

## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to the action you should take, please consult your stockbroker, CSDP, banker, accountant, legal adviser or other professional adviser immediately.

1. The definitions contained on pages 3 to 7 apply *mutatis mutandis* throughout this circular.
2. If you have disposed of all your shares in Sun International, this circular, together with the attached form of proxy (*blue*), should be handed to the purchaser of such shares or the stockbroker, banker or other agent through whom such disposal was effected.
3. The general meeting of shareholders will take place at the registered office of Sun International, in the boardroom, 4th Floor, 27 Fredman Drive, Sandown, Sandton at 08:30 on 26 August 2011 for shareholders to vote on the proposed ordinary and special resolutions contained in the notice of general meeting annexed to this circular.
4. If you are a certificated shareholder or an own name dematerialised shareholder and are unable to attend the general meeting and wish to be represented thereat, you must complete and return the form of proxy attached to this circular to the registered office of Sun International or to the transfer secretaries, Computershare Investor Services (Proprietary) Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) to be received by no later than 08:30 on 25 August 2011. Alternatively, the form of proxy may be handed to the chairman of the general meeting at the general meeting at any time prior to the commencement of the 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. The attached form of proxy must be delivered to the registered office of Sun International by no later than 8:30 on 25 August 2011 or to the transfer secretaries or handed to the chairman of the general meeting, before your proxy may exercise any of your rights as a shareholder at the general meeting.  
Any shareholder of Sun International that is a company may authorise any person to act as its representative at the general meeting.
5. Shareholders, who have dematerialised their shares through a CSDP or broker, other than those shareholders with own name registration, and who wish to attend the general meeting must request their CSDP or broker to provide them with the necessary letter of representation to attend the general meeting or must instruct their CSDP or broker to vote by proxy on their behalf in terms of the custody agreement governing the relationship between such shareholders and their CSDP or broker. These instructions must be provided to the CSDP or broker by the cut-off time and date advised by the CSDP or broker for instructions of this nature.
6. Please also note that section 63(1) of the Act requires that persons wishing to participate in the general meeting (including the aforementioned representative) must provide satisfactory identification before they may so participate.
7. All times referred to in this circular shall be referenced to South African times.
8. Copies of this circular may be obtained from the company secretary of Sun International and the transfer secretaries whose addresses are set out in the "Corporate Information" section overleaf.
9. This circular is only available in English.
10. The general meeting can be accessed by Sun International shareholders via electronic participation in accordance with the notice of general meeting.



## Sun International Sun International Limited

(Registration number 1967/007528/06)  
JSE share code: SUI ISIN: ZAE000097580  
("Sun International")

## CIRCULAR TO SUN INTERNATIONAL SHAREHOLDERS

relating to:

- **the Related Party Transaction arising from the restructure of Sun International and GPI's common interests in certain Sun International subsidiaries;**
- **the approval of Sun International Directors' remuneration for their services as directors in terms of section 66 of the Act; and**
- **the approval of financial assistance by Sun International to related or inter-related companies in terms of section 45 of the Act;**

and incorporating

- **a notice convening the general meeting; and**
- **a form of proxy (*blue*) (for use by certificated shareholders and dematerialised shareholders with own name registration).**

### Financial adviser and sponsor



### Legal adviser



### Independent professional expert



### Reporting accountants



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## CORPORATE INFORMATION

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### Directors of Sun International

M V Moosa (*Chairman*)  
D C Coutts-Trotter\* (*Chief executive*)  
R P Becker\* (*Chief financial officer*)  
Z B M Bassa  
P L Campher  
M P Egan  
N N Gwagwa  
B L M Makgabo-Fiskerstrand  
I N Matthews  
L M Mojela  
D M Nurek  
E Oblowitz  
G R Rosenthal

\* Executive

### Company secretary and registered office

C A Reddiar  
27 Fredman Drive  
Sandown  
Sandton, 2031  
(PO Box 782121, Sandton, 2146)

