRUALS

Financial instruments

	2014	2013
Accrued expenses	38	43
Loan from subsidiary	229	188
Other payables	9	16
	276	247

The fair value of accounts payable and accruals approximate their carrying value.

R million	2014	2013
13. CASH FLOW INFORMATION		
13.1 Cash generated by operations		
Operating profit	**702**	815
Non cash items and items dealt with separately:		
Movement in FEC liability	**55**	–
Dividend income	**(714)**	(819)
Cash utilised by operations before working capital changes	**43**	(4)
Working capital changes		
Accounts receivable	**–**	44
Accounts payable and accruals	**29**	18
	72	58
13.2 Tax paid		
(Liability)/asset at beginning of year	**(1)**	3
Current year tax charged to statements of comprehensive income (refer note 4)	**(16)**	(14)
Prior year tax charged to statements of comprehensive income (refer note 4)	**1**	(2)
Withholding tax	**(1)**	(4)
Liability at end of year	**8**	1
	(9)	(16)
13.3 Investment income		
Dividends received	**714**	819
Interest income	**61**	46
Imputed interest on loans receivable	**9**	6
	784	871
13.4 Other non current investments and loans (made)/realised		
(Increase)/decrease in loans to subsidiaries	**(673)**	127
Increase in share incentive schemes	**(29)**	(4)
	(702)	123
13.5 Increase/(decrease) in borrowings		
Increase/(decrease) in non current borrowings	**293**	(700)
Imputed interest on V&A loan	**9**	6
Increase in bank overdraft	**(7)**	(20)
	295	(714)
13.6 Interest paid		
Interest expense	**(77)**	(80)
Imputed interest on V&A loan	**(9)**	(6)
	(86)	(86)

14. CONTINGENT LIABILITY

The Company has guaranteed borrowing facilities of various subsidiaries in which the Company has less than 100% shareholding. The Company has therefore effectively underwritten the minorities' share of these facilities in the amount of R199 million at 30 June 2014 (June 2013: R240 million).

Sun International Limited has issued a guarantee in favour of Nedbank Limited in respect of the loan facilities entered into with Dinokana Proprietary Limited up to the maximum amount of R60 million.

R million	**2014**	2013
15. RELATED PARTY		
The following transactions were carried out with related parties:		
(i) Intercompany receivable		
Sun International Limited has issued a guarantee in favour of Nedbank Limited in respect of facilities entered into with Emfuleni Resorts (Pty) Ltd up to a maximum of R700 million. A liability was raised in the prior year (refer to note 11). A corresponding intercompany receivable was raised with Emfuleni (Pty) Ltd and interest was charged at 8.9% per annum on this balance. The movement on the intercompany balance for the year is as follows:		
Balance at beginning of the year	**29**	42
Interest income accrued for the year under review	**2**	2
Fair value adjustment	**3**	(5)
Repayments during the year	**(9)**	(10)
Balance at end of the year	**25**	29
(ii) Loans to related parties		
Loan to Dinokana:		
Balance at beginning of the year	**1**	–
Loans advanced during the year	**–**	1
Balance at end of the year	**1**	1
The loan is interest free and has no fixed repayment terms.		
Loan to Ocean Sun Casino:		
Loans advanced during the year	**766**	–
Balance at end of the year	**766**	–
The loan is interest free and has no fixed repayment terms.		
Loan to Kalahari Sands:		
Balance at beginning of the year	**13**	20
Loans advanced during the year	**5**	–
Interest for the year	**1**	1
Repayments made during the year	**(17)**	(8)
Balance at end of the year	**2**	13
The loan bears interest at prime less 1% and has no fixed repayment terms.		
Loan to SFIR:		
Balance at beginning of the year	**49**	105
Capitalised to investment in subsidiary	**(56)**	(46)
Interest for the year	**–**	8
Revaluation of loan	**–**	6
Reversal of withholding taxes	**7**	–
Repayments made during the year	**–**	(24)
Balance at end of the year	**–**	49
Loan to Sun International Investments No 2:		
Balance at beginning of the year	**1 115**	1 115
Sale of treasury shares	**(39)**	–
Balance at end of the year	**1 076**	1 115
The loan is interest free and has no fixed repayment terms.		
Loan to SI Lesotho:		
Balance at beginning of the year	**12**	21
Interest for the year	**1**	1
Repayments made during the year	**–**	(10)
Balance at end of the year	**13**	12

The loan bears interest at prime less 1% and has no fixed repayment terms.

R million	2014	2013
15. RELATED PARTY continued		
(ii) Loans to related parties continued		
Loan to Sun International Travel Proprietary Limited:		
Balance at beginning of the year	**5**	5
Write off of loan	**(5)**	
Balance at end of the year	**–**	5
The loan was written off at 30 June 2014 due to the sale of the Company's investment in this subsidiary.		
Loan to Sunwest:		
Balance at beginning of the year	**265**	270
Fair value adjustment	**(10)**	(5)
Balance at end of the year	**255**	265
The loan is interest free and is repayable in May 2022.		
Loan to TCN:		
Balance at beginning of the year	**172**	137
Interest for the year	**9**	7
Revaluation of loan	**11**	28
Balance at end of the year	**192**	172

The loan bears interest at 5% and has no fixed repayment terms.

(iii) Sale of subsidiary to related party

The Company sold its investment in Sun International Travel Proprietary Limited at 30 June 2014 to a company in which Ms ZBM Bassa, who serves as a non-executive director on the SIL Board, has an interest.

16. SUBSEQUENT EVENTS

There were no material events subsequent to year end.

Interest in principal subsidiaries
for the year ended 30 June

	Notes	Country of incorporation	**Amount of issued capital 2014 R000's**	Amount of issued capital 2013 R000's
SUBSIDIARIES				
Unlisted				
Afrisun Gauteng (Pty) Limited		South Africa	**188**	188
Afrisun KZN (Pty) Limited		South Africa	**133**	133
Afrisun KZN Manco (Pty) Ltd		South Africa	**1**	1
Afrisun Leisure Investments (Pty) Limited		South Africa	**54**	54
Emfuleni Casino Resorts Manco (Pty) Limited	1	South Africa	**–**	–
Emfuleni Resorts (Pty) Limited	2	South Africa	**85**	85
Gauteng Casino Resort Manco (Pty) Limited		South Africa	**–**	1
Kimberley Casino Resort Manco (Pty) Limited		South Africa	**–**	–
Mahogony Rose Investments 46 (Pty) Limited		South Africa	**–**	–
Main Street 703 (Pty) Ltd		South Africa	**–**	–
Mangaung Casino Resort Manco (Pty) Limited		South Africa	**1**	1
Mangaung Sun (Pty) Limited		South Africa	**134**	134
Meropa Casino Resort Manco (Pty) Limited		South Africa	**1**	1
Meropa Leisure and Entertainment (Pty) Limited		South Africa	**38**	38
National Casino Resort Manco Holdings (Pty) Limited		South Africa	**2**	2
Ocean Club Casino Inc		Panama	**–**	–
Powerbet Gaming (Pty) Ltd		South Africa	**–**	–
Real Africa Holdings Limited		South Africa	**3 718**	3 718
Royale Resorts Holdings Limited	3	Bermuda	**737**	737
Sands Hotels Holdings (Namibia) (Pty) Limited		Namibia	**1**	1
SFI Resorts SA	4	Chile	**89 567**	89 567
Sun Casinos Colombia		Colombia	**–**	–
Sun International Investments No. 2 Limited		South Africa	**–**	–
Sun International of Lesotho (Pty) Limited		Lesotho	**1**	1
Sun International (South Africa) Limited		South Africa	**35 261**	35 261
Sun International (Botswana) (Pty) Limited	5	Botswana	**500**	500
Sun International (Zambia) Limited	3	Zambia	**3 750**	3 750
Sun International Inc	6	Panama	**1 580**	1 580
Sun International Management Limited	6	Bermuda	**449**	449
Sun International Travel (Pty) Limited	7	South Africa	**–**	–
SunWest International (Pty) Limited		South Africa	**337**	337
Teemane (Pty) Limited		South Africa	**28**	28
Tourist Company of Nigeria Plc	8	Nigeria	**4 478**	4 478
Transkei Sun International Limited		South Africa	**14 495**	14 495
Western Cape Casino Resort Manco (Pty) Limited	1	South Africa	**–**	–
Winelands Casino Manco (Pty) Limited		South Africa	**–**	–
Worcester Casino (Pty) Limited		South Africa	**2**	2
Listed				
Swazispa Holdings Limited		Swaziland	**3 497**	3 497

1. This company has been deregistered.
2. This includes the effective 19% holding which was sold as a part of the Emfuleni licence bid.
3. Amount of share capital is stated in US$.
4. Amount of share capital stated in Chilean Pesos (millions).
5. Amount of share capital stated in Botswana Pula.
6. Registered as an external company in South Africa.
7. Disposed off as at 30 June 2014.
8. Amount of share capital stated in Nigerian Naira.

* Excludes Employee Share Trusts.

Effective holding*		Interest of holding company			
		Shares		Indebtedness	
2014 **%**	2013 %	**2014** **Rm**	2013 Rm	**2014** **Rm**	2013 Rm
91	91	**–**	–	**–**	–
62	61	**–**	–	**–**	–
39	36	**–**	–	**–**	–
100	77	**–**	–	**–**	–
–	45	**–**	–	**–**	–
82	80	**–**	–	**25**	29
68	56	**–**	–	**–**	–
50	50	**–**	–	**–**	–
100	100	**–**	–	**–**	–
100	100	**–**	–	**–**	–
50	50	**–**	–	**–**	–
70	70	**–**	–	**–**	–
50	50	**–**	–	**–**	–
68	68	**–**	–	**–**	–
83	83	**14**	14	**–**	–
100	–	**–**	–	**766**	–
100	–	**–**	–	**–**	–
100	100	**–**	–	**–**	–
73	73	**–**	–	**–**	–
100	100	**–**	–	**2**	13
44	44	**842**	786	**–**	49
100	–	**–**	–	**–**	–
100	100	**–**	–	**1 076**	1 115
47	47	**–**	–	**13**	12
100	100	**1 760**	1 760	**–**	–
80	80	**–**	–	**–**	–
100	100	**–**	–	**–**	–
100	100	**687**	687	**–**	–
100	100	**339**	286	**–**	–
–	100	**–**	–	**–**	5
72	71	**–**	–	**255**	265
72	74	**–**	–	**–**	–
49	49	**222**	222	**192**	172
70	70	**–**	–	**–**	–
–	34	**–**	–	**–**	–
50	50	**–**	–	**–**	–
71	69	**–**	–	**–**	–
51	51	**–**	–	**–**	–
		3 864	3 755	**2 329**	1 660

Accounting policies

The principal accounting policies adopted in preparation of these financial statements are set out below:

BASIS OF PREPARATION

All policies stated in the consolidated financial statements relate to the Group and the companies within the Group. The consolidated financial statements for the year ended 30 June 2014 were prepared in accordance with International Financial Reporting Standards (IFRS), the SAICA Financial Reporting guides as issued by the Accounting Practices Committee, Financial Reporting Pronouncements (FRP) as issued by the Financial Reporting Standards Council (FRSC) and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), effective at the time of preparing these financial statements and in compliance with the JSE Listings Requirements and the Companies Act of South Africa.

The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below. The policies used in preparing the financial statements are consistent with those of the previous year except as indicated in the paragraph on 'Accounting policy developments'.

Preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. More detail on these estimates and assumptions are included under the policy dealing with 'Critical accounting estimates and judgements'. Actual results may differ from those estimates.

GROUP ACCOUNTING

Subsidiaries

Subsidiaries are those entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the statement of comprehensive income.

The Group recognises any minority interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the minority's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

The company accounts for subsidiary undertakings at cost less impairments.

Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between the fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Disposal of subsidiaries

When the Group ceases to have control any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

INTANGIBLE ASSETS

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisition of subsidiaries is included in intangible assets. Separately recognised goodwill is assessed for impairment on an annual basis or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Goodwill is carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. The calculation of gains and losses on the disposal of an entity includes the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash generating units for the purpose of impairment testing. The allocation is made to those cash generating units or Groups of cash generating units that are expected to benefit from the business combination in which the goodwill arose.

Other intangible assets

Indefinite life intangible assets are not amortised and are assessed annually for impairment.

Expenditure on leasehold premiums anticipated, successful gaming licence bids, computer software and acquired management contracts are capitalised and amortised using the straight line method as follows:

Leasehold premiums	Lease period
Gaming licence bids	Period of the licence and/or up to a maximum of 20 years
Management contracts	Period of initial contract
Computer software	4 years

Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred. However, costs that are directly associated with identifiable and unique software products controlled by the company and which have probable economic benefits exceeding the costs beyond one year are recognised as intangible assets. Direct costs include staff costs of the software development team and an appropriate portion of the relevant overheads. Expenditure meeting the definition of an asset is recognised as a capital improvement and added to the original cost of the asset.

Bid costs on gaming licence bids are capitalised, when it is highly probable that the bid will be successful, and subsequently amortised using the straight-line method over their useful lives, but not exceeding 20 years. Intangible assets are not revalued.

FOREIGN CURRENCY TRANSLATION

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in South African Rands which is the Group's presentation currency.

Transactions and balances

Transactions denominated in foreign currencies are translated at the rate of exchange ruling on the transaction date. Monetary items denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Gains or losses arising on translation are credited to or charged to the statements of comprehensive income.

Foreign entities

The financial statements of foreign entities that have a functional currency different from the presentation currency are translated into South African Rands as follows:

- Assets and liabilities, at exchange rates ruling at the last day of the reporting period.
- Income, expenditure and cash flow items at average exchange rates.
- Premiums on transactions with minorities and fair value adjustments arising from the acquisition of a foreign entity are reported using the exchange rate at the date of the transaction.

All resulting exchange differences are reflected as part of other comprehensive income. On disposal, such translation differences are recognised in the statement of comprehensive income as part of the cumulative gain or loss on disposal.

PROPERTY, PLANT AND EQUIPMENT

Freehold land is included at cost and not depreciated.

All other items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land) less the residual values over their useful life, using the straight-line method. The principal useful lives over which the assets are depreciated are as follows:

Freehold and leasehold buildings	15 to 50 years
Infrastructure	5 to 50 years
Plant and machinery	10 to 25 years
Equipment	4 to 15 years
Furniture and fittings	5 to 10 years
Vehicles	4 to 15 years

The assets' residual values and useful lives are reviewed annually, and adjusted if appropriate, at each statement of financial position date.

Operating equipment (which includes uniforms, casino chips, kitchen utensils, crockery, cutlery and linen) is recognised as an expense based on usage. The period of usage depends on the nature of the operating equipment and varies between one to three years.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as the owned assets or, where shorter, the term of the relevant lease.

When the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Costs arising subsequent to the acquisition of an asset are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of the replaced part is then derecognised. All other repairs and maintenance costs are charged to the statement of comprehensive income during the financial period in which they are incurred.

General and specific borrowing costs and certain direct costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use are added to the cost of those assets, until such a time as the assets are substantially ready for their intended use.

Borrowing costs and certain direct costs relating to major capital projects are capitalised during the period of development or construction.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit and loss in the period which they are incurred.

IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets that have an indefinite useful life are not subject to depreciation or amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting period.

PRE-OPENING EXPENDITURE

Pre-opening expenditure is charged directly against income and separately disclosed. These costs include all marketing, operating and training expenses incurred prior to the opening of a new hotel or casino development.

INVENTORY

Inventory comprises of merchandise and consumables and is valued at the lower of cost and net realisable value on a first-in, first-out basis. Net realisable value is the estimated selling price in the ordinary course of business less any costs necessary to make the sale.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents are carried in the statement of financial position at fair value. Cash and cash equivalents comprise cash on hand and deposits held on call with banks. In the statement of financial position and statement of cash flows bank overdrafts are included within borrowings in current liabilities where appropriate.

TRADE RECEIVABLES

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment.

TRADE PAYABLES

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less. If not they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

FINANCIAL INSTRUMENTS

Financial instruments carried at statement of financial position date include loans and receivables, accounts receivable, available-for-sale investments, cash and cash equivalents, borrowings and accounts payable and accruals.

Financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition financial instruments are measured as described below.