### Transfer secretaries

Computershare Investor Services (Proprietary) Limited  
(Registration number 2004/003647/07)  
Ground Floor  
70 Marshall Street  
Johannesburg, 2001  
(PO Box 61051, Marshalltown, 2107)

### Independent expert

Sasfin Capital  
(A division of Sasfin Bank Limited)  
(Registration number 1951/002280/06)  
29 Scott Street  
Waverley, Johannesburg, 2090  
(PO Box 95104, Grant Park, 2051)

### Date of incorporation

11 July 1967

### Place of incorporation

South Africa

### Financial adviser and sponsor

Investec Bank Limited  
(Registration number 1969/004763/06)  
100 Grayston Drive  
Sandown  
Sandton, 2196  
(PO Box 785700, Sandton, 2146)

### Legal adviser

Edward Nathan Sonnenbergs Inc  
(Registration number 2006/018200/21)  
150 West Street  
Sandton, 2196  
(PO Box 783347, Sandton, 2146)

### Independent auditors and reporting accountants

PricewaterhouseCoopers Inc  
Registered Accountants and Auditors  
(Registration number 1998/012055/21)  
2 Eglin Road  
Sunninghill, 2157  
(Private Bag X36, Sunninghill, 2157)

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## IMPORTANT DATES AND TIMES

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**2011**

Record date to receive notice of the general meeting	Friday, 22 July
Circular and the notice of general meeting posted to Sun International shareholders on	Wednesday, 27 July
Last day to trade in order to be eligible to vote	Wednesday, 17 August
Record date to participate in and vote at the general meeting	Wednesday, 24 August
Forms of proxy for the general meeting to be lodged with Sun International or the transfer secretaries by no later than 08:30 on	Thursday, 25 August
General meeting to be held at 08:30 on	Friday, 26 August
Results of general meeting to be released on SENS on	Friday, 26 August

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**Note:** The above dates and times are subject to amendment. Any such amendment will be released on SENS.

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## DEFINITIONS

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Throughout this circular and the annexure hereto, unless otherwise stated or the context otherwise requires, a reference to the singular includes the plural and *vice versa*, words denoting one gender include the other genders, words denoting natural persons include legal persons and associations of persons and *vice versa* and the words in the first column have the meanings stated opposite them in the second column:

“Act”	the Companies Act, No. 71 of 2008 (as amended by the Companies Amendment Act, No. 3 of 2011);
“Adjusted HEPS”	adjusted headline earnings per share include adjustments made for certain items of income or expense. These adjustments include pre-opening expenses, earnings and results from discontinuing operations and material items considered to be outside of the normal operating activities of the Sun International group and/or of a non-recurring nature;
“Afrisun”	Afrisun Leisure Investments (Proprietary) Limited (Registration number 1995/011363/07), a private company registered and incorporated in accordance with the company laws of South Africa;
“Afrisun Gauteng”	Afrisun Gauteng (Proprietary) Limited operating as Carnival City (Registration number 1997/005504/07), a private company registered and incorporated in accordance with the company laws of South Africa;
“Afrisun KZN”	Afrisun KZN (Proprietary) Limited operating as Sibaya Casino & Entertainment Kingdom (Registration number 1996/007228/07), a private company registered and incorporated in accordance with the company laws of South Africa;
“Articles”	the articles of association of Sun International;
“BEE”	Black Economic Empowerment;
“the Board” or “the Directors”	the board of directors of Sun International whose names appear on page 8 of this circular;
“broker”	any person registered as a “broking member (equities)” in terms of the Rules of the JSE made in accordance with the provisions of the Securities Services Act, 2004 (Act 36 of 2004), as amended;
“business day”	any day other than a Saturday, Sunday or official public holiday in South Africa as gazetted by the Government of South Africa from time to time;
“BVI”	Business Venture Investments No. 575 (Proprietary) Limited (Registration number 2000/029598/07), a private company registered and incorporated in accordance with the company laws of South Africa, and a wholly-owned subsidiary of GPI;
“Cancellation Agreements”	written cancellation agreements entered into by Western Cape Manco and SunWest and Worcester Manco and Worcester on 15 July 2011 in terms of which they have agreed to cancel the Management Agreements as outlined in paragraph 2 of this circular;
“certificated shareholders”	Sun International shareholders who hold certificated shares, represented by a share certificate or other physical document of title, which have not been surrendered for dematerialisation in terms of the requirements of Strate;
“certificated shares”	Sun International shares, other than dematerialised shares;
“circular”	this document, including all annexures and attachments contained in the document, which incorporates the notice of general meeting and the form of proxy ( <i>blue</i> );
“Community Trust”	the Breede River Valley Community Trust (IT1519/09), a 1.9% shareholder in Worcester;
“Community Trust buy-back”	the acquisition by Worcester of the 400 000 Worcester Shares held by the Community Trust;

“Conditions Precedent”	the conditions precedent set out in paragraph 5 of this circular;
“CSDP”	a Central Securities Depository Participant, accepted as a participant in terms of the Securities Services Act, 2004 (Act 36 of 2004);
“dematerialisation”	the process by which Sun International shares held by certificated shareholders are converted or held in electronic form as uncertificated shares and recorded in the sub-register of shareholders maintained by a CSDP;
“dematerialised shareholders”	Sun International shareholders who hold dematerialised shares;
“dematerialised shares”	those Sun International shares which have been dematerialised in terms of the requirements of Strate through a CSDP or broker and are held on Sun International’s sub-register of shareholders administered by CSDP’s in electronic form;
“Emfuleni Resorts”	Emfuleni Resorts (Proprietary) Limited operating as the Boardwalk (Registration number 1996/003925/07), a private company registered and incorporated in accordance with the company laws of South Africa;
“EPS”	earnings per share;
“Gauteng Casino Resort Manco ”	Gauteng Casino Resort Manco (Proprietary) Limited (Registration number 1997/004284/07), a private company registered and incorporated in accordance with the company laws of South Africa;
“general meeting”	the general meeting of Sun International shareholders to be held on 26 August 2011, at the registered office of Sun International at which shareholders will consider, and if deemed fit, pass the ordinary and special resolutions contained in the notice of general meeting attached to and forming part of this circular;
“GPI”	Grand Parade Investments Limited (Registration number 1997/003548/06), a public company registered and incorporated in accordance with the company laws of South Africa, the shares of which are listed on the JSE;
“GPI shareholders”	the registered holders of GPI shares as appearing on the main and sub-registers of GPI;
“Heads of Agreement”	the binding heads of agreement entered into between Sun International, SISA, GPI, SIML, SunWest, Worcester, BVI and Utish on 13 May 2011 detailing the principle terms of the Proposed Transaction;
“HEPS”	headline earnings per share;
“IFRS”	International Financial Reporting Standards;
“Implementation date”	the date on which SISA shall make payment to GPI as outlined in the agreements between the parties and in respect of the RAH Conditional Offer (if applicable) in accordance with the payment terms set out in the RAH Conditional Offer document;
“Independent Expert”	Sasfin Capital, a division of Sasfin Bank Limited;
“the JSE”	the JSE Limited (Registration number 2005/022939/06), a public company duly registered and incorporated with limited liability under the company laws of South Africa, licensed as an exchange under the Securities Services Act, 2004 (Act 36 of 2004), as amended;
“JSE Listings Requirements”	the Listings Requirements of the JSE as amended from time to time by the JSE, whether by way of practice note or otherwise;
“the last practicable date”	19 July 2011, being the last practicable date prior to the finalisation of this circular;
“KZN Manco ”	Afrisun KZN Manco (Proprietary) Limited (Registration number 1998/001247/07), a private company registered and incorporated in accordance with the company laws of South Africa;
“Management Agreements”	the Western Cape Manco Agreement and the Worcester Manco Agreement, and includes an individual reference to either agreement, as the context may require;