The fair value of publicly traded derivatives is based on quoted market prices at the financial reporting date. The effective value of the interest rate cross currency swaps is calculated at the present value of the estimated future cash flows. The fair value of foreign exchange contracts is determined using forward exchange market rates at the financial reporting date. Appropriate market related rates are used to fair value long term borrowings. Other techniques, such as the discounted value of estimated future cash flows, are used to determine the fair value for the remaining financial instruments.

FINANCIAL ASSETS

The classification of financial assets depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. The financial assets carried at statement of financial position date are classified as 'Loans and receivables' and 'Available-for-sale investments'.

All purchases and sales of financial assets are recognised on the trade date, which is the date that the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

The Group assesses at each statement of financial position date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A provision for impairment is established where there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the loans or receivables. Significant financial difficulties of the counterparty, and default or delinquency in payments are considered indicators that the loan or receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of comprehensive income. When a loan or receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited in the statement of comprehensive income.

In the case of equity securities classified as available-for-sale, a significant or prolonged decline in fair value of a financial asset below its cost is considered an indicator that the asset is impaired. If any such evidence exists the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss) is recognised in the statement of comprehensive income. Impairment losses are not reversed through the statement of comprehensive income.

LOANS AND RECEIVABLES

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are classified as non-current assets unless receipt is anticipated within 12 months in which case the amounts are included in current assets. The Group's loans and receivables comprise 'Loans and receivables', 'Accounts receivable' (excluding VAT and prepayments) and 'Cash and cash equivalents'.

Subsequent to initial recognition, loans and receivables are carried at amortised cost using the effective interest method, less any impairment.

AVAILABLE-FOR-SALE FINANCIAL ASSETS

Available-for-sale investments are financial assets specifically designated as available-for-sale or not classified in any other categories available under financial assets. These are included in non-current assets unless management has expressed the intention of holding the investment for less than 12 months from the statement of financial position date, in which case they are included in current assets.

Available-for-sale investments are carried at fair value. Unrealised gains and losses arising from changes in the fair value of available-for-sale investments are recognised in other comprehensive income in the period in which they arise. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are transferred to the statement of comprehensive income.

Subsequent to initial recognition, available-for-sale investments are carried at fair value, less any impairment.

IFRS 13 requires disclosure of the fair value measurements by level of the fair value measurements hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets and liabilities (level 1);
- Inputs other than quoted prices included with level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2);
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

Financial liabilities

The Group's financial liabilities at statement of financial position date include 'Borrowings' and 'Accounts payable and accruals' (excluding VAT and employee related payables). These financial liabilities are subsequently measured at amortised cost using the effective interest method. Financial liabilities are included in current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

Derivative financial instruments

The Group uses derivative financial instruments, primarily foreign exchange contracts and interest rate cross currency swaps to hedge its risks associated with foreign currency and interest rate fluctuations relating to certain firm commitments and forecasted transactions. These derivatives are initially measured at fair value on the contract date, and are remeasured to fair value at subsequent reporting dates. The resulting gain or loss is recognised in profit or loss as it arises unless the derivative is designated and effective as a hedging instrument. The Group designates certain derivatives as either hedges of the fair value of recognised assets or liabilities or firm commitments (fair value hedges), hedges of highly probable forecast transactions, hedges of foreign currency risk of firm commitments (cash flow hedges) or hedges of net investments in foreign operations.

Cash flow hedges

Changes in the fair value of derivative financial instruments that are designated and effective as hedges of future cash flows are recognised directly in other comprehensive income. The ineffective portion is recognised immediately in profit or loss in the respective line items. Amounts deferred to the hedging reserves are recognised through profit and loss in the same period in which the hedged item affects profit and loss. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, for forecast transactions, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to profit or loss for the period.

Forward contract over non-controlling interest

A forward purchase contract is a contract that specifies that the parent will acquire the minority shareholding at a date in the future at a price with no ability for either party to avoid the transaction.

The ownership risk and rewards of the shares relating to the forwards should be analysed to determine whether they remain with the minority or have transferred to the parent.

The minority is recognised to the extent that the risks and rewards relating to ownership remain with them.

The terms of the forward contract should be analysed to assess whether they provide the parent with access to the economic benefits and risks associated with the actual ownership of the shares during the contract period.

The minority interest is derecognised to the extent that the risks and rewards relating to ownership no longer remain with the outside shareholders.

Irrespective of whether the minority interest is recognised, a financial liability is recorded to reflect the forward. The liability is recognised for the present value of the forward price. All subsequent changes to the liability are recognised in profit and loss.

CURRENT AND DEFERRED TAX

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised directly in equity.

Deferred tax is provided in full, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes.

Current tax and deferred tax are calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date.

Deferred tax assets relating to the carry forward of unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised in the foreseeable future.

LEASES

Leases of assets where the company assumes substantially all the benefits and risks of ownership are classified as finance leases. Finance leases are capitalised at commencement and are measured at the lower of the fair value of the leased asset and the present value of minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding lease obligations, net of finance charges, are included in borrowings. The interest element of the lease payment is charged to the statement of comprehensive income over the lease period. The assets acquired under finance leasing contracts are depreciated over the shorter of the useful life of the asset, or the lease period. Where a lease has an option to be renewed, the renewal period is considered when the period over which the asset will be depreciated is determined.

Leases of assets under which substantially all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of a penalty is recognised as an expense in the period in which termination takes place.

BORROWINGS

Borrowings, net of transaction costs, are recognised initially at fair value. Borrowings are subsequently stated at amortised cost using the effective interest rate method; any difference between proceeds and the redemption value is recognised in the statement of comprehensive income over the period of the borrowing using the effective interest rate method.

Preference shares, which are redeemable on a specific date or at the option of the shareholder or which carry non-discretionary dividend obligations, are classified as borrowings. The dividends on these preference shares are recognised in the statement of comprehensive income as interest expense.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

EMPLOYEE BENEFITS

Defined benefit scheme

The Group operates a closed defined benefit pension scheme. The defined benefit pension scheme is funded through payments to a trustee-administered fund, determined by reference to periodic actuarial calculations. The defined benefit plan defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The asset or liability, as applicable, recognised in the statement of financial position in respect of the defined benefit pension plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income in the period in which they arise.

Interest costs and past service costs are recognised immediately in profit and loss.

Defined contribution scheme

The Group operates a number of defined contribution schemes. The defined contribution plans are provident funds under which the Group pays fixed contributions into separate entities. The contributions are recognised as an employee benefit expense when they are due. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Post-retirement medical aid contributions

The Group provides limited post-retirement healthcare benefits to eligible employees. The entitlement to these benefits is usually conditional upon the employee remaining in service up to retirement age and the employee must have joined the Group before 30 June 2003. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit pension plans. Actuarial gains and losses arising from experience adjustments, and changes in actuarial assumptions are recognised in other comprehensive income. These obligations are valued annually by independent qualified actuaries.

Share based payments

The Group operates equity settled, share based compensation plans. The fair value of the services received in exchange for awards made is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the grants, excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of awards that are expected to become exercisable. At the end of each reporting period, the Group revises its estimates of the number of awards that are expected to vest. It recognises the impact of the revision of original estimates, if any, in the statement of comprehensive income, and a corresponding adjustment to equity over the remaining vesting period.

Long Service Awards

The Group pays its employees a long service benefit after each five year period of continuous service. The benefit is paid in the month the employee reaches the milestone. The method of accounting and frequency of valuation are similar to those under the defined benefit schemes. The actuarial valuation to determine the liability is performed annually.

Farewell Gifts

The Group pays for a farewell gift for employees, with a minimum of a ten year service with the Group, who leave as a result of retirement. The value of the gift is calculated on a formula based on years of service and monthly base rate (with a pre-determined cap) and is subject to tax. The method of accounting and frequency of valuation are similar to those under the defined benefit schemes. The actuarial valuation to determine the liability is performed annually.

PROVISIONS

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Provisions are made for wide area progressive jackpots which includes the base jackpot as well as the incremental jackpot. The full provision is expected to be utilised within the next financial year.

Restructuring provisions comprise of the employee termination benefits.

SHARE CAPITAL

Ordinary shares are classified as equity. Redeemable preference shares which carry a non-discretionary dividend obligation, are classified as liabilities (see accounting policy for borrowings).

External costs directly attributable to the issue of new shares, other than in a business combination, are shown as a deduction from the proceeds, net of income taxes, in equity.

Where any Group company purchases the company's equity share capital (treasury shares), the consideration paid including any directly attributable incremental costs apart from brokerage fees (net of income taxes) is deducted from equity attributable to the company's equity holders until the shares are cancelled, re-issued or disposed of. Where such shares are subsequently sold or re-issued, any consideration received, net of any attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the company's equity holders.

REVENUE RECOGNITION

Revenue comprises the fair value of the consideration received or receivable from the sale of goods and services in the ordinary course of the Group's activities. Revenue is recognised when it is probable that the economic benefits associated with a transaction will flow to the Group and the amount of revenue, and associated costs incurred or to be incurred can be measured reliably.

Revenue includes net gaming win, hotel, entertainment and restaurant revenues, other fees, rental income and the invoiced value of goods and services sold less returns and allowances. Value Added Tax (VAT) and other taxes levied on casino winnings are included in revenue and treated as overhead expenses as these are borne by the Group and not by its customers. VAT on all other revenue transactions is considered to be a tax collected as an agent on behalf of the revenue authorities and is excluded from revenue.

Customer loyalty points are provided against revenue when points are earned. The reward points are recognised as a separately identifiable component of the initial sale transaction, by allocating the fair value of the consideration received between the award points and the other components of the sale such that the award points are initially recognised as deferred income at their fair value. Revenue from the reward points is recognised when the points are redeemed.

The Company revenue also comprises dividend income which is recognised when the right to receive payment is established.

DIVIDEND DISTRIBUTIONS

Dividend distributions to the Company's shareholders are recognised as a liability in the Company's financial statements in the period in which the dividends are declared.

SEGMENTAL REPORTING

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses, whose results are reviewed by the executive decision makers to allocate resources and to assess its performance.

Operating segments are reported in the manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing the performance of the operating segments, has been identified as the executive board of directors.

Segment results include revenue and expenses directly attributable to a segment. Segment results are determined before any adjustment for minority interest. Segment assets and liabilities comprise those operating assets and liabilities that are directly attributable to the segment. Capital expenditure represents the total costs incurred during the period to acquire segment assets.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

a) Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. Actual results may differ from these estimates. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

ASSET USEFUL LIVES AND RESIDUAL VALUES

Property, plant and equipment are depreciated over its useful life taking into account residual values where appropriate. The actual useful lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re–assessing asset useful lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. The Group has not made any material adjustments to the useful lives and residual values in the past.

IMPAIRMENT OF ASSETS

Property, plant and equipment and intangible assets are considered for impairment if there is a reason to believe that impairment may be necessary. Factors taken into consideration in reaching such a decision include the economic viability of the asset itself and where it is a component of a larger economic unit, the viability of that unit itself.

Future cash flows expected to be generated by the assets are projected, taking into account market conditions and the expected useful lives of the assets. The present value of these cash flows, determined using an appropriate discount rate, is compared to the current net asset value and, if lower, the assets are impaired to the present value. If the information to project future cash flows is not available or could not be reliably established, management uses the best alternative information available to estimate a possible impairment.

POST RETIREMENT BENEFITS, LONG SERVICE AWARD AND FAREWELL GIFTS

The present value of the post retirement benefit, long service award and farewell gifts obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for post retirement benefits, long service award and farewell gifts include the discount rate. Any changes in these assumptions will impact the carrying amount of post retirement benefits, long service award and farewell gifts obligations.

Refer to note 22 for details.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the post-retirement benefit obligations. In determining the appropriate discount rate, the Group considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related post-retirement benefits, long service award and farewell gifts obligations.

Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in note 15.

VALUATION OF DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS

The valuation of derivatives and financial instruments is based on the market conditions at the statement of financial position date. The value of the instruments fluctuates on a daily basis and the actual amounts realised may differ materially from their value at the statement of financial position date.

ESTIMATED IMPAIRMENT OF GOODWILL

The Group tests annually whether goodwill has suffered any impairment. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates (note 12).

b) Critical judgements in applying the entity's accounting policies

PENSION FUND ASSET

Management needed to assess whether or not the Group had an unconditional right to a refund in respect of the surplus from the pension plan. A legal interpretation was obtained which indicated that the Group does not have an unconditional right to the full refund of the surplus.

ACCOUNTING POLICY DEVELOPMENTS

Accounting policy developments include new standards issued, amendments to standards, and interpretations issued on current standards. These developments resulted in the first time adoption of new and revised standards which require additional disclosures.

Standards, amendments and interpretations effective in 2014

The following amendments became effective in 2014 but had no impact on the Group:

- IFRS 1 – First-time adoption if International Financial Reporting Standards
- Amendment to IFRS 7 Financial Instruments: Disclosures – Asset and Liability offsetting
- IFRS 11 – Joint arrangements
- IAS 27 (revised 2011) – Separate financial statements
- Amendments to IFRS 1 First time adoption on government loans
- IAS 28 (revised 2011) – Investments in associates and joint ventures
- IFRIC 20 Stripping costs in the production phase of a surface mine
- The Annual Improvements 2009 – 2011 Cycle which included amendments to the following statndards:
  - IFRS 1 – First-time adoption if International Financial Reporting Standards
  - IAS 1 – Presentation of financial statements
  - IAS 16 – Property, plant and equipment
  - IAS 32 – Financial instruments: Presentation
  - IAS 34 – Interim financial reporting

The following amendments became effective in 2014 and have been adopted by the Group:

Amendments to IAS 19, "Employee benefits" (revised 2011)

The changes on the Group's accounting policies has been as follows: to immediately recognise all past service costs; and to replace interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability (asset). See notes 15 and 22 for the impact on the financial statements.

IFRS 10 – Consolidated financial statements

This standard builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements. The standard provides additional guidance to assist in determining control where this is difficult to assess.

IFRS 12 – Disclosures of interests in other entities

This standard includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. This statement also requires disclosure requirements for subsidiaries with material non-controlling interests (see note 27).

IFRS 13 – Fair value measurement

This standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP.

Standards and amendments issued but not effective in 2014

The Group has evaluated the effect of all new standards, amendments and interpretations that have been issued but which are not yet effective. Management is currently considering the effect of these standards, amendments and interpretations although it is not expected that these will have a significant impact on the Group's results and disclosures. The applicability dates shown indicate when the standard is applicable for annual periods beginning on or after the particular date. An application date of 1 January 2014 will affect the Group's results for the financial year ending 30 June 2015.

Amendments to IFRS 10 Consolidated Financial Statements (applicable 1 January 2014)

The amendment provides and exception to the principle that all subsidiaries must be consolidated. Entities meeting the definition of 'Investment Entities' must account for investments in subsidiaries at fair value under IFRS 9 Financial Instruments or IAS 39 Financial Instruments: Recognition and Measurement.

Amendments to IAS 32 Financial instruments: Presentation (applicable 1 January 2014)

The amendments require entities to disclose the gross amounts subject to rights of set off, amounts set off in accordance with the accounting standards followed and the related net credit exposure.

Amendments to IAS 36, "Impairment of assets" on the recoverable amount disclosures for non-financial assets (applicable 1 January 2014)

This amendment removed certain disclosures of the recoverable amount of CGUs which had been included in IAS 36 by the issue of IFRS 13.

IFRS 9 Financial Instruments (applicable 1 January 2018)

The IASB have tentatively decided to set the effective date to be 1 January 2018. The amendment confirms the importance of allowing entities to apply the requirements of all the phases of the project to replace IAS 39 at the same time. This IFRS is part of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement in three phases. Phase 1 relates to the classification and measurement of financial instruments. IFRS 9 addresses classification and measurement of financial assets and replaces the multiple classification and measurement models in IAS 39 with a single model that has only two classification categories: amortised cost and fair value. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. Phase 2 dealing with Impairment methodology is still outstanding and Phase 3 dealing with Hedge accounting has been completed.

Amendments to IFRS 11 Joint Arrangements (applicable 1 January 2016)

The amendments add new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business which specify the appropriate accounting treatment for such acquisitions.

Amendments to IFRS 12 Disclosure of interests in other entities (applicable 1 January 2014)

Requires new disclosures for investment entities (as defined in IFRS 10).