"Management and Royalty Agreements"	the new operating management and royalty agreements entered into between SIML and each of SunWest and Worcester on 15 July 2011 in terms of which, <i>inter alia</i> , SIML will render various services to each of SunWest and Worcester pursuant to which SunWest and Worcester will pay to SIML a management and royalty fee;
"National Manco"	National Casino Resorts Manco (Proprietary) Limited (Registration No. 1996/010714/07), a private company registered and incorporated in accordance with the company laws of South Africa, of which GPI has a shareholding of 5.67%, RAH has an effective shareholding of 25.3%, and Sun International has an effective shareholding of 41.43%;
"NAV"	net asset value per share;
"Pre-condition"	the condition to the RAH Conditional Offer as set out in paragraph 5.2, the fulfilment of which is a pre-condition to SISA making the RAH Conditional Offer;
"Proposed Transaction"	collectively, the SunWest Acquisition, Worcester Acquisition, Restructure of Management arrangements and RAH Conditional Offer;
"Proposed Transaction Consideration"	the purchase price payable in cash by Sun International to GPI and/or its subsidiaries and other RAH minorities (other than GPI and Utish) for each component of the Proposed Transaction, as set out in paragraph 4;
"RAH"	Real Africa Holding Limited (Registration number 1994/003919/06), a public company registered and incorporated in accordance with the company laws of South Africa the shares of which are listed on the JSE;
"RAH Conditional Offer"	the offer that SISA may be obliged to make to Utish and GPI and the other RAH minorities (other than GPI and Utish) for the RAH Conditional Offer Shares;
"RAH Conditional Offer Shares"	all of the shares of Utish, GPI and the other RAH minorities (other than GPI and Utish) in RAH but specifically excluding the shares held by SISA in RAH and any treasury shares;
"RAH minorities"	RAH shareholders (other than SISA and any treasury shares) that as at the last practicable date, collectively, own 33.55% of the RAH shares in issue (GPI and Utish, collectively, own 30.57% and other RAH minorities 2.98% of the RAH shares in issue);
"Rand" or "R" or "cents"	South African Rand and cents, the official currency of South Africa;
"Related Party Transaction"	the Proposed Transaction which is deemed to be a related party transaction per the JSE Listings Requirements;
"Reporting Accountants"	PricewaterhouseCoopers Inc, as reporting accountant to the <i>pro forma</i> financial information relating to the Proposed Transaction;
"Restructure of Management arrangements"	the cancellation of Management Agreements and the entering into of the Management and Royalty Agreements as set out in paragraph 2.3;
"SENS"	Securities Exchange News Service of the JSE;
"SIML"	Sun International Management Limited (Registration number 2004/006377/10), a public company registered as an external company in accordance with the company laws of South Africa;
"SIML Management Agreements"	the written operating management agreements entered into between: <ul style="list-style-type: none"> <li>– SIML and SunWest in respect of GrandWest casino on 5 February 1998;</li> <li>– SISA, SIML and SunWest in respect of Table Bay Hotel on 9 February 1998; and</li> <li>– SIML and Worcester on 17 April 2001,</li> </ul> in terms of which, <i>inter alia</i> , SIML renders various services to SunWest and Worcester and pursuant to which SunWest and Worcester pay to SIML a management fee;
"SISA"	Sun International (South Africa) Limited (Registration number 1977/071333/06), a public company registered and incorporated in accordance with the company laws of South Africa;