IFRIC 21 Levies (applicable 1 January 2014)

The interpretation sets out the accounting for an obligation to pay a levy that is not income tax. It addresses what the obligating event is that gives rise to pay a levy and when a liability should be recognised.

Amendments to IAS 39 Financial instruments: recognition and measurement (applicable 1 January 2014)

The amendment relates to derivatives and hedge accounting and is applicable 1 January 2014.

IFRS 15 Revenue from Contracts from Customers (applicable 1 January 2017)

A new standard that require companies to recognise revenue to depict the transfer of goods or services to customers, that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. The new standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively and improve guidance for multiple-element arrangements.

The standard below will not impact the Group:

IFRS 14 Regulatory deferral accounts (applicable 1 January 2016)

Applies to first-time adopters and permits them to continue to recognise amounts related to its rate regulation activities in accordance with their previous GAAP requirements.

Annual Improvements Project

Improvements to IFRSs to make non-urgent but necessary amendments to IFRS are issued in cycles as part of the 'annual improvements process'. The 2009 – 2011 cycle is applicable to the current year as discussed above. The 2010 – 2012 cycle as well as the 2011 – 2013 cycle are not yet applicable. Management do not foresee any major adjustments from these amendments which affect the following standards:

- IFRS 1 First-time Adoption of International Financial Reporting Standards (applicable 1 July 2014).
- Amendments to the Basis of Conclusion clarify the meaning of "effective IFRSs".
- IFRS 2 Share-based Payment (applicable 1 July 2014).
- Amendments added the definitions of performance conditions and service conditions and amended the definitions of vesting conditions and market conditions.
- IFRS 3 Business Combinations (applicable 1 July 2014).
- Amendments to the measurement requirements for all contingent consideration assets and liabilities including those accounted for under IFRS 9 as well as amendments to the scope paragraph for the formation of a joint arrangement.
- IFRS 8 Operating Segments (applicable 1 July 2014).
- Amendments to some disclosure requirements regarding the judgements made by management in applying the aggregation criteria, as well as those to certain reconciliations.
- IFRS 9 Financial Instruments (applicable 1 July 2014).
- Amendments to the measurement requirements for all contingent consideration assets and liabilities included under IFRS 9.
- IFRS 13 Fair Value Measurement (applicable 1 July 2014).
- The amendments clarify the measurement requirements for short-term receivables and payables and clarifies the portfolio exception.
- IAS 16 Property, Plant and Equipment and IAS 38 Intangible assets.
- Amendments to the Revaluation method and the proportionate restatement of accumulated depreciation/amortisation (applicable 1 July 2014).
- Amendment to clarify the basis for the calculation of depreciation/amortisation as being the expected pattern of consumption of the future economic benefits of an asset (applicable 1 January 2016).
- IAS 24 Related Party Disclosures (applicable 1 July 2014).
- Amendments to the definitions and disclosure requirements for key management personnel.
- IAS 40 Investment Property (applicable 1 July 2014).
- The amendment clarifies the interrelationship between IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property.

Management is still currently considering whether any of these changes have an effect.

Shareholders' analysis
for the year ended 30 June 2014

Issued Share Capital: 114 129 455

SHAREHOLDER SPREAD	Number of shareholdings	%	Number of shares	%
1 – 1 000 shares	2 586	69.68	729 917	0.64
1 001 – 10 000 shares	558	15.04	1 756 435	1.54
10 001 – 100 000 shares	394	10.62	15 489 580	13.57
100 001 – 1 000 000 shares	153	4.12	49 994 325	43.80
1 000 001 shares and over	19	0.51	36 009 721	31.55
	3 710	**99.97**	**103 979 978**	**91.11**
Treasury stock	1	0.03	10 149 477	8.89
Totals	**3 711**	**100.00**	**114 129 455**	**100.00**

DISTRIBUTION OF SHAREHOLDERS	Number of shareholdings	%	Number of shares	%
Banks/brokers	83	2.24	12 814 691	11.23
Close Corporations	33	0.89	31 507	0.03
Employee share trusts and plans	14	0.43	7 153 074	6.27
Empowerment	2	0.05	3 427 177	3.00
Endowment funds	24	0.65	520 852	0.46
Individuals	2 445	65.83	2 322 173	2.03
Insurance companies	56	1.51	9 541 031	8.36
Investment companies	11	0.30	2 291 770	2.01
Medical schemes	20	0.54	369 227	0.32
Mutual funds	207	5.58	39 362 978	34.49
Nominees and trusts	381	10.27	1 297 343	1.14
Other corporations	68	1.83	49 138	0.04
Private companies	75	2.02	214 203	0.19
Public companies	4	0.11	31 694	0.03
Retirement funds	287	7.73	24 553 120	21.52
Treasury stock	1	0.03	10 149 477	8.89
Totals	**3 711**	**100.00**	**114 129 455**	**100.00**

PUBLIC/NON-PUBLIC SHAREHOLDERS	Number of shareholdings	%	Number of shares	%
Non-public shareholders	**28**	**0.42**	**20 830 444**	**18.24**
Directors and associates of the Company	11	0.30	100 716	0.09
Sun International Employee Share Trusts*	1	0.03	5 486 915	4.81
Sun International Employee Share Plans**	13	0.02	1 666 159	1.45
Empowerment***	2	0.05	3 427 177	3.00
Treasury shares	1	0.03	10 149 477	8.89
Public shareholders	**3 683**	**99.58**	**93 299 011**	**81.76**
Totals	**3 711**	**100.00**	**114 129 455**	**100.00**

* *Sun International Employee Share Trusts consist of the following holding: 2 597 419 shares directly held and 2 889 496 shares indirecly held by the Sun International Employee Share Trust in Sun International Limited*

** *Sun International Employee Share Plans consist of shares held by BSMP, CSP, DBP and RSP participants*

*** *Empowerment is made up of: 3 427 177 shares represent the effective direct beneficial shareholding of Dinokana Investments (Pty) Limited less the allocated shares to the beneficiaries of the Sun International Employee Share Trust (indirect holding of 2 889 496 shares) and the Sun International Black Executive Management Trust (indirect shareholding of 403 186) shares.*

TOP 10 BENEFICIAL SHAREHOLDERS	Number of shares	%
Allan Gray	10 218 857	10.28
Sun International Investments No 2	10 149 477	10.18
Investment Solutions	7 571 969	7.33
Sanlam	7 496 999	8.53
Dinokana Investments (Pty) Ltd#	6 719 759	5.89
Old Mutual	6 390 735	3.84
Prudential	3 604 062	3.83
Metal and Engineering Industries	3 073 161	3.03
MMI Holdings Ltd	2 950 848	3.00
Sun International Employee Share Trust	2 597 419	2.51
Totals	**60 773 286**	**58.43**

Dinokana Investments (Pty) Ltd – consists of the registered holdings as per the share register in accordance to the BBBEE transaction which includes Dinokana, Sun International Employee Share Trust (indirect shareholding of 2 889 496 and the Sun International Black Executive Management Trust indirect shareholding of 403 186)

TOP 10 FUND MANAGERS	Number of shares	%
Allan Gray Asset Management	25 364 449	22.63
Prudential Portfolio Managers	11 952 511	11.39
Sanlam Investment Management	8 446 932	8.91
Regarding Capital Management	6 153 357	8.23
Investec Asset Management	5 966 347	4.37
Old Mutual Investment Group	5 926 974	5.45
Afena Capital	4 623 341	2.42
Vanguard	2 276 303	2.24
Dimensional Fund Advisors	1 578 839	1.75
STANLIB Asset Management	1 508 333	0.94
Totals	**73 797 386**	**68.34**

notice of the Sun International

ANNUAL GENERAL MEETING

Sun International Limited

Registration Number 1967/007528/06
Share Code: SUI
ISIN: ZAE000097580
("Sun International" or "the Company")

Notice is hereby given that the thirtieth annual general meeting of the shareholders of Sun International will be held on **Friday, 21 November 2014 at 09h00 Chilean time, (which is 14h00 South African time),** in the Conference Centre, Monticello Grand Casino, Panamericana Sur Km 57 San Fco. de Mostazal VI Región Chile, to among other things, consider, and if deemed fit, to pass (with or without modification) the ordinary and special resolutions set out below. A local dial-in facility will also be made available for shareholders who wish to participate via teleconference, at the Maslow Hotel, corner Grayston and Rivonia Drive, Sandton, South Africa at **14h00 (South African time).**

The record date for determining which shareholders are entitled to: **(i) receive notice of the annual general meeting is Friday, 17 October 2014; and (ii) participate in and vote at the annual general meeting is Friday, 14 November 2014,** in terms of section 62(3)(a), as read with section 59 of the Companies Act, 2008 as amended (Companies Act). Accordingly, the last day to trade in the Company's shares in order to be recorded on the securities register of Sun International in order to be able to participate, attend and vote at the annual general meeting is **Friday, 7 November 2014.**

Kindly take note that all participants who are in attendance will be required to provide reasonable, satisfactory identification in the form of a valid identity document, passport or drivers license, prior to being entitled to participate in the meeting.

PRESENTATION OF THE ANNUAL FINANCIAL STATEMENTS

To present the audited annual financial statements for the year ended 30 June 2014, together with the reports of: the directors; the external auditors; the audit committee; and the social and ethics committee of the Company as made available on the Company's website: **ir.suninternational.com**. A copy of the abridged set of annual financial statements is set out on pages 50 to 61 of this Integrated Annual Report.

Ordinary resolution numbers 1; 2 and 3 deal with the election and re-election of directors and the relevant directors' résumés can be accessed via the Company's website: ir.suninternational.com

ORDINARY RESOLUTION NUMBER 1: ELECTION OF NON-EXECUTIVE DIRECTOR

To elect by way of ordinary resolution Mr E Cibie as a non-executive director of the Company, who retires in accordance with the provisions of article 39.9 of the provisions of the Company's Memorandum of Incorporation, by virtue of his appointment being made pursuant to the last annual general meeting. Mr E Cibie being eligible for election as a non-executive director of the Company, offers himself for election to the board.

QUORUM FOR RESOLUTION

In order for this resolution to be adopted, the support of more than 50% of the voting rights exercised on the resolution by shareholders present or represented by proxy at the annual general meeting and entitled to exercise voting rights on the resolution is required.

ORDINARY RESOLUTION NUMBER 2: RE-ELECTION OF NON-EXECUTIVE DIRECTORS

To re-elect as directors by way of separate resolutions:

2.1 Ms B Modise
2.2 Mr MV Moosa
2.3 Mr GR Rosenthal

who retire by rotation at this annual general meeting, in accordance with the provisions of article 39.3 of the Company's Memorandum of Incorporation. The non-executive directors, each being eligible, offer themselves for re-election to the board.

QUORUM FOR RESOLUTION

In order for these resolutions to be adopted, the support of more than 50% of the voting rights exercised on the resolution by shareholders present or represented by proxy at the annual general meeting and entitled to exercise voting rights on the resolution is required.

ORDINARY RESOLUTION NUMBER 3: ELECTION OF AUDIT COMMITTEE MEMBERS

To elect, by way of separate resolutions, the following independent, non-executive directors, as members of the Company's audit committee and to hold such appointment as a member of the audit committee until the conclusion of the next annual general meeting:

3.1 Ms ZBM Bassa
3.2 Mr PL Campher
3.3 Ms B Modise*
3.4 Mr GR Rosenthal*

* *Subject to his/her re-election as a non-executive director pursuant to ordinary resolution number 2.*

QUORUM FOR RESOLUTION

In order for these resolutions to be adopted, the support of more than 50% of the voting rights exercised on the resolution by shareholders present or represented by proxy at the annual general meeting and entitled to exercise voting rights on the resolution is required.

ORDINARY RESOLUTION NUMBER 4: ENDORSEMENT OF THE REMUNERATION POLICY

To consider and endorse, by way of a non-binding advisory vote, the Company's remuneration policy as set out in the remuneration report available via: **ir.suninternational.com**

Ordinary resolution number 4 is of an advisory nature and is non-binding. The failure to pass this resolution will not have any legal consequences on the Company, however, the board will address any matters of concern that may be raised by shareholders.

QUORUM FOR RESOLUTION

In order for this resolution to be endorsed, the support of more than 50% of the voting rights exercised on the resolution by shareholders present or represented by proxy at the annual general meeting and entitled to exercise voting rights on the resolution is required.

ORDINARY RESOLUTION NUMBER 5: RE-APPOINTMENT OF THE INDEPENDENT EXTERNAL AUDITORS

To re-appoint PricewaterhouseCoopers Incorporated (PwC) as independent external auditors of the Company, to hold office until the conclusion of the next annual general meeting, in accordance with the audit committee's nomination. Mr ER Mackeown is the individual registered auditor and member of the aforegoing firm who undertakes the audit.

QUORUM FOR RESOLUTION

In order for this resolution to be adopted, the support of more than 50% of the voting rights exercised on the resolution by shareholders present or represented by proxy at the annual general meeting and entitled to exercise voting rights on the resolution is required.

Special Business – Special Resolutions

SPECIAL RESOLUTION NUMBER 1: APPROVAL OF INCREASE OF COMMITTEE FEES

1.1 APPROVAL OF INCREASE OF THE SOCIAL AND ETHICS COMMITTEE FEES

To consider and, if deemed fit, to pass, with or without modification, the following special resolution:

Resolved that in terms of section 66(9) of the Companies Act, the fees payable to the Chairperson and members of the social and ethics committee be increased as set out below:

	2013/2014^ financial year		**Proposed 2014/2015 financial year**	
	Base fee	Attendance fee	**Proposed base fee**	**Proposed attendance fee**
Social & Ethics Committee** – Chairperson	38 500	19 300	**42 600**	**24 500**
Social & Ethics Committee** – Members	19 300	9 700	**21 300**	**12 300**

*** Based on 3 meetings per year.*

^ The 2013/2014 fees as approved by shareholders appear for comparative purposes only.

REASON AND EFFECT FOR SPECIAL RESOLUTION 1.1

At the time of constituting the social and ethics committee in 2011, the fees for this committee were aligned to that of the nomination committee. The social and ethics committee fees have since increased by the same salary increment as the Group. The nature of the committee's work has grown more expansive and intensive and accordingly the fees have been aligned with the scope of the committee's mandate and in accordance with their statutory obligations. It is proposed that the social and ethics fees be increased in order to reflect the extent of the committee's duties.

1.2 APPROVAL OF THE INVESTMENT COMMITTEE FEES

To consider and, if deemed fit, to pass, with or without modification, the following special resolution:

Resolved that in terms of section 66(9) of the Companies Act, the fees payable to the Chairperson and members of the investment committee for meetings in person as set out below:

	Proposed for the 2014/2015 financial year**	
	Proposed base fee	**Proposed attendance fee**
Investment Committee – Chairperson	**42 600**	**24 500**
Investment Committee – Members	**21 300**	**12 300**

*** Based on 4 meetings per year.*

REASON AND EFFECT FOR SPECIAL RESOLUTION 1.2

The purpose of the investment committee is to consider and evaluate the viability of proposed investment opportunities, disposals and expansion projects for recommendation to the board for their consideration and approval. The investment committee meetings have been held via teleconference on a monthly basis and accordingly an hourly fee of R3 700 for the Chairman and R2 700 per member will be applicable, as previously approved by shareholders. The investment committee will now be convening quarterly committee meetings in person and as a result the investment committee meeting fees are proposed as set out above.

QUORUM FOR SPECIAL RESOLUTIONS 1.1 AND 1.2

In order for these resolutions to be adopted, the support of more than 75% of the voting rights exercised on the resolution by shareholders present or represented by proxy at the annual general meeting and entitled to exercise voting rights on the resolutions are required.

SPECIAL RESOLUTION NUMBER 2: APPROVAL OF NO MORE THAN 10% INCREASE FOR NON-EXECUTIVE DIRECTOR AND COMMITTEE FEES

To consider and, if deemed fit, to pass, with or without modification, the following special resolution:

Resolved that in terms of section 66(9) of the Companies Act, the fees payable to non-executive directors as set out below may be increased by no more than 10% each year for the two year period for which this resolution remains valid unless revoked before the expiry of the two year period.

REASON AND EFFECT FOR SPECIAL RESOLUTION 2

As the approval for director fees is valid for a period of two years, it is recommended that shareholders approve a 10% increase for each of the two forthcoming years unless an alternative proposal is tabled at any general or annual general meeting before the expiry of two years. An increase of no more than 10% each year is not considered excessive and the Company has adopted this model since 2012.

In order to demonstrate the effect of a 10% increase on the current fees, should shareholders approve this resolution, the table below indicates the increased fee that will be applicable for the 2015/2016 financial year, should the maximum increase be applied. The 2014/2015 board and committee fees appear for comparative purposes only.

	2014 – 2015 financial year		**2015 – 2016 financial year**	
	Base fee	Attendance fee	**Base fee**	**Attendance fee**
Chairman's Fees^	770 200	44 900	**847 200**	**49 400**
Lead Independent Director's Fees^	295 300	25 700	**324 800**	**28 300**
Directors' Fees^	122 000	25 700	**134 200**	**28 300**
Audit Committee# – Chairman	102 700	28 900	**113 000**	**31 800**
Audit Committee# – Members	51 500	14 500	**56 700**	**16 000**
Risk Committee** – Chairman	56 600	30 900	**62 300**	**34 000**
Risk Committee** – Members	28 300	15 500	**31 100**	**17 100**
Remuneration Committee** – Chairman	46 300	28 300	**50 900**	**31 100**
Remuneration Committee** – Members	23 300	14 200	**25 600**	**15 600**
Social and Ethics Committee** – Chairman	42 600	24 500	**46 900**	**27 000**
Social and Ethics Committee** – Members	21 300	12 300	**23 400**	**13 500**
Investment Committee# – Chairman	42 600	~24 500 for physical meetings and R3 700 per hour for teleconferences	**46 900**	**27 000**
Investment Committee# – Members	21 300	~12 300 for physical meetings and R2 700 per hour for teleconferences	**23 400**	**13 500**
Nomination Committee** – Chairman	38 500	19 300	**42 400**	**21 200**
Nomination Committee** – Members	19 400	9 700	**21 300**	**10 700**

~ pursuant to the approval of special resolution 1.2 above.

Fees are paid as follows:

Base fee	Paid quarterly
Attendance fee	Paid at the end of the month following the relevant meetings. For indicative purposes the number of planned meetings for each category are set out below. The attendance fee will be applicable to any additional meetings convened during the year. # 4 scheduled meetings per year ** 3 scheduled meetings per year
Chairman, Director & Lead Independent Director's Fees	^ 5 scheduled meetings per year
Ad-hoc meetings	Will be paid at the attendance rate as set out for that relevant meeting

QUORUM FOR SPECIAL RESOLUTION 2

In order for this resolution to be adopted, the support of more than 75% of the voting rights exercised on the resolution by shareholders present or represented by proxy at the annual general meeting and entitled to exercise voting rights on the resolutions are required.

SPECIAL RESOLUTION NUMBER 3: GENERAL AUTHORITY TO REPURCHASE SHARES

To consider and, if deemed fit, to pass, with or without modification, the following special resolution:

Resolved that the directors be and are hereby authorised to approve and implement the acquisition by the Company or by a subsidiary of the Company up to a maximum of 10% (ten percent) of the number of issued ordinary shares of the Company as at the beginning of the financial year by way of a renewable general authority, which shall only be valid until the Company's next annual general meeting, provided that it shall not extend beyond 15 (fifteen) months from the date of the passing of the special resolution, whichever period is the shorter, in terms of the Companies Act and the JSE Listings Requirements which provide, inter alia, that the Company may only make a general repurchase of its ordinary shares subject to:

- the repurchase being implemented through the order book operated by the JSE trading system, without prior understanding or arrangement between the Company and the counterparty (reported trades are prohibited);
- the Company being authorised thereto by its Memorandum of Incorporation;
- repurchases not being made at a price greater than 10% (ten percent) above the weighted average of the market value of the ordinary shares for the 5 (five) business days immediately preceding the date on which the repurchase was effected; an announcement being published as soon as the Company has repurchased ordinary shares constituting, on a cumulative basis, 3% (three percent) of the initial number of ordinary shares, and for each 3% (three percent) in aggregate of the initial number of ordinary shares repurchased thereafter, containing full details of such repurchases;
- repurchases in any one financial year not exceeding 20% (twenty percent) in aggregate of the Company's issued ordinary share capital as at the beginning of the financial year;
- the passing of a resolution by the board of directors that it has authorised the repurchase, that the Company and its subsidiary/ies have passed the solvency and liquidity test and that, since the test was performed, there have been no material changes to the financial position of the Group;
- the Company and/or its subsidiaries not repurchasing ordinary shares during a prohibited period as defined in paragraph 3.67 of the JSE Listings Requirements, unless it has in place a repurchase programme where the dates and quantities of securities to be traded during the relevant period are fixed (not subject to any variation) and details thereof have been submitted to the JSE in writing. In this regard, the Company will instruct an independent third party, which makes its investment decisions in relation to the Company's securities independently of, and uninfluenced by, the Company, prior to the commencement of the prohibited period to execute the repurchase programme submitted to the JSE;
- the number of shares purchased and held by a subsidiary or subsidiaries of the Company shall not exceed 10% (ten percent) in the aggregate of the number of issued shares in the Company at the relevant times;
- any such general repurchases are subject to exchange control regulations and approval, if applicable, at that point in time; and
- the Company only appointing one agent to effect any repurchases on its behalf.

STATEMENT BY DIRECTORS PERTAINING TO THE SOLVENCY AND LIQUIDITY OF THE COMPANY

As at the date of this resolution, the Company's directors undertake that, having considered the effect of repurchasing the maximum number of shares (as contemplated above), they will not implement any such repurchase unless for a period of 12 months following the date of the general repurchase:

- the Company and the Group shall satisfy the solvency and liquidity test in the manner contemplated by the Companies Act;
- the Company and the Group will be able, in the ordinary course of business, to pay its debts;
- the working capital of the Company and the Group will be adequate for ordinary business purposes;
- the assets of the Company and the Group, fairly valued in accordance with generally accepted accounting practice, will exceed the liabilities of the Company and the Group; For this purpose the assets and liabilities will be recognised and measured in accordance with the accounting policies used in the latest audited financial statements which comply with the Companies Act; and
- the Company's and the Group's ordinary share capital and reserves will be adequate for ordinary business purposes.

For purposes of considering this special resolution and in compliance with paragraph 11.26 of the JSE Listings Requirements, information on the Company's share capital and major shareholders is available for inspection via the following link: **ir.suninternational.com**

DIRECTOR'S RESPONSIBILITY STATEMENT

The aforesaid directors of the Company, collectively and individually accept full responsibility for the accuracy of the information pertaining to this special resolution and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the special resolution contains all information required by law and the JSE Listings Requirements.

MATERIAL CHANGES

Other than the facts and developments reported on in this Integrated Annual Report together with the 2014 combined reporting available via: **ir.suninternational.com** there have been no material changes in the affairs or financial position of the Company and its subsidiaries since the date of signature of the external audit report and up to the date of this notice.

REASON FOR AND EFFECT OF SPECIAL RESOLUTION NUMBER 3:

The directors consider that such general authority should be put in place should an opportunity present itself for the Company or a subsidiary thereof to purchase any of its shares during the year, and which may be in the best interests of the Company and its shareholders. The directors of the Company have no specific intention to effect the provisions of special resolution number 3 but will however, continually review the Company's position, having regard to prevailing circumstances and market conditions, in considering whether to effect the provisions of this special resolution.

The reason for and effect of special resolution number 3 is to grant the directors of the Company a general authority in terms of the Companies Act and the JSE Listings Requirements for the repurchase by the Company (or by a subsidiary of the Company) of the Company's shares.

QUORUM FOR SPECIAL RESOLUTION 3

In order for this resolution to be adopted, the support of more than 75% of the voting rights exercised on the resolution by shareholders present or represented by proxy at the annual general meeting and entitled to exercise voting rights on the resolution is required.

ORDINARY RESOLUTION NUMBER 6: AUTHORITY FOR DIRECTORS OR COMPANY SECRETARY TO IMPLEMENT RESOLUTIONS

To consider, and if deemed fit to pass, with or without modification, the following ordinary resolution:

Resolved as an ordinary resolution that any director of the Company or the Company Secretary be and is hereby authorised to do all such things and sign all such documents as may be required to give effect to the ordinary and special resolutions.

QUORUM FOR RESOLUTION NUMBER 6

In order for this resolution to be adopted, the support of more than 50% of the voting rights exercised on the resolution by shareholders present or represented by proxy at the annual general meeting and entitled to exercise voting rights on the resolution is required.

STATEMENT IN TERMS OF SECTION 62(3)(e) OF THE COMPANIES ACT:

Sun International shareholders holding certificated shares and/or shares in dematerialised form in "own name":

a) may attend, participate in, speak and vote at the annual general meeting; alternatively;
b) may appoint an individual as a proxy, (who need not also be a shareholder of Sun International) to attend, participate in, speak and vote in your place at the annual general meeting by completing the attached form of proxy and returning it to the registered office of Sun International or to the transfer secretaries, by no later than **09h00 on 18 November 2014.**
c) Alternatively, the form of proxy may be handed to the Chairman of the annual general meeting at the meeting at any time prior to the commencement of the annual general meeting. Please note that your proxy may delegate his/her authority to act on your behalf to another person, subject to the restrictions set out in the attached form of proxy. Please also note that the attached form of proxy must be delivered to the registered office of Sun International or to the transfer secretaries or handed to the Chairman of the annual general meeting, before your proxy may exercise any of your rights as a Sun International shareholder at the annual general meeting. Please note that any shareholder of Sun International that is a juristic entity may authorise any person to act as its representative at the annual general meeting. Please also note that section 63(1) of the Companies Act, requires that persons wishing to participate in the annual general meeting (including the aforementioned representative) must provide satisfactory identification before they may so participate.

NOTICE TO OWNERS OF DEMATERIALISED SHARES:

Please note that if you are the owner of dematerialised shares held through a CSDP or broker (or their nominee) and are not registered as an "own name" dematerialised shareholder then you are not a registered Sun International shareholder, as your CSDP or broker (or their nominee) would be. Accordingly, in these circumstances, subject to the mandate between yourself and your CSDP or broker as the case may be:

a) if you wish to attend the annual general meeting you must contact your CSDP or broker, and obtain the relevant letter of representation from it; alternatively
b) if you are unable to attend the annual general meeting but wish to be represented at the meeting, you must contact your CSDP or broker, and furnish it with your voting instructions in respect of the annual general meeting and/or request it to appoint a proxy. You must not complete the attached form of proxy. The instructions must be provided in accordance with the mandate between yourself and your CSDP or broker, within the time period required by your CSDP or broker. CSDP's, brokers or their nominees, as the case may be, recorded in Sun International's sub-register as holders of dematerialised shares should, when authorised in terms of their mandate or instructed to do so by the owner on behalf of whom they hold dematerialised shares, vote by either appointing a duly authorised representative to attend and vote at the annual general meeting or by completing the attached form of proxy in accordance with the instructions thereon and returning it to the registered office of Sun International or to the transfer secretaries, by no later than **09h00 on 18 November 2014.** Alternatively, the form of proxy may be handed to the Chairman of the annual general meeting at any time prior to the commencement of the annual general meeting.

VOTING AT THE MEETING:

In order to more effectively record the votes and give effect to the intentions of shareholders, voting on all resolutions will be conducted by way of a poll. It being noted that ordinary shares held in treasury, by a share trust or scheme, and unlisted securities will not have their votes taken into account at the annual general meeting for the purposes of resolutions proposed in terms of the JSE Listings Requirements.

ELECTRONIC PARTICIPATION IN THE ANNUAL GENERAL MEETING:

Sun International intends to make provision for its shareholders, or their proxies, to participate in the annual general meeting by way of electronic communication in two forms. The first is by making available a facility at the Maslow Hotel in South Africa which will permit the dial-in to the annual general meeting venue in Chile. In the second instance, Sun International intends making a dial-in facility available to all shareholders that will be linked to the venue at which the annual general meeting will take place, on the date of, and from the time of commencement of, the annual general meeting. This dial-in facility will enable all persons to participate electronically in the annual general meeting and to communicate concurrently with each other without an intermediary, and to participate reasonably effectively in the annual general meeting.

Shareholders wishing to participate electronically in the annual general meeting are required to deliver the "Electronic Notice" which appears on page 71 of this Integrated Annual Report to Sun International's registered address at 6 Sandown Valley Crescent, Sandton, Gauteng, Republic of South Africa (marked for the attention of Ms CA Reddiar, Company Secretary) or email the Electronic Notice to **investor.relations@suninternational.com** by no later than **18 November 2014 at 09h00** indicating that they wish to participate via electronic communication in the annual general meeting.

In order for the Electronic Notice to be valid it must contain: (a) if the shareholder is an individual, a certified copy of his identity document and/or passport; (b) if the shareholder is not an individual, a certified copy of a resolution or letter of representation by the relevant entity and a certified copy of his/her identity documents or passports of the persons who passed the relevant resolution. The relevant resolution must set out the details of the person that is authorised to represent the entity at the annual general meeting via electronic communication; (c) a valid email address (the "Contact Details").

By no later than 24 (twenty four) hours before the annual general meeting, Sun International shall use its reasonable endeavours to notify a shareholder via the Contact Details provided in a valid Electronic Notice of the relevant details to participate via electronic communication. Should you wish to participate in the annual general meeting by way of electronic communication as aforesaid, you, or your proxy, will be required to dial-in on the date of the annual general meeting.

By order of the board

CA Reddiar
Company Secretary

16 October 2014

Delivery and postal address for Proxy or Electronic Notices
Computershare Investor Services Proprietary Limited
PO Box 61051, Marshalltown 2107
Gauteng, Republic of South Africa

70 Marshall Street, Johannesburg, 2001

investor.relations@suninternational.com

SUN INTERNATIONAL LIMITED
(INCORPORATED IN SOUTH AFRICA)
(Registration number 1967/007528/06)
Share code: SUI
ISIN: ZAE000097580
("Sun International" or "the Company")

FORM OF PROXY – SUN INTERNATIONAL LIMITED ANNUAL GENERAL MEETING

For use by certificated shareholders or own name dematerialised shareholders at the thirtieth annual general meeting of shareholders of Sun International to be held on **Friday, 21 November 2014 at 09h00 Chilean time (which is 14h00 South African time)**, in the Conference Center, Monticello Grand Casino, Panamericana Sur Km 57 San Fco. de Mostazal VI Región Chile, to among other things, consider, and if deemed fit, to pass (with or without modification) the ordinary and special resolutions set out below. A local dial-in facility will also be made available for shareholders who wish to participate via teleconference, at the Maslow Hotel, Corner Grayston Drive and Rivonia Road, Sandton, South Africa at **14h00 (South African time).**

This form of proxy is not to be used by beneficial owners of shares who have dematerialised their shares ("dematerialised shares") through a Central Securities Depository Participant ("CSDP") or broker, as the case may be, unless you are recorded on the sub-register as an own name dematerialised shareholder. Generally, you will not be an own name dematerialised shareholder unless you have specifically requested your CSDP to record you as the holder of the shares in your own name in the Company's sub-register.

This form of proxy is only for use by certificated, own name dematerialised shareholders and CSDPs or brokers (or their nominees) registered in the Company's sub-register as the holder of dematerialised shares.

Each shareholder entitled to attend and vote at the annual general meeting is entitled to appoint a proxy (who need not also be a shareholder of the Company) to attend, participate in and speak and vote in place of that shareholder at the annual general meeting, and at any adjournment thereafter.

Please note the following:

- the appointment of your proxy may be suspended at any time to the extent that you choose to act directly and in person in the exercise of your rights as a shareholder at the annual general meeting;
- the appointment of the proxy is revocable; and
- you may revoke the proxy appointment by: (i) cancelling it in writing, or making a later inconsistent appointment of a proxy and (ii) delivering a copy of the revocation instrument to the proxy, and to the Company.

Any shareholder of the Company that itself is a company may authorise any person to act as its representative at the annual general meeting. Section 63(1) of the Companies Act requires that persons wishing to participate in the annual general meeting (including the aforementioned representative) must provide satisfactory identification before they may so participate.