“South Africa”	South Africa;
“Strate”	Strate Limited (Registration number 1998/022242/06), a company incorporated in South Africa which is a registered CSDP responsible for the electronic clearing and settlement system for transactions that take place on the JSE and off-market trades;
“Stripe”	Stripe Investments 7 (Proprietary) Limited (Registration number 1998/005125/07), a private company registered and incorporated in accordance with the company laws of South Africa and a wholly-owned subsidiary of GPI;
“Sun International” or “the company”	Sun International Limited (Registration number 1967/007528/06), a public company incorporated in South Africa, the shares of which are listed on the JSE;
“Sun International group” or “the group”	Sun International and its subsidiaries;
“Sun International Employee Share Trust”	The Sun International Employee Share Trust (IT3902/03);
“Sun International shareholders” or “shareholders”	the registered holders of Sun International ordinary shares as appearing on the main and sub-registers of Sun International having a par value of 8 cents each in the issued share capital of Sun International;
“SunWest”	SunWest International (Proprietary) Limited (Registration number 1994/003869/07), a private company registered and incorporated in accordance with the company laws of South Africa, and which operates the GrandWest casino and the Table Bay Hotel in Cape Town;
“SunWest Acquisition”	the acquisition of 3 328 SunWest Ordinary Shares and 722 658 SunWest N Shares, collectively, representing 0.12% of the voting rights of the entire issued share capital of SunWest and 4.94% of the economic value attributable to the entire issued share capital of SunWest;
“SunWest Ordinary Shares”	ordinary shares of R0.10 (ten cents) each in the issued share capital of SunWest;
“SunWest N Shares”	“N” ordinary shares of R0.0001 each in the issued share capital of SunWest having the rights, privileges and conditions in Article 69 of SunWest's articles of association;
“SunWest Sale Agreement”	sale of shares agreement entered into between SISA, GPI and BVI on 15 July 2011 in terms of which, <i>inter alia</i> , SISA will acquire 3 328 SunWest Ordinary Shares from BVI and 391 370 SunWest N Shares from BVI and 331 288 SunWest N Shares from GPI;
“SunWest Shareholders Agreement”	the written shareholders' agreement entered into between Sun International, GPI, Afrisun and SunWest on 24 May 2000, as amended, regulating their relationship as shareholders of SunWest, <i>inter se</i> ;
“Takeover Regulations”	Chapter 5 (Fundamental Transactions and Takeover Regulations) of the Companies Regulations, 2011 promulgated under the Act;
“Takeover Regulation Panel”	the Takeover Regulation Panel, established by section 196 of the Act;
“Transaction Agreements”	collectively, the: <ul style="list-style-type: none"> <li>– Cancellation Agreements;</li> <li>– Management and Royalty Agreements;</li> <li>– SunWest Sale Agreement;</li> <li>– Worcester Sale Agreement,</li> </ul> and includes an individual reference to any agreement, as the context may require;
“transfer secretaries”	Computershare Investor Services (Proprietary) Limited (Registration number 2004/003647/07), a private company incorporated in South Africa;
“Utish”	Utish Investments (Proprietary) Limited (Registration number 2008/015271/07), a private company registered and incorporated in accordance with the company laws of South Africa and being a wholly-owned subsidiary of GPI;