Note that voting will be performed by way of a poll and, accordingly, any person who is present at the annual general meeting, whether as a shareholder or as proxy for a shareholder, shall have the number of votes determined in accordance with the voting rights associated with the Sun International Limited ordinary shares held by that shareholder.

I/We (full names of shareholder)

of (address)

Telephone: (work) (area code) Telephone: (home) (area code)

Fax: (area code) Cell number:

Email address:

Holding ordinary shares in the Company hereby appoint:

Name of Proxy OR Name: Identity Number:

Name of Proxy OR Name: Identity Number:

The Chairman of the annual general meeting

as my/our proxy to attend, participate in, speak and vote at the annual general meeting in my/our place and on my/our behalf at the Sun International annual general meeting which will be held for the purpose of considering and, if deemed fit, passing, with or without modification, the ordinary and special resolutions to be proposed thereat and at any adjournment thereof and to vote for or against such resolutions or to abstain from voting in respect of the shares in the issued capital of the Company registered in my/our name/s, in accordance with the instructions set out below (refer to note 2):

my/our proxy:

- may delegate to another person his/her authority to act on my/our behalf at the Sun International annual general meeting, provided that my/our proxy may only delegate his/her authority to act on my/our behalf at the annual general meeting to a director of the Company;
- must provide written notification to the transfer secretaries of the Company, namely Computershare Investor Services Proprietary Limited, of the delegation by my/our proxy of his/her authority to act on my/our behalf at the Sun International annual general meeting by no later than **09h00 on 18 November 2014.** Alternatively, the written notification must be handed to the Chairman of the annual general meeting at any time prior to the commencement of the annual general meeting to be held in Chile at **09h00 (Chilean time) on 21 November 2014;** and
- must provide to his/her delegate a copy of his/her authority to delegate his/her authority to act on my/our behalf at the annual general meeting.

	Number of ordinary shares		
Resolution reference	For	Against	Abstain
Ordinary resolution number 1 – election of non-executive director – Mr E Cibie			
Ordinary resolution number 2 – re-election of non-executive directors retiring by rotation by way of separate resolutions			
2.1 Ms B Modise			
2.2 Mr MV Moosa			
2.3 Mr GR Rosenthal			
Ordinary resolution number 3 – election and appointment of Audit Committee members by way of separate resolution			
3.1 Ms ZBM Bassa			
3.2 Mr PL Campher			
3.3 Ms B Modise			
3.4 Mr GR Rosenthal			
Ordinary resolution number 4 – endorsement of the remuneration policy			
Ordinary resolution number 5 – re-appointment of independent external auditors			
Special resolution number 1 – approval of increase of committee fees			
Special resolution number 1.1 – approval of increase of social and ethics committee fees			
Special resolution number 1.2 – approval of investment committee fees			
Special resolution number 2 – approval of no more than 10% increase for non-executive director fees			
Special resolution number 3 – general authority to repurchase shares			
Ordinary resolution number 6 – authority for directors or Company Secretary to implement resolutions			

Signed this day of 2014

Signature of member(s)

Assisted by me (where applicable)

Please read the notes and instructions overleaf.
Note: Voting on all resolutions will be conducted by way of a poll.

INSTRUCTIONS ON SIGNING AND LODGING THE FORM OF PROXY

A shareholder entitled to attend and vote at the annual general meeting may appoint one or more persons as his/her proxy to attend, speak or vote in his/her stead at the annual general meeting.

A proxy need not be a shareholder of the Company.

On a poll, every Sun International shareholder shall have for each share held by him/her that proportion of the total votes in the Company which the aggregate amount of the nominal value of that share held by him/her bears to the aggregate amount of the nominal value of all the shares issued by the Company.

Notes:

1. A shareholder may appoint and insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space/s provided overleaf, with or without deleting "the Chairman of the annual general meeting".
2. If no proxy is inserted in the spaces provided, then the Chairman shall be deemed to be appointed as the proxy to vote or abstain as the Chairman deems fit.
3. A shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that shareholder in the appropriate box provided. If there is no clear indication as to the voting instructions to the proxy, this form of proxy will be deemed to authorise the proxy to vote or to abstain from voting at the annual general meeting as he/she deems fit in respect of all the shareholder's votes exercisable thereat.
4. A shareholder or his/her proxy is not obliged to use all the votes exercisable by the shareholder or by his/her proxy, but the total of the votes cast and in respect of which abstention is recorded may not exceed the total of the votes exercisable by the shareholder or by his/her proxy.
5. Completed forms of proxy must be lodged at the registered office of the Company, 6 Sandown Valley Crescent, Sandton, Gauteng, South Africa or posted to the Company Secretary, PO Box 782121, Sandton 2146, or lodged with or posted to the transfer secretaries, Computershare Investor Services Proprietary Limited, Ground Floor, 70 Marshall Street, Johannesburg 2001 (PO Box 61051, Marshalltown 2107, South Africa) so as to be received by no later than **09h00 on Tuesday, 18 November 2014.** Alternatively, the form of proxy must be handed to the Chairman of the annual general meeting at the general meeting at any time prior to the commencement of the annual general meeting to be held in Chile at **09h00 (Chilean time which is 14h00 South African time) on Friday, 21 November 2014.**
6. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the Company Secretary or waived by the Chairman of the annual general meeting if the Chairman is reasonably satisfied that the right of the representative to participate and vote has been reasonably verified. CSDP's or brokers registered in the Company's sub-register voting on instructions from beneficial owners of shares registered in the Company's sub-register, are requested that they identify the beneficial owner in the sub-register on whose behalf they are voting and return a copy of the instruction from such owner to the Company Secretary or to the transfer secretaries, Computershare Investor Services Proprietary Limited, Ground Floor, 70 Marshall Street, Johannesburg 2001 (PO Box 61051, Marshalltown 2107, South Africa), together with this form of proxy.
7. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so.
8. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies, but any such alteration or correction will only be validly made if it is accepted by the Chairman.
9. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the Company Secretary.
10. If the instrument appointing the proxy or proxies has been delivered to the Company, any notice that is required by the Companies Act or the Company's Memorandum of Incorporation to be delivered by the Company to the shareholder must (for so long as the proxy or proxies appointment remains in effect) be delivered by the Company to: (i) the shareholder or (ii) the proxy or proxies, if the shareholder has directed the Company to do so, in writing, and paid any reasonable fee charged by the Company for doing so.
11. The authority of a person signing the form of proxy in a representative capacity must be attached to the form of proxy unless that authority has already been recorded by the Company's transfer secretaries, alternatively waived by the Chairman of the annual general meeting.

Electronic notice
for shareholders to participate electronically in the annual general meeting

SUN INTERNATIONAL LIMITED
Registration number 1967/007528/06
Share code: SUI
ISIN: ZAE000097580

Shareholders or their duly appointed proxy(ies) ("participants") who wish to participate in the annual general meeting via electronic communication, being via teleconference, must apply to the Company Secretary using this application form. Participants are advised that they will not be able to vote during the meeting. Such participants, should they wish to have their vote counted at the meeting, must act in accordance with the general instructions contained on vote on the proxy form.

Shareholders must take note of the following:

A. A limited number of telecommunication lines will be available;
B. Each participant will be contacted 24 hours before the annual general meeting via email and/or SMS. Participants will be provided with a code and the relevant telephone number to allow them to dial-in; and
C. The cut-off time for dialling-in on the day of the meeting will be at **08h30 (Chilean time) and 13h30 (South African time) on Friday, 21 November 2014** and no late dial-in will be possible.

Application form: electronic participation

To be returned to the Company Secretary (Ms Chantel Reddiar) situated on the 5th Floor at 6 Sandown Valley Crescent, Sandton, Gauteng, Johannesburg or email investor.relations@suninternational.com by no later than **Tuesday, 18 November 2014 at 09h00.**

Full name of shareholder	
Identity number/Registration number of shareholder	
Email address	
Mobile number	
Telephone number (including dialling code from South Africa and other countries where applicable)	
Name of CSDP/broker (if shares are in dematerialised form)	
Contact number of CSDP/broker	
Contact person at CSDP/broker	
Number of share certificate (if applicable)	
Signature of shareholder	
Date (DD/MM/YY)	

Election form

SUN INTERNATIONAL LIMITED

(Incorporated in the Republic of South Africa)
(Registration number: 1967/007528/06)
(Share code: SUI) (ISIN: ZAE000097580)
("Sun International" or "the Company")

To:
The Directors
Sun International

I/We, the undersigned ______________________________

(please print)

reference number: ______________________________

(if available, please review the reference number listed on the envelope your Integrated Annual Report arrived in)

of address ______________________________

being the registered holder(s) of: ____________ ordinary shares in the issued share capital of the Company

do hereby elect to receive any documents or notices from Sun International, by electronic post, to the extent that the Company is permitted to so distribute any notices, documents, records or statements in terms of the Companies Act, No 71 of 2008, as amended, and any and every other statute, ordinance, regulation or rule in force from time to time, including the JSE Listings Requirements, concerning companies and affecting Sun International.

I/We hereby furnish the following email address for such electronic communication:

Email address: ______________________________

Any written amendment or withdrawal of any such notice of consent by me/us, shall only take effect if signed by me/us and received by the Company.

Signed at ____________ on ____________ 2014

Signature ______________________________

Assisted by me (where applicable) ______________________________

Please complete, detach and return this election form to Sun International's transfer secretaries, Computershare Investor Services Proprietary Limited, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) or by telefax to +27 (11) 370 5271.

Shareholders' diary

ANNUAL GENERAL MEETING:

Date: Friday, 21 November 2014
Time: 09h00 (Chilean time and 14h00 South African time)
Venue: Conference Center, Monticello Grand Casino, Panamericana Sur Km 57 San Fco. de Mostazal VI Región Chile

A local dial-in facility will also be made available for shareholders who wish to participate via teleconference, at the Maslow Hotel, Corner Grayston Drive and Rivonia Road, Sandton, South Africa at 14h00 (South African time).

Reports/Activity	**2015**
Announcement of interim results and interim dividend (if declared) for half year ending 31 December	February
Financial year end	30 June
Announcement of reviewed annual results and final dividend (if declared) for the year ending 30 June	August
2015 Integrated Annual Report published	October/November
Annual general meeting	November

Human capital

Our people are one of our most important stakeholders and a key driver of our business.

RESOURCES AND THEIR ALLOCATION

At the end of the financial year, we had 10 417 employees across our operations, a decrease of 632 employees on last year. The decrease in headcount was mainly due to the restructure of the Monticello workforce that resulted in a decrease in headcount of 162 employees. The restructure consolidated management positions on the gaming floor to ensure greater accountability and role clarity. The effect of the restructure process on headcount in South Africa will only be evident in the 2015 year-end results and will be reported accordingly.

Our permanent employees comprise core and scheduled employees. Core employees work on a full-time basis whereas scheduled employees work on a roster basis, according to business levels. Scheduled employees are guaranteed a minimum number of work hours per month and are paid the same hourly rate and benefits as core employees.

Total number of permanent employees:

	2014	change	2013
Core	8 808	(6.8%)	9 450
Scheduled	1 609	0.6%	1 599
	10 417	(5.7%)	11 049

The reduction in core employees is due to the Monticello restructure, retrenchments and the non-replacement of staff who have resigned.

Total workforce by region and gender:

	2014					2013				
Country	Female	%	Male	%	Total	Female	%	Male	%	Total
Botswana	207	57	155	43	362	211	56	164	44	375
Chile	767	51	726	49	1 493	875	50	875	50	1 750
Lesotho	214	53	188	47	402	206	53	186	47	392
Namibia	161	58	116	42	277	156	58	112	42	268
Nigeria	138	31	301	69	439	149	33	303	67	452
Panama*	7	39	11	61	18	–	–	–	–	–
South Africa	3 533	52	3 272	48	6 805	3 707	52	3 470	48	7 177
Swaziland	80	39	127	61	207	83	42	116	58	199
Zambia	154	37	260	63	414	160	37	276	63	436
Total	5 261	50	5 156	50	10 417	5 547	50	5 502	50	11 049

* Panama commenced employment in the 2014 financial year.

SKILLS DEVELOPMENT SPEND

Our skills development spend across the Group increased to R63 million from R60 million last year, with a significant investment increase in both formal and informal learning interventions. 8 100 of our employees benefited from learning interventions targeted at their roles and growing the leadership pipeline, up from 7 045 in the previous year. The range of training interventions also increased from 299 to 340 in 2014.

Training costs as a percentage of leviable payroll (South African units only):

R million	**2014**	2013
Leviable payroll	**1 530**	1 466
Training costs	**58**	51
% of leviable payroll	**3.8%**	3.5%

GRANTS AND LEVIES

To access skills development grants from the Culture, Art, Tourism, Hospitality and Sport Sector Education and Training Authority (CATHSSETA) under the levy grant scheme, we are required to:

- pay a skills development levy to SARS;
- submit a Mandatory Grant Plan (MGP) detailing all learning interventions to be undertaken for the year; and
- submit an annual training report confirming successful implementation of the MGP for the previous year.

New grant regulations came into effective on 1 April 2013 which decreased the mandatory grant payments from CATHSSETA from 50% of our skills development levies down to only 20%. During this transitional period, the Group received the maximum recovery for mandatory grants.

R million	**2014**	2013
Skills development levy paid	**15.3**	14.6
Mandatory grants received from CATHSSETA	**(4.9)**	(7.3)

PEOPLE CAPITAL MANAGEMENT SYSTEMS

The Group has embarked on a strategic initiative to implement a centralised and fully integrated Enterprise Resource Planning (ERP) solution, primarily to reduce business costs and improve operational efficiencies. Our current people capital management systems will migrate to the new ERP solution in accordance with the overall programme roll-out plan. We plan to commence early in 2015.

TERMINATIONS

During the year under review, there were 2 057 terminations across the Group. Employee turnover is at 19%, representing an increase of 193 terminations from last year.

Reason for termination by Country:

Reason for termination	Botswana	Chile	Lesotho	Namibia	Nigeria	South Africa	Swaziland	Zambia	Grand Total
Death	1	2	2	3	1	25	1	2	37
Dismissal – Incapacity Health					2	9	1		12
Dismissal – Incapacity P/Work	3								3
Dismissal – Misconduct	8	383	9	9	27	198	10	6	650
Dismissal – Ops Req. Voluntary						5			5
Dismissal – Ops Requirements		162				24		2	188
End Temporary Employment				1		1			2
Mutual Agreement Separation			1			13	1		15
Resignation	24	324	21	36	32	626	4	25	1 092
Retirement	1		5	1	1	42	1	2	53
Grand Total	37	871	38	50	63	943	18	37	2 057

Reason for termination by age band:

	Age Range					
Reason for termination	10-20	21-30	31-40	41-50	51-70	Grand Total
Death		4	12	13	8	37
Dismissal – Incapacity Health		2	2	3	5	12
Dismissal – Incapacity P/Work		3				3
Dismissal – Misconduct	63	329	193	53	12	650
Dismissal – Ops Req. Voluntary			1	2	2	5
Dismissal – Ops Requirements	7	72	67	26	16	188
End Temporary Employment		2				2
Mutual Agreement Separation			3	7	5	15
Resignation	44	464	434	124	26	1 092
Retirement					53	53
Grand Total	114	876	712	228	127	2 057

HUMAN RIGHTS AND FREEDOM OF ASSOCIATION

The Group recognises that it has a responsibility to ensure the effective management of human rights.

The principle of freedom of association is formally endorsed in our employee relations policy statements and in our recognition agreements with trade unions in South Africa and the other countries where we operate. The Group encourages meaningful engagements and healthy relationships with trade unions in our operations. Time is spent with our identified trade unions on relationship building initiatives, over and above the normal bargaining sessions parties engage in. A large percentage of our workforce falls under bargaining units as per table below which means their interest and rights are being managed though union engagements, negotiations and consultation.

Bargaining unit membership as a % of headcount as at 30 June 2014

Country	%
South Africa	53.59%
Botswana	78.73%
Lesotho	82.59%
Namibia	74.01%
Nigeria	0.00%
Panama	0.00%
Chile	0.00%
Swaziland	57.00%
Zambia	88.16%
Total	47.56%

During the year under review the Group had no strike action other than in Sun City where we had three strikes as per the table below. The accumulated cost of the strike to the Company was R2 823 902, spent on replacement labour to ensure that the business continues to operate during the strike.

Month	August 2013	November 2013	June 2014
Number of strike days	12 days (24/08 to 04/09)	1 day (1/11)	7 days (28/06 to 4/07)

EMPLOYEE WELLNESS

The key driver of our wellness strategy is working together with our employees and service provider, LifeAssist, to achieve greater health and wellbeing. Employees, their spouse or life partner, and children have 24/7 access to LifeAssist via telephone, SMS and email. Services include counselling and advisory services for financial and legal assistance, wellness and health, HIV/Aids, critical incident management and trauma (including trauma response), substance abuse, depression, stress and burnout, and psychosocial issues. The programme is branded as the One Sun Wellness Programme.

- For the year under review around 8 500 employees of Sun International and their immediate families were eligible to participate in the One Sun Wellness programme. Total engagement with the programme (via all points of contact) relative to eligible employees was just short of 47%.
- The primary points of contact with eligible employees are wellness days, training, website and telephonic contact.
- A high ratio of face-to-face and tele-counselling continues, albeit down from last year.
- Case utilisation as a percentage of headcount is between 7 – 8%, which is comparable to other organisations with a similar headcount.
- An increase in the number of manager-initiated referrals (as opposed to self-referral) to the programme indicates a growing awareness of the efficacy of the programme and how it can contribute to reducing the number of person-days lost.

The organisation is currently in discussion with LifeAssist to continue the relationship for the next three years.

A care package was put in place to provide targeted support to employees and their families impacted by the restructuring programme currently underway in our South African operations. Support for employees exiting the organisation as a result of the restructure will continue to be provided for six months post their exit.

SEXUAL HARASSMENT

There have been two reported offences during the past year. These resulted in a final written warning at GrandWest and a dismissal at Morula. We continuously ensure that the channels available to report sexual harassment cases are known to all staff and that they are comfortable to use them. The channels include lodging a grievance through Human Resource Department or through the KPMG hotline.

HIV/AIDS

Our primary focus is on HIV/Aids prevention strategies through One Sun Wellness. These include HIV awareness surveys, voluntary testing, free counselling, clinical management and comprehensive medical treatment programmes. Employees have access to information, support and referral through our intranet, wellness website, printed newsletters, posters and HIV/Aids awareness days. Employees are entitled to HIV/Aids treatment benefits including the provision of anti-retroviral treatment through our Aid for Aids programme.

We have made arrangements with Aid for Aids to continue offering support to employees affected by the section 189 restructuring process. We will fund the various Aid for Aids services they have been receiving within this programme for a maximum period of six months for employees after they have separated from the Company to ensure continuity of the services that employees have been receiving while employed with Sun International. In addition, respective employees were also encouraged to contact Aid for Aids to ensure that they are provided with more information and guidance on how to join Government programmes for more assistance.

Transformation

OUR GROUP B-BBEE SCORECARD

The Department of Trade and Industry (dti) published the revised broad-based black economic empowerment (B-BBEE) codes at end 2013 to come into effect in May 2015. In 2014, the Group conducted its fourth formal B-BBEE verification exercise using the current dti generic codes. The verification exercise was conducted by Empowerdex. The Company asked Empowerdex to also do the indicative verification based on the new dti codes and the indicative scores will be finalised in September 2014. The Group maintained its Level 2 B-BBEE status.

Four units managed to improve their score from Level 3 to Level 2, being Carousel, Carnival City, Morula and Wild Coast. The balance of the units maintained their Level 2 status. Sun City remained Level 3. All business units scored full points (15) on enterprise development.

B-BBEE Element	Targets	Sun City	Carousel	Sibaya	Golden Valley	Flamingo	Boardwalk	GrandWest	Carnival City	Meropa	Windmill	Morula	Wild Coast	Table Bay	SI Group Consolidated
100 – Own	20	21.05	21.05	21.60	19.80	19.40	19.50	20.20	17.20	19.00	21.00	21.20	18.80	19.31	21.76
200 – MC	10	7.60	7.60	7.60	7.60	7.60	7.60	7.60	7.60	7.60	7.60	7.60	7.60	7.60	7.60
300 – EE	15	7.49	5.24	8.90	11.30	6.97	9.28	5.86	9.39	15.30	12.40	8.38	5.16	8.49	9.24
400 – SD	15	9.91	13.42	8.53	11.40	12.30	14.20	12.20	12.20	12.20	11.90	12.30	11.40	16.50	12.42
500 – PP	20	18.04	18.21	20.00	18.73	20.00	19.10	20.00	20.00	20.00	20.00	18.25	20.00	20.00	20.00
600 – ED	15	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	10.00	15.00
700 – SED	5	3.93	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	3.76	5.00	5.00	9.00	5.00
Overall score	100	83.02	85.52	86.60	89.40	86.70	90.70	85.10	89.20	94.60	91.40	87.60	85.80	86.03	91.02
Rating level		3	2	2	2	2	2	2	2	2	2	2	2	2	2

* Scored against the Transformation Charter

OWNERSHIP

SUN INTERNATIONAL EMPLOYEE SHARE TRUST (SIEST)

The SIEST enables employees to share in the success of the Group, empowering our people and encouraging a spirit of ownership. All permanent full-time and permanent scheduled southern African employees with at least six months' Group service are eligible. No directors, executives or senior managers, who already participate in Group share incentive schemes, are eligible to be beneficiaries of the SIEST.

The SIEST now has more than 8 000 employees as beneficiaries who benefit by way of income distributions. These distributions are made in equal shares, irrespective of seniority or length of service, to eligible employees at the date of distribution. Biannual dividend distributions are paid net of loan repayments. The estimated value of the SIEST shareholdings net of debt at 30 June 2014 is R753 million, or R89 540 per employee.

	Total distribution	Dividend per participant
October 2013	15 677 826	1 893
April 2014	9 942 984	1 182
Total for the 2014 financial year	**25 620 810**	**3 075**
October 2012	14 401 414	1 773
April 2013	14 797 280	1 840
Total for the 2013 financial year	**29 198 694**	**3 613**
October 2011	12 093 325	1 495
April 2012	11 796 223	1 453
Total for the 2012 financial year	**23 889 548**	**2 948**
Total since inception	**244 425 716**	**32 251**

SUN INTERNATIONAL BLACK EXECUTIVE MANAGEMENT TRUST (SIBEMT)

The SIBEMT was established as part of the Group's commitment to the economic empowerment of black people and to retain and attract black executive management. The SIBEMT has an effective 0.4% interest in Sun International through Dinokana, in which it has a 6% interest.

DINOKANA SHAREHOLDING IN SUN INTERNATIONAL

As at 30 June 2014, Dinokana owned 6 719 759 ordinary shares in Sun International – a 6.5% interest. The Dinokana lock-in expires in December 2014. In terms of Dinokana's funding arrangement, it is required to maintain a minimum share cover ratio of 1.4.

BEE shareholding in the Group and its subsidiaries:

COMPANY	EMPOWERMENT PARTNER		% HOLDING
Sun International Limited*	❖ SIEST	Sun International Employee Share Trust	8.9
	❖ SIBEMT	Trust formed for the benefit of Sun International's senior black managers	0.7
	❖ Dinokana (excluding SIEST and SIBEMT)	Broad-based North West province BEE grouping led by Lereko Investments	5.5
SUBSIDIARIES			
SunWest	❖ GPI	Broad-based Western Cape empowerment grouping	25.1
	❖ SIEST		3.3
Afrisun Gauteng	❖ Afrisun East Rand Community Trust	Trust formed for the benefit of the local community	5.4
	❖ SIEST		3.5
Afrisun KZN	❖ Dolcoast	Broad-based KwaZulu-Natal BEE grouping	22.4
	❖ Afrisun KZN Community Development Trust	Trust formed for the benefit of the local community	9.3
	❖ SIEST		3.5
	❖ Other PDI minorities		0.6
Emfuleni	❖ Zonwabise	Broad-based Eastern Cape empowerment grouping	20.3
	❖ Eastern Cape Community Trust	Trust formed for the benefit of Eastern Cape based BEE	15.0
	❖ SIEST		3.5
Meropa	❖ Domba	Polokwane-based BEE grouping	29.0
	❖ SIEST		3.5
Teemane	❖ Meriting	Northern Cape-based BEE grouping	21.4
	❖ SIEST		3.5
Mangaung	❖ Etapele	Free State based BEE grouping	15.4
	❖ Thabo Community Development Trust	Trust formed for the benefit of the communities in the Thaba'Nchu and Botshabelo areas effected after transfer of the Thaba'Nchu casino licence to Bloemfontein	11.1
	❖ SIEST		3.5
Transkei	❖ Mbizana Community Development Trust	Trust formed for the benefit of the Mbizana community	30.0
Worcester	❖ GPI		25.1
	❖ SIEST		3.5

* The empowerment shareholding in Sun International has been calculated in terms of the B-BBEE codes including mandated investments. The Group's effective BEE shareholding in terms of the B-BBEE codes is approximately 33%.

EMPLOYMENT EQUITY

Although employment equity (EE) is included in the dti B-BBEE codes, the Company is also required to comply with the standalone Employment Equity Act. As per the Act, the Company is required to submit an EE plan with EE targets to the Department of Labour (DoL). Our current plan expired at the end of July 2014 and we are required to submit another plan for the next three years. As a result of the section 189A restructure of our workforce, the Company engaged with the DoL and has now submitted a one-year plan for 2014/15 year. After the completion of the restructure, a three-year plan will be submitted. This makes it difficult to set realistic targets as it is unclear what the racial demographic split of the workforce will look like after the section 189A process is completed.

The Group views employment equity as a critical component of business strategy, being integral to both employee relations and talent management initiatives.

Racial demographic profile of our workforce:

	Male				Female				Foreign Nationals		**Grand Total**
Occupational level	A	C	I	W	A	C	I	W	M	F	
1 Top management	1	1	2	9	1	–	1	–	2	–	**17**
2 Senior managment	7	4	14	26	9	4	9	13	8	–	**94**
3 Professionally qualified and experienced specialists and mid-management	27	10	14	81	22	7	10	42	18	7	**238**
4 Skilled technical and academically qualified workers, junior managment, supervisors, foremen and superintendents	550	155	98	227	431	118	55	161	35	23	**1 853**
5 Semi-skilled and discretionary decision making	1 361	264	80	75	1 849	345	86	119	14	15	**4 208**
6 Unskilled and defined decision making	157	24	–	1	185	19	–	–	7	2	**395**
Permanent total	**2 103**	**458**	**208**	**419**	**2 497**	**493**	**161**	**335**	**84**	**47**	**6 805**
Temporary employees	96	19	2	23	142	29	7	31	7	3	**359**
Grand total	**2 199**	**477**	**210**	**442**	**2 639**	**522**	**168**	**366**	**91**	**50**	**7 164**

SKILLS DEVELOPMENT

For the fourth consecutive year the skills development score exceeded the set target, with a verified score of 12.42 points against a set target of 12.00.

Skills development score:

Skills development indicator	TARGET LEVEL	TARGET SCORE	VERIFIED LEVEL	VERIFIED SCORE
Spend on black staff as a % of leviable amount	3.00%	6.00	3.09%	6.00
Spend on disabled staff as a % of leviable amount	0.00%	0.00	0.04%	0.42
Category B–D programmes for black staff as a% of total staff	5.00%	6.00	5.28%	6.00
Total score		**12.00**		**12.42**

The amended codes of good practice increase the skills development expenditure target from the current 3% to 6% of leviable payroll on spend on training black people. The target score on category B-D programmes (learnerships and experiential work-based programmes) has also increased from the present 6 points to 13 points, inclusive of 5 bonus points for the absorption of black unemployed learners.

One of our key initiatives is to identify suitable jobs that can reasonably accommodate disabled individuals and roll out disabled learnerships across the Group. This will also enable the Group to meet our employment equity objectives as submitted to dti.

PREFERENTIAL PROCUREMENT

The Group continues to show a year-on-year improvement, demonstrating our commitment to driving preferential procurement.

As a leading empowered hospitality group, we are embracing the challenges presented by the new B-BBEE Codes of Good Practice, and will be coordinating our efforts to conform to the requirements.

As a Group, we need to focus on driving viable procurement strategies that will assist us in reaching the stringent new targets and in harvesting business relationships with entities that support the growth and development of the South African economy.

2014 YEAR TO DATE PERFORMANCE:

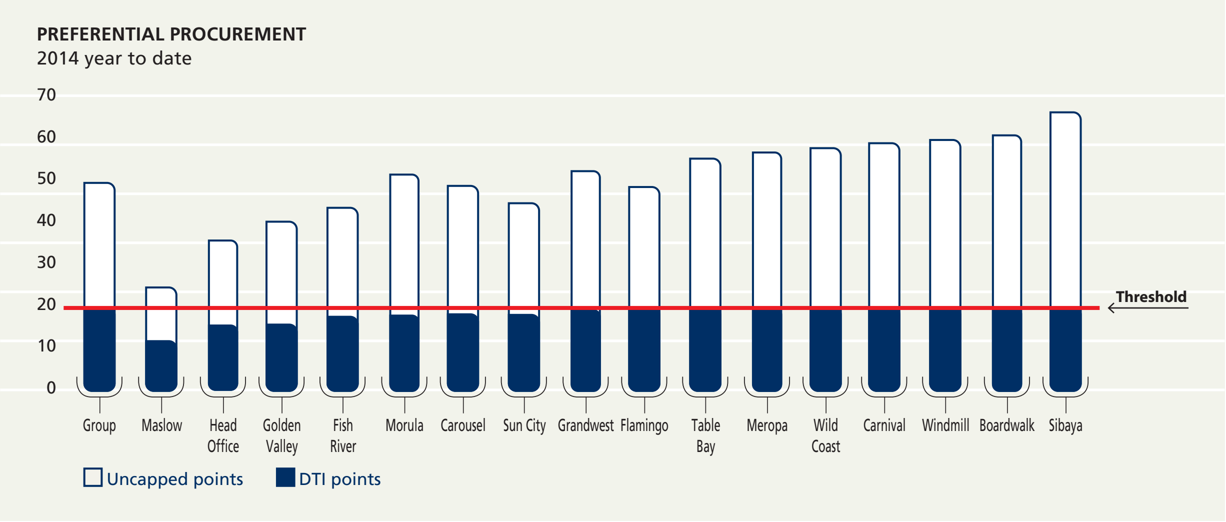
- R840 million was spent on emerging micro enterprises (EME) and qualifying small enterprises (QSE) suppliers, comprising 24% of our measured spend.
- Levels 1 to 4 rated suppliers comprise 64% of our measured spend.
- 20% of our measured spend is with black-owned companies and 8% of that is with black female-owned companies.
- Sun International has supported 6 400 suppliers in the 2014 period.

ENTERPRISE DEVELOPMENT

As discussed above, we are preparing for the introduction of an enterprise and supplier development pillar of the draft revised Codes of Good Practice. To this end, we are in the process of formalising the enterprise development component of our B-BBEE strategy.

In addition to this, our corporate website provides an opportunity for potential enterprise development beneficiaries to present their proposals to Sun International.

Sun International will move away from only emphasising early settlement towards meaningful enterprise development projects. To this end, we will conduct a review of our supply chain at each property to identify opportunities.



Gaming market review

SOUTH AFRICA

SOUTH AFRICAN GAMING MARKET[1]

Sector – R million	2014	% change	2013	% change	2012
Casino	**16 599**	3.3	16 068	7.1	14 998
Lottery	**2 279**	(7.1)	2 453	1.6	2 415
Betting	**2 984**	8.3	2 755	22.9	2 241
LPM	**1 798**	17.0	1 537	23.0	1 250
Bingo	**515**	40.3	367	42.7	257
	24 174	4.3	23 180	9.5	21 161
Casino	**69%**		69%		71%
Lottery	**9%**		11%		11%
Betting	**12%**		12%		11%
LPM	**7%**		7%		6%
Bingo	**2%**		2%		1%

Statistics are for the year ended June.
Lottery revenues are stated at 50% of ticket sales (in line with the policy of the lottery to pay out 50% of sales in prizes).
Sources: National and Provincial Gambling Boards, Gidani and internal estimates where published information is not yet available.