"Western Cape Manco Agreement"	the written operating management agreement entered into between Western Cape Manco and SunWest on 3 February 1998 in terms of which, <i>inter alia</i> , Western Cape Manco renders various services to SunWest in relation to GrandWest casino and pursuant to which SunWest pays to Western Cape Manco a management fee;
"Western Cape Manco"	Western Cape Casino Resorts Manco (Proprietary) Limited (Registration number 1997/003875/07), a private company registered and incorporated in accordance with the company laws of South Africa, of which GPI has a shareholding of 50%, and Sun International has an effective shareholding of 29.34%;
"Worcester"	Worcester Casino (Proprietary) Limited (Registration number 1998/016221/07), a private company registered and incorporated in accordance with the company laws of South Africa, and which operates as the Golden Valley casino and lodge;
"Worcester Acquisition"	the acquisition of 4 322 352 Worcester shares, representing 20.3% of the entire share capital of Worcester;
"Worcester Manco"	Winelands Casino Resorts Manco (Proprietary) Limited (Registration number 1996/010715/07), a private company registered and incorporated in accordance with the company laws of South Africa, of which GPI has a shareholding of 50%, and Sun International has an effective shareholding of 50%;
"Worcester Manco Agreement"	the written operating management agreement entered into between Worcester Manco and Worcester on 19 February 2008 in terms of which, <i>inter alia</i> , Worcester Manco renders various services to Worcester and pursuant to which Worcester pays to Worcester Manco a management fee;
"Worcester Sale Agreement"	sale of shares agreement entered into between SISA and GPI on 15 July 2011 in terms of which, <i>inter alia</i> , SISA will acquire 4 322 352 shares in the capital of Worcester (representing 20.3% of the entire issued share capital of Worcester) from GPI;
"Worcester Shares"	ordinary shares of R0.0001 each in the issued share capital of Worcester; and
"Worcester Shareholders' Agreement"	the written shareholders' agreement entered into between GPI, the Community Trust, Stripe, Afrisun, SISA, the Sun International Employee Share Trust and Worcester on 8 April 2010, as amended, regulating their relationship as shareholders of Worcester; <i>inter se</i> .



# Sun International

## Sun International Limited

(Registration number: 1967/007528/06)  
Share code: SUI ISIN: ZAE000097580  
("Sun International" or "the company")

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### Directors of Sun International

M V Moosa (*Chairman*)  
D C Coutts-Trotter\* (*Chief executive*)  
R P Becker\* (*Chief financial officer*)  
Z B M Bassa  
P L Campher  
M P Egan  
N N Gwagwa  
B L M Makgabo-Fiskerstrand  
I N Matthews  
L M Mojela  
D M Nurek  
E Oblowitz  
G R Rosenthal

\* Executive

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## CIRCULAR TO SUN INTERNATIONAL SHAREHOLDERS

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### I. INTRODUCTION AND RATIONALE

As announced on SENS on Monday, 16 May 2011, Sun International and GPI have agreed, subject to the fulfilment of the Conditions Precedent as set out in paragraph 5 below, to align their interests in SunWest and Worcester through a set of indivisibly inter-related transactions that will result in Sun International indirectly owning the majority of voting shares in SunWest and Worcester and the entering into of new Management and Royalty Agreements with SunWest and Worcester.

As GPI is a material shareholder in certain of Sun International's subsidiaries, GPI is deemed to be a related party to Sun International and the Proposed Transaction is deemed to be a Related Party Transaction. As such, Sun International shareholder approval of the terms of the Proposed Transaction is required in general meeting.

Following implementation of the Proposed Transaction, GPI will reduce its economic interests in SunWest and Worcester to 25.1% whilst still maintaining significant influence over these operations with Sun International continuing to provide management services on a long-term basis.

The Proposed Transaction will facilitate the businesses moving into the next phase of their development whilst allowing GPI to pursue its expansion into other gaming assets and industries outside of the casino industry capitalising on the significant empowerment that Sun International and GPI have jointly achieved.

GPI will be released from its current empowerment lock-in structure enabling the free trade of GPI shares by all GPI shareholders once its BEE structure is unwound.

The Proposed Transaction may also result in Sun International indirectly acquiring all of the RAH minorities which would create a single listed point of entry into the Sun International group.

## **2. SALIENT TERMS OF THE PROPOSED TRANSACTION**

### **2.1 SunWest and Worcester Acquisitions**

Sun International, through its wholly-owned subsidiary SISA, has undertaken, subject to the fulfilment of the Conditions Precedent as detailed in paragraph 5 below, to acquire from GPI and/or its subsidiaries:

2.1.1 3 328 SunWest Ordinary Shares and 722 658 SunWest N Shares, collectively, representing 0.12% of the voting rights of the entire issued share capital of SunWest and 4.94% of the economic value attributable to the entire issued share capital of SunWest;

2.1.2 4 422 352 Worcester shares, representing 20.3% of the entire share capital of Worcester. If the Community Trust Buyback is implemented at any time after the implementation of the Proposed Transaction, SISA has undertaken to purchase an additional 100 400 Worcester Shares resulting in a total purchase of 4 422 752 Worcester Shares, collectively, representing 21.1% of the Worcester Shares in issue post-implementation of the Community Trust Buy Back.