For the year ended 30 June 2014, the legal gaming and lottery market is estimated to have grown by 4.3% to R24 billion. The casino sector, with 69% of the market, continues to dominate the South African gaming market but is under increasing pressure from the rollout of electronic bingo terminals (EBTs), limited payout machines (LPMs), sports betting and illegal slot and internet gambling operations.

Online gambling remains illegal in South Africa and no reliable data is available for this sector.

CASINOS

The casino sector is estimated to have grown by 3.3% to R16.6 billion for the year under review. Casino revenues grew by 2.4% in Gauteng, 7.1% in the Western Cape, 4.0% in the Eastern Cape and 3.6% in KwaZulu-Natal.

BETTING

Betting revenue, until recently dominated by horse-racing, is estimated to have grown by 8.3%, with the growth coming from the sports betting sector.

An important trend over the past few years has been the increasing contribution from sports betting, which has rapidly increased from R122 million, or 7.5% of the sector's revenues for 2011, to an estimated R1 229 million for the period under review, or approximately 41% of the sector's revenue.

Based on Phumelela's Annual Report for the 12 months ended January 2014, we estimate that local horse-racing revenues have declined by 0.8%. Horse racing is now estimated to contribute 59% of this sector's revenue.

LIMITED PAYOUT MACHINES

Growth in the LPM sector has remained strong and revenues are estimated to have grown by 17.0% during the period under review to R 1 798 million. In the Western Cape, revenue increased by 16.1% to R582 million, in Kwa-Zulu Natal by 17.5% to R419 million, in Gauteng by 22.4% to R305 million and in the Eastern Cape by 21.9% to R202 million.

LPMs are available in all provinces except the Northern Cape.

BINGO

Bingo is now available in Gauteng, North West, Mpumalanga and Eastern Cape. Overall Bingo revenues are estimated to have grown by 40.3% to R515 million for the year ended June 2014. The largest portion of this revenue is earned from EBTs, which are, in reality, slot machines.

Gauteng revenues increased by 22.3% to R429 million during the year ended June 2014.

Bingo is now available in Middelburg and Ermelo in Mpumalanga. In addition, three venues opened during the year under review in the North West province in Brits, Rustenburg and Potchefstroom.

In the Eastern Cape there are now EBT sites in Mthatha, Port Elizabeth and East London. The Port Elizabeth licence located at Moffet-on-Main opened in March 2014, 12 kilometres west of the Boardwalk Casino. Further licences have been issued and are in the process of opening in Bethelsdorp and Jeffreys Bay.

1 The National Gambling Board has not yet published the gambling statistics for the 12 months ended March 2014. We have therefore relied on revenues provided by provincial regulators to calculate the 2014 gaming market for Gauteng, Western Cape, KwaZulu-Natal, Eastern Cape and Mpumalanga. Estimates have been included for the Northern Cape, Limpopo, North West and Free State provinces as no information is available from the respective regulators. Prior year figures have been updated where necessary based on the gambling statistics published by the National Gambling Board for the 12 months ended March 2013.

The Eastern Cape Gambling and Betting Board is presently considering applications for the granting of licences in Uitenhage and other Eastern Cape magisterial districts.

The KwaZulu-Natal Gaming and Betting Board is at the public participation stage of licensing the playing of bingo by means of EBTs.

This rapidly growing sector continues to impact casino revenues negatively.

ESTIMATED MARKET SHARE OF CASINO REVENUE

	Sun International		Tsogo Sun		Peermont		Other*	
Province	**FY2014**	FY2013	**FY2014**	FY2013	**FY2014**	FY2013	**FY2014**	FY2013
Gauteng	**18.6**	19.0	**53.4**	52.5	**23.5**	24.0	**4.5**	4.5
Western Cape	**84.1**	83.3	**15.9**	16.7	**–**	–	**–**	–
KwaZulu-Natal	**35.9**	35.3	**58.5**	59.1	**5.6**	5.6	**–**	–
Mpumalanga	**–**	–	**76.1**	76.1	**23.9**	23.9	**–**	–
Limpopo	**81.4**	80.3	**–**	–	**18.6**	19.7	**–**	–
North West	**79.6**	79.6	**–**	–	**20.4**	20.4	**–**	–
Northern Cape	**80.5**	79.2	**–**	–	**–**	–	**19.5**	20.8
Eastern Cape	**72.1**	70.7	**27.9**	29.3	**–**	–	**–**	–
Free State	**70.2**	69.7	**24.5**	25.4	**5.3**	5.0	**–**	–
Total	**42.4**	**41.9**	**41.7**	**41.8**	**13.8**	**14.1**	**2.1**	**2.2**

* Other:
Gauteng: London Clubs, Emerald Casino
Northern Cape: Desert Palace

The National Gambling Board and provincial gambling boards do not provide detailed market share statistics for our competitors.

We have been able to determine the market share of a competitor in a province where only the Group and one other operator compete. These provinces include the Western Cape, Eastern Cape, Limpopo, Northern Cape and North West. For the other provinces where there is more than one competitor, we have estimated their share of the provincial market based on publicly available information.

The Group's share of the South African casino market is estimated to have increased from 41.9% to 42.4% for the year ended June 2014.

GAMING LICENCING DEVELOPMENTS

The Burgersfort licence issued to a Peermont Global subsidiary by the Limpopo Gambling Board is currently under construction. Peermont plans to spend R320 million and the development will include an 80-key three star hotel, a casino with 150 slot machines and eight gaming tables, and a conference centre. The property is due for completion in April 2015.

A licence was issued to Leithlo Resorts in Kuruman in the Northern Cape. NIVEUS Limited acquired a 60% interest in the Kuruman casino licence. Construction has started and the casino is expected to be operational in 2014.

The Mpumalanga Gambling Board (MGB) has done away with the previous zoning of the province, which prescribed one casino licence for each of the four zones. The MGB withdrew the request for proposals (RFP) for the fourth licence in the province in July 2013 and a revised RFP was issued. After receiving a revised bid from Tsogo Sun in January 2014, the MGB has advised that the process has again been cancelled.

CHILE

The Chilean gambling market includes casinos, horse-racing and a national lottery.

CASINOS

There are two casino regulatory structures in Chile. The Superintendia De Casinos de Juego (SCJ) regulates the 18 new casino licences made available in 2005. Of these, 16 licences are currently operating. The Termas de Casino, a SCJ licenced casino in Region VIII, closed in October 2013. No new casinos opened during the year.

There are also seven municipal casinos operating in the resort areas that were established under the previous dispensation. These casinos are operated independently of the SCJ and the conditions of these licences have remained unchanged since 2005. By 2015, all municipal casinos must conform to SCJ legislation and control.

CHILEAN SCJ CASINO MARKET REVENUE

The introduction of the ban on smoking in all Chilean casinos at the beginning of March 2013 adversely impacted casino revenues. Revenue for all the SCJ casinos declined by 13.9% for the year to 30 June 2014 to CLP237 billion.

The ban continues to negatively impact revenues and overall casino revenues remain 11.9% below the casino revenues for the year ended June 2012, when no smoking ban was in place.

In September 2013, Monticello opened two smoking terraces with two more opening in October 2013. These terraces have been well accepted; by the final quarter of the year ended June 2014, casino revenues were only 5.4% below 2012 levels when no smoking ban was in place. For the remaining 15 SCJ casinos, revenues were 14.3% below 2012 levels.

Monticello's share of the SCJ casino market has increased from 27.2% to 28.6% for the year ended June 2014. The Group's weighted average share of gaming positions in the SCJ regulated casinos grew by 1.2% to 19.0%.

		Gaming revenue		Gaming positions*	
Casino	Region	**FY2014**	FY2013	**FY2014**	FY2013
Monticello Grand Casino	VI	**28.6**	27.2	**19.0**	17.8
Marina del Sol	VIII	**11.6**	11.9	**13.5**	13.3
Enjoy Santiago	V	**11.5**	13.5	**13.9**	14.1
Enjoy Antofagasta	II	**9.4**	9.3	**8.4**	8.2
Dreams Temuco	IX	**7.1**	6.9	**6.7**	6.8
Dreams Punta Arenas	XII	**5.4**	5.1	**4.3**	4.4
Casino Sol Calama	II	**4.6**	4.8	**4.6**	4.7
Gran Casino de Talca	VII	**4.2**	3.7	**4.4**	4.5
Dreams Valdivia	XIV	**3.4**	3.5	**4.1**	4.2
Antay Casino & Hotel	III	**3.4**	3.9	**4.2**	3.7
Casino Sol Osorna	X	**2.4**	2.5	**3.7**	3.7
Casino de Colchagua	VI	**2.1**	2.0	**2.9**	2.9
Casino de Juegos del Pacifico	V	**2.1**	2.0	**3.5**	3.6
Casino Grand Los Angeles	VIII	**1.7**	1.4	**2.1**	2.1
Dreams Coyhaique	X	**1.3**	1.3	**1.7**	1.8
Enjoy Chiloé	XI	**1.0**	0.9	**2.8**	2.8
Termas de Chillán	VIII	**0.0**	0.1	**0.0**	1.5
Total		**100**	**100**	**100**	**100**

Statistics for the year ended June.
Positions are one per slot machine and six per table.
Source: Superintendia de Casinos de Juego (SCJ).
* Weighted average

SANTIAGO CASINO MARKET REVENUE

There are two SCJ casinos that compete for the Santiago Metropolitan Region casino market: Monticello in Region VI, south of Santiago and Enjoy Santiago, Region V, north of Santiago. The Santiago Metropolitan Region has no legal casinos.

The two casinos generated total gaming revenue of CLP95 billion for the year ended June 2014, compared to CLP112 billion for the previous year.

The introduction of the smoking ban in March 2013 adversely impacted revenue of both casinos. Monticello's revenue was down 9.7% for the year ended June 2014, compared to 2012 when no ban was in place. Enjoy Santiago's casino revenue has declined by 18.8% over the same period.

The Group's share of the Santiago casino market, based on reported revenues by SCJ, increased by 4.4% from 66.9% to 71.3%. Monticello continues to earn a significantly higher portion of the Santiago casino market.

		Gaming revenue		Gaming positions*	
Casino	Region	**FY2014**	FY2013	**FY2014**	FY2013
Monticello Grand Casino	VI	**71.3**	66.9	**57.8**	55.7
Enjoy Santiago	V	**28.7**	33.1	**42.2**	44.3
		100	100	**100**	100

Statistics for the year ended June.
Positions are one per slot machine and six per table.
Source: Superintendia de Casinos de Juego (SCJ).
* Weighted average

OTHER AFRICA

BOTSWANA

The new Lansmore Hotel, operated by Lohnro Hotels, opened in July 2012. The Masa Towers casino, that was to have been operated by Tsogo Sun, has recently had their application to open declined by the Casino Control Board.

NAMIBIA

The Hilton Hotel, adjacent to the Kalahari Sands, opened to the public in May 2011. The planned casino has, however, not yet opened.

The casino licence was issued in July 2012 and it is anticipated that the proposed casino will have a material impact on gaming revenues at Kalahari Sands.

SWAZILAND

As reported previously, The Happy Valley casino opened in September 2009 with 112 slots and 15 tables. It is located some seven kilometres from the Group's Royal Swazi Spa casino.

Casino revenues at Royal Swazi Spa have recovered from the previous report.

NIGERIA

The Group's Federal Palace casino is the only licenced casino in Lagos State. However, the illegal casinos on Victoria Island, which do not have formal licences, continue to operate.

Lagos State Government officials were engaged on the closure of these illegal casinos. The State Government will continue to be engaged to give effect to their commitment to close illegal casinos, in terms of legislation whereby only three licenced casinos will operate on Victoria Island.

The operation of these illegal casinos continues to affect the profitability of the Federal Palace casino.

ZAMBIA

The Group has a gaming licence but does not currently operate a casino in Zambia.

LESOTHO

There are no competitor casinos in Lesotho.

Most Valued Guest loyalty programme

The Group's highly successful Most Valued Guest (MVG) loyalty programme is offered by all Sun International casinos. This includes Monticello in Chile and the Ocean Sun Casino in Panama. The programme offers members increasing benefits as they move up four levels, with our top-rated Platinum members receiving only the best rewards across the Group.

This exclusive card gives our top players the status, benefits and recognition they deserve in acknowledgement of their patronage. The MVG Platinum card is highly sought after by our customers and continues to be the best-performing sector of our customer base.

We will soon be launching an entirely new rewards programme – SunRewards – that will replace the current MVG offering to extend beyond gaming and include hotels, restaurants and entertainment across the Group.

SOUTH AFRICA

For the year under review, the number of active MVG cardholders declined by 4.1% to 376 000, with earning potential (EP) up 4.8% on last year.

There were 64 000 sign-ups to the MVG programme at our South African casinos.

For the year ended June 2014, Platinum and Gold cardholders at our South African casinos accounted for 20% of active cardholders and 84% of EP contribution.

MVG CUSTOMER SEGMENTAL ANALYSIS

		2014		2013	
Card level	Points threshold	**Active guests %**	**EP contribution %**	Active guests %	EP contribution %
Platinum	4 500	**3**	**48**	2	43
Gold	475	**17**	**37**	15	41
Silver	50	**24**	**9**	23	10
Maroon	Free	**56**	**6**	60	6

Statistics for the year ended June.

CHILE

In the year under review, there were 117 000 MVG cardholders active and 36 000 sign-ups. Overall the number of active cardholders for the year decreased by 30.5%, although Platinum and Gold cardholders were least affected and declined by only 8.5% and 14.3% respectively. These decreases can be attributed to the smoking ban in place on 1 March 2013.

The EP from active MVG cardholders was down 12.4%, in line with the decrease in revenue.

For the year ended June 2014, Platinum and Gold cardholders at Monticello accounted for 8% of active cardholders and 83% of EP contribution.

MVG CUSTOMER SEGMENTAL ANALYSIS

		2014		2013	
Card level	Points threshold	**Active guests %**	**EP contribution %**	Active guests %	EP contribution %
Platinum	3 000	**1**	**45**	1	43
Gold	300	**7**	**38**	6	39
Silver	30	**14**	**9**	12	10
Maroon	Free	**78**	**8**	81	8

Statistics for the year ended June.

Seven year financial review

	GROUP						
R million	**2014**	2013	2012	2011	2010	2009	2008
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME *(including adjusted headline earnings adjustments)*							
Revenue	**10 825**	10 267	9 494	8 651	7 797	7 915	7 618
EBITDA	**3 052**	2 920	2 642	2 555	2 533	2 746	2 836
Depreciation and amortisation	**(958)**	(851)	(818)	(769)	(685)	(658)	(568)
Property and equipment rentals	**(148)**	(104)	(72)	(81)	(114)	(74)	(102)
Operating profit	**1 946**	1 965	1 752	1 705	1 734	2 014	2 166
Foreign exchange (losses)/profits	**(1)**	18	35	(54)	(14)	34	58
Interest income	**25**	31	37	43	60	93	79
Interest expense	**(505)**	(464)	(492)	(474)	(542)	(685)	(571)
Profit before tax	**1 465**	1 550	1 332	1 220	1 238	1 456	1 732
Tax	**(479)**	(475)	(496)	(519)	(514)	(619)	(714)
Profit after tax	**986**	1 075	836	701	724	837	1 018
Minorities' interests	**(303)**	(345)	(220)	(189)	(218)	(237)	(298)
Adjusted headline earnings	**683**	730	616	512	506	600	720

Notes:
The above figures have been restated where necessary to take account of changes in accounting policies and treatment to provide a meaningful comparison of performance over the seven years.