### **2.2 RAH Conditional Offer**

Subject to the fulfilment of the Pre-condition and the fulfilment or waiver, as the case may be, of the Conditions Precedent as set out in paragraph 5 below, Sun International, through SISA, will acquire from GPI and Utish their 1 10 641 690 shares in the capital of RAH, representing 30.57% of the entire issued share capital of RAH (excluding treasury shares) as part of an offer to all RAH shareholders, other than SISA, in terms of section 124 of the Act.

This circular does not constitute a firm intention to make an offer for the RAH shares or that a firm intention to make such an offer is imminent, as contemplated in the Takeover Regulations.

Each of Utish and GPI have irrevocably and unconditionally undertaken to accept the RAH Conditional Offer within two days of the RAH Conditional Offer being made, if applicable.

### **2.3 Restructure of Management arrangements**

Subject to the fulfilment or waiver, as the case may be, of the Conditions Precedent:

2.3.1 the Management Agreements currently in place between SunWest and Western Cape Manco and Worcester and Worcester Manco will be cancelled with effect from the Implementation date.

A cancellation fee of R151 million for SunWest and R3 million for Worcester; based on the present value of the cash flows to the expiry of the Management Agreements, will be paid by each of SunWest and Worcester to Western Cape Manco and Worcester Manco, respectively.

Western Cape Manco and Worcester Manco will distribute these cancellation fees, net of any taxation and other expenses related to that distribution, if any, as dividends to their respective shareholders. It is anticipated that the aforementioned distributions will result in Sun International and GPI receiving approximately R36 million and R60 million, respectively.

The distribution to be received by National Manco by virtue of its shareholding in Western Cape Manco will be distributed by National Manco to its shareholders and will be taken into account in the calculation of the value attributed to RAH as set out in paragraph 4 below due to RAH's effective 25.3% shareholding in National Manco.

2.3.2 SIML will cancel the SIML Management Agreements entered into between SIML and SunWest in respect of each of GrandWest and Table Bay and between SIML and Worcester in respect of Golden Valley with effect from the Implementation date and will enter into new Management and Royalty Agreements between SIML and SunWest and between SIML and Worcester with the new fee arrangement being applied from 1 July 2011.

The SunWest Acquisition, Worcester Acquisition, Restructure of Management arrangements and RAH Conditional Offer are indivisibly inter-related with each other in that, if any one or more of the aforesaid transactions are not implemented for any reason whatsoever, then the Proposed Transaction shall not be implemented.

The Sun International subsidiaries in which GPI holds an interest that are affected by the Proposed Transaction are as follows:

	<b>Sun International effective shareholding Before the Proposed Transaction</b>	<b>GPI shareholding Before the Proposed Transaction</b>
SunWest (collective Ordinary and N share shareholding in SunWest)	59.72%*	30.04%**
Worcester	45.3%*	46.2%**
RAH	66.45%	30.57%

\* Sun International's effective shareholding takes into account the indirect shareholding in SunWest and Worcester held via RAH and excludes the shareholding of the Sun International Employee Share Trust.

\*\* GPI's shareholding excludes the indirect shareholding in SunWest and Worcester held via RAH.

Following implementation of the Proposed Transaction, Sun International and GPI's shareholdings in the relevant operations will be as follows:

	<b>Sun International effective shareholding</b>	<b>GPI shareholding</b>
SunWest (collectively, the Ordinary and N share shareholding in SunWest)	69.84%*	25.1%
Worcester ***	66.70%*	25.1%
RAH	100.00%**	–

\* Sun International effective shareholding takes into account the indirect shareholding in SunWest and Worcester held via RAH and excludes the shareholding of the Sun International Employee Share Trust.