R million	2014	2013	2012	2011	2010	2009	2008
				GROUP			
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION							
Assets							
NON CURRENT ASSETS							
Property, plant and equipment	**11 380**	10 594	9 595	8 868	8 909	7 878	6 229
Intangible assets	**721**	494	479	440	349	382	308
Investments, loans and other	**352**	304	257	244	218	213	173
	12 453	11 392	10 331	9 552	9 476	8 473	6 710
CURRENT ASSETS							
Inventory	**97**	81	70	57	61	47	41
Accounts and loans receivable	**563**	569	568	422	610	691	1 031
Cash and cash equivalents	**958**	1 024	753	739	729	794	850
	1 618	1 674	1 391	1 218	1 400	1 532	1 922
Non current assets held for sale	**–**	–	–	79	–	–	–
Total assets	**14 071**	13 066	11 722	10 849	10 876	10 005	8 632
EQUITY AND LIABILITIES							
CAPITAL AND RESERVES							
Ordinary shareholders' equity	**1 497**	2 033	1 309	1 330	923	249	(127)
Minorities' interests	**491**	1 632	1 176	1 265	1 347	974	528
	1 988	3 665	2 485	2 595	2 270	1 223	401
NON CURRENT LIABILITIES							
Deferred tax	**460**	501	423	468	452	378	412
Borrowings	**3 772**	3 753	4 496	3 159	3 940	4 754	4 033
Other non current liabilities	**2 316**	440	506	420	316	334	162
Tax	**–**	–	–	–	41	43	48
	6 548	4 694	5 425	4 047	4 749	5 509	4 655
CURRENT LIABILITIES							
Accounts payable, accruals and provisions	**1 646**	1 472	1 289	1 086	1 211	1 166	1 142
Borrowings	**3 810**	3 166	2 422	2 972	2 584	2 033	2 323
Tax	**79**	69	101	114	62	74	111
	5 535	4 707	3 812	4 172	3 857	3 273	3 576
Non current liabilities held for sale	**–**	–	–	35	–	–	–
Total liabilities	**12 083**	9 401	9 237	8 254	8 606	8 782	8 231
Total equity and liabilities	**14 071**	13 066	11 722	10 849	10 876	10 005	8 632

Notes:
The above figures have been restated where necessary to take account of changes in accounting policies to provide a meaningful comparison of performance over the seven years.

GROUP STATISTICS

		2014	2013	2012	2011	2010	2009	2008
ORDINARY SHARE INFORMATION AND RATIOS								
Shares in issue (net of treasury shares)	000's	**103 980**	103 580	102 938	100 546	100 546	99 281	94 945
Diluted adjusted weighted average number of shares in issue	000's	**104 329**	103 512	101 711	101 669	101 055	97 111	97 470
Diluted adjusted headline earnings per share	cents	**655**	705	606	504	501	618	739
Dividends per share*	cents	**245**	265	240	200	100	–	480
Dividend cover	times	**2.7**	2.7	2.5	2.5	5.0	–	1.5
Dividend payout	%	**37**	38	40	40	20	–	65
Net asset value per share	Rand	**16.09**	21.81	15.60	16.16	11.92	5.25	1.35
Market capitalisation at 30 June	Rm	**11 438**	9 903	9 197	9 210	8 295	7 579	8 355
Price earnings ratio	times	**16.8**	13.6	14.8	18.2	16.5	12.4	11.9
Earnings yield	%	**6.0**	7.4	6.8	5.5	6.1	8.1	8.4
PROFITABILITY AND ASSET MANAGEMENT								
EBITDA margin	%	**28**	28	28	30	32	35	37
Effective tax rate	%	**33**	31	37	43	42	43	41
Refurbishment and maintenance capex	Rm	**1 212**	711	514	695	677	492	607
Expansionary capex	Rm	**672**	557	586	201	354	984	254
LIQUIDITY AND LEVERAGE								
Cash generated by operations	Rm	**3 089**	3 080	2 734	2 713	2 221	2 645	2 880
Total shareholders' funds to total assets	%	**14**	28	21	24	21	12	5
Current assets/current liabilities		**0.3**	0.4	0.4	0.3	0.4	0.5	0.5
LOAN COVENANTS								
EBITDA to interest	times	**6.1**	6.4	5.4	5.5	4.7	4.2	4.9
Borrowings to EBITDA	times	**2.3**	2.2	2.5	2.2	2.4	2.4	2.2

** Includes interim dividends paid and final dividends declared for the year.*
Note: All ratios have been calculated, including adjusted headline earnings adjustments.

GROUP STATISTICS

		2014	2013	2012	2011	2010	2009	2008
STOCK EXCHANGE PERFORMANCE								
Market price	Rand							
– at 30 June		**110.00**	95.61	89.35	91.60	82.50	76.34	88.00
– highest		**110.50**	112.00	96.89	110.63	98.55	100.00	165.00
– lowest		**86.50**	78.10	77.00	80.02	75.15	58.22	85.00
– weighted average		**110.00**	95.32	85.73	96.51	83.99	81.81	138.67
Sun International share price index	#	**379**	329	308	315	284	262	302
JSE consumer services index	#	**193**	150	128	121	99	83	100
Closing dividend yield	%	**2.2**	2.8	2.7	2.2	1.2	–	5.5
Volume of shares traded	000's	**32 259**	37 936	29 946	39 257	39 301	47 451	52 026
Volume of shares traded as a percentage of shares in issue	%	**31**	37	29	39	39	48	55
Value of shares traded	Rm	**3 548**	3 616	2 567	3 789	3 490	3 882	7 214
Number of transactions		**58 347**	71 160	33 583	42 170	31 786	27 599	37 586
GROWTH								
Reported growth per share	%							
– diluted adjusted headline earnings		**(7)**	16	20	1	(19)	(16)	3
– dividends		**(8)**	10	20	100	–	–	20
Real growth per share	%							
– diluted adjusted headline earnings		**(13)**	10	14	(4)	(22)	(16)	(8)
– dividends		**(13)**	5	14	90	–	–	8
Consumer price index	#	**138**	129	122	116	111	106	100
EMPLOYEES								
Number of permanent employees at 30 June		**10 417**	11 049	10 866	10 897	10 738	10 005	8 678
Average number of employees		**10 733**	10 958	10 882	10 818	10 372	9 342	8 546
Revenue per employee	R'000	**1 009**	937	872	800	752	847	891
Wealth created per employee	R'000	**709**	661	608	565	503	594	651
CURRENCIES								
1 Chilean Peso: Rand		**0.02**	0.02	0.02	0.01	0.01	0.01	0.02
1 US Dollar: Rand		**10.58**	9.96	8.31	6.78	7.61	7.74	7.85
1 Botswana Pula: Rand		**1.20**	1.16	1.08	1.03	1.06	1.13	1.20

Base for indices: 2008 = 100

Operational statistics

Key statistics – Rooms

	Rooms revenue R million		Number of hotel rooms		Average occupancy %		Average room rate Rands	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013
South African operations	**764**	652	**3 118**	3 105	**68**	66	**1 145**	1 140
GrandWest	**2**	1	**39**	39	**91**	92	**344**	323
Sun City	**434**	430	**1 297**	1 301	**64**	64	**1 639**	1 616
Carnival City	**3**	3	**105**	105	**96**	94	**313**	307
Sibaya	**11**	12	**154**	154	**77**	78	**388**	452
Carousel	**5**	4	**94**	91	**66**	71	**425**	392
Wild Coast Sun	**29**	24	**396**	396	**81**	78	**445**	647
Morula	**2**	3	**73**	73	**72**	84	**351**	308
Table Bay	**174**	133	**329**	329	**68**	53	**2 121**	2 086
Golden Valley	**3**	2	**98**	98	**82**	81	**251**	244
Naledi Sun	**1**	1	**30**	30	**40**	46	**416**	361
Boardwalk	**29**	10	**140**	126	**69**	62	**997**	763
Fish River	**8**	9	**82**	82	**41**	42	**682**	700
Maslow	**63**	20	**281**	281	**56**	36	**1 098**	1 130
Other African operations	**342**	303	**1 514**	1 514	**61**	58	**1 055**	985
Federal Palace	**76**	69	**146**	146	**64**	68	**2 486**	2 142
Zambia	**119**	102	**385**	385	**43**	40	**1 965**	1 827
Botswana	**46**	44	**196**	196	**72**	77	**889**	792
Swaziland	**39**	36	**351**	351	**72**	69	**432**	425
Lesotho	**35**	31	**263**	263	**60**	54	**633**	627
Kalahari Sands	**27**	21	**173**	173	**66**	54	**726**	673
Monticello	**8**	2	**155**	155	**63**	73	**786**	698
	1 114	957	**4 787**	4 774	**66**	63	**1 108**	1 075

Key statistics – Casino

	Casino revenue R million		Weighted average number of slot machines for year		Net win per machine per month R'000		Weighted average number of gaming tables for year		Net win per table per month R'000	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013
South African operations	**6 738**	6 457	**10 156**	10 040	**47**	46	**338**	337	**238**	218
GrandWest	**1 991**	1 834	**2 563**	2 524	**57**	53	**76**	75	**275**	251
Sun City	**519**	446	**563**	548	**59**	55	**36**	31	**279**	224
Carnival City	**1 014**	1 031	**1 765**	1 758	**40**	41	**55**	59	**242**	230
Sibaya	**1 070**	1 011	**1 216**	1 212	**58**	55	**48**	48	**389**	358
Boardwalk	**512**	476	**972**	941	**40**	39	**24**	25	**174**	135
Carousel	**297**	311	**697**	690	**32**	34	**19**	19	**113**	119
Wild Coast Sun	**304**	294	**450**	450	**50**	48	**16**	16	**182**	184
Meropa	**275**	289	**409**	402	**50**	53	**17**	17	**133**	152
Morula	**196**	215	**510**	510	**30**	33	**12**	12	**109**	110
Windmill	**257**	255	**353**	347	**51**	53	**18**	18	**180**	155
Flamingo	**150**	150	**288**	288	**40**	40	**11**	11	**86**	85
Golden Valley	**132**	125	**220**	220	**47**	45	**6**	6	**95**	96
Naledi Sun	**21**	20	**150**	150	**11**	12	**–**	–	**–**	–
Other African operations	**428**	385	**901**	867	**30**	30	**50**	47	**152**	137
Federal Palace	**94**	80	**147**	142	**40**	37	**10**	8	**203**	188
Botswana	**109**	103	**321**	320	**24**	23	**10**	10	**130**	126
Swaziland	**80**	80	**153**	152	**33**	32	**11**	11	**150**	164
Lesotho	**46**	47	**150**	121	**19**	25	**9**	8	**110**	121
Kalahari Sands	**99**	75	**130**	132	**53**	40	**10**	10	**147**	88
Monticello	**1 303**	1 353	**2 155**	1 982	**37**	41	**82**	82	**354**	375
	8 469	8 195	**13 212**	12 889	**45**	44	**470**	466	**249**	237

Gaming Levies

Country/Province	Gross revenue R million	Gaming levy/tax	VAT	Effective taxes as a % of gaming revenue
Western Cape[(1)]	Up to 14.2	8%	14%	19.3%
	14.2 to 28.4	10.5%	14%	21.5%
	28.4 to 42.6	13%	14%	23.7%
	42.6 to 56.8	15%	14%	25.4%
	56.8 to 71.0	17%	14%	27.2%
	71.0 plus	19%	14%	28.9%
KwaZulu Natal	Up to 12	9.5%	14%	20.6%
	12 to 30	11%	14%	21.9%
	30 to 50	12%	14%	22.8%
	50 to 100	13%	14%	23.7%
	100 plus	14%	14%	24.6%
Gauteng		9%	14%	20.2%
Northern Cape		8%	14%	19.3%
Eastern Cape	Up to 4	3%	14%	14.9%
	4 to 8	5%	14%	16.7%
	8 plus	10%	14%	21.1%
Limpopo[(2)]		8.5%	14%	19.7%
Free State		7%	14%	18.4%
North West	Up to 4	4%	14%	15.8%
	4 to 8	7%	14%	18.4%
	8 to 12	8%	14%	19.3%
	12 plus	10%	14%	21.1%
Swaziland		4.5%	n/a	4.5%
Botswana		10%	12%	19.6%
Namibia		5%	15%	17.4%
Lesotho		15%	n/a	15.0%
Nigeria		3%	5%	7.6%
Chile		20%	19%	32.8%

(1) The gaming levy increased by 2% for every bracket of revenue with effect from 1 September 2014.
(2) The gaming levy changed from 8% to 8.5% with effect from 1 April 2014.

Key Customer Metrics

#	Measure	Group Goal	FY 2013	FY 2014	Movement	**Difference**	Areas of Focus
1	Customer Satisfaction	85.0	80.5	81.7	↑	**+1.2**	
2	Likely to Return %	68.0%	65.8%	67.7%	↑	**+1.9**	
3	Likely to Recommend %	65.0%	62.9%	66.0%	↑	**+3.0**	
4	Problems Experienced	26.0%	31.4%	27.5%	↓	**-3.9**	
5	Problems Resolved	25.0%	22.3%	25.5%	↑	**+3.2**	
6	Response Rate	11.0%	8.4%	8.4%	→	**same**	

Group portfolio

	Economic interest	No of rooms	No of slots	No of tables	Gaming market share 2014	Gaming market share 2013	Number of gaming licences Sun International	Number of gaming licences Total	Revenue contribution 2014	Revenue contribution 2013	EBITDA contribution 2014	EBITDA contribution 2013
SOUTH AFRICAN BUSINESSES												
Gauteng		459	2 275	67	18.6%	19.0%	2	7	13%	13%	11%	12%
Carnival City	91%	105	1 765	55	15.5%	15.5%	1		10%	10%	10%	11%
Morula	100%	73	510	12	3.1%	3.5%	1		2%	3%	1%	1%
Maslow	100%	281	–	–	–	–			1%	–	–	–
Western Cape		466	2 783	82	84.1%	83.3%	2	5	23%	21%	30%	29%
GrandWest	72%	39	2 563	76	78.9%	77.9%	1		20%	18%	27%	27%
Table Bay	72%	329	–	–	–	–			2%	2%	2%	1%
Worcester	71%	98	220	6	5.2%	5.4%	1		1%	1%	1%	1%
SunBet	100%	–	–	–	–	–			–	–	–	–
Kwazulu Natal		154	1 216	48	35.9%	35.3%	1	5	10%	10%	13%	12%
Sibaya	62%	154	1 216	48	35.9%	35.3%	1		10%	10%	13%	12%
Limpopo		–	409	17	81.4%	80.3%	1	3	3%	3%	3%	4%
Meropa	68%	–	409	17	81.4%	80.3%	1		3%	3%	3%	4%
North West		1 391	1 260	55	79.6%	79.6%	2	4	16%	16%	8%	8%
Sun City	100%	1 297	563	36	50.2%	46.5%	1		13%	13%	6%	6%
Carousel	100%	94	697	19	29.4%	33.1%	1		3%	3%	2%	2%
Northern Cape		–	288	11	80.5%	79.2%	1	3	1%	1%	2%	1%
Flamingo	71%	–	288	11	80.5%	79.2%	1		1%	1%	2%	1%
Eastern Cape		618	1 422	40	72.1%	70.7%	2	5	9%	9%	7%	7%
Boardwalk	82%	140	972	24	45.6%	44.3%	1		5%	5%	6%	5%
Fish River	82%	82	–	–	–	–			–	–	(1%)	–
Wild Coast Sun	70%	396	450	16	26.5%	26.4%	1		4%	4%	2%	2%
Free State		30	503	18	70.2%	69.7%	2	4	2%	3%	3%	3%
Windmill	70%	–	353	18	64.7%	64.2%	1		2%	3%	3%	3%
Naledi Sun	100%	30	150	–	5.5%	5.5%	1		–	–	–	–
Management Activities (excluding intergroup)									–	–	7%	7%
Sun International Management Limited	100%	–	–	–	–	–			–	–	6%	6%
Manco	50% – 83%	–	–	–	–	–			–	–	1%	1%
Total		3 118	10 156	338	42.4%	41.9%	13	36*	77%	76%	84%	83%
OTHER AFRICAN BUSINESSES												
Botswana	80%	196	321	10					2%	2%	1%	2%
Lesotho	47%	263	150	9					1%	1%	1%	1%
Namibia	100%	173	130	10					1%	1%	1%	1%
Swaziland	51%	351	153	11					2%	1%	–	–
Zambia	100%	385	–	–					2%	2%	2%	1%
Nigeria	49%	146	147	10					2%	2%	1%	1%
Total		1 514	901	50					10%	9%	6%	6%
LATIN AMERICA												
Chile**	44%	155	2 155	82	71.3%	66.9%	1	2	13%	15%	10%	11%
Panama (opened 12 September 2014)	–	–	600	32								
Colombia***	–	–	310	16								
Total		155	3 065	130			1	2	13%	15%	10%	11%
Sun International Group		4 787	14 122	518					100%	100%	100%	100%

* There are four licences in Mpumalanga, which brings the total to 40 for the country.
** The gaming licences and market share is for the Santiago Metropolitan Region.
*** To open in the second half of the 2015 financial year.