\*\* Assuming the RAH Conditional Offer is made and 90% acceptance by RAH minorities is achieved and Sun International successfully invokes the provisions of section 124 of the Act in order to acquire the shares of all RAH minorities. Should only GPI accept the RAH Conditional Offer, Sun International will own 97.02% of the RAH shares in issue following implementation of the Proposed Transaction.

\*\*\* Assuming Community Trust Buy Back is implemented resulting in SISA acquiring the collective 4 422 752 Worcester Shares.

Following implementation of the Proposed Transaction, assuming the RAH Conditional Offer is made and 100% of the shares in RAH are acquired in terms of the RAH Conditional Offer; Sun International's effective shareholding in the underlying subsidiaries in which RAH holds an interest, other than SunWest and Worcester reflected above, will increase as follows:

<b>Sun International effective shareholding in:</b>	<b>Before RAH Conditional Offer</b>	<b>After RAH Conditional Offer</b>
Afrisun Gauteng operating as Carnival City	84.4%	91.6%
Afrisun KZN operating as Sibaya	56.1%	60.7%
Emfuleni Resorts operating as the Boardwalk & Fish River Sun	62.2%	64.5%
Gauteng Casino Resorts Manco	44.6%	56.7%
KZN Manco	30.7%	34.5%

### 3. PURPOSE OF THIS CIRCULAR

The purpose of this circular is to provide Sun International shareholders with the relevant information regarding the Related Party Transaction and to convene a general meeting of Sun International shareholders at which meeting, *inter alia*, the ordinary resolutions required to approve or give effect to the Related Party Transaction will be considered.

This document also contains the Directors' recommendation that Sun International shareholders vote in favour of the above ordinary resolutions.

Notice of the general meeting at which the ordinary and special resolutions will be proposed is set out and a form of proxy (*blue*) is attached to this circular.

#### 4. PROPOSED TRANSACTION CONSIDERATION

The purchase price payable in cash by Sun International to GPI and/or its subsidiaries in terms of the Proposed Transaction is as follows:

	<b>(R'000)</b>
SunWest Acquisition	251 807
Worcester Acquisition*	15 220
RAH Conditional Offer – payable to GPI and Utish	451 418
<b>Total payable to GPI and Utish</b>	<b>718 445</b>
Payable to RAH minorities, other than GPI and Utish	43 983
<b>Total Proposed Transaction Consideration</b>	<b>762 429</b>

\* R14 874 494 of the Proposed Transaction Consideration relating to the Worcester Acquisition will be paid on implementation of the Proposed Transaction, the balance of R345 506 will be payable on the acquisition of the additional 100 400 Worcester Shares should the Community Trust Buy Back be implemented.

The Proposed Transaction Consideration implies a value of R4.08 per RAH share. The aforesaid RAH price shall be increased by the cash flows of RAH available for distribution plus a *pro rata* share of the dividends to be received from RAH's underlying investments, up until the date that the RAH Conditional Offer is made, if applicable, in accordance with RAH's prevailing dividend policies and current practice (subject to funding, solvency and liquidity requirements). The increase shall include the dividend to be received by National Manco as more fully set out in paragraph 2 above. To the extent that dividends are declared and paid by RAH to its shareholders prior to implementation of the RAH Conditional Offer, the aforesaid price shall not be adjusted.

The Proposed Transaction Consideration will be settled in cash.

#### 5. CONDITIONS PRECEDENT

##### 5.1 Conditions Precedent applicable to the Proposed Transaction

The Proposed Transaction is conditional upon the fulfilment or waiver, as the case may be of, *inter alia*, the following Conditions Precedent:

- all of the Transaction Agreements to give effect to the Proposed Transaction have become unconditional in accordance with their terms, which conditions include all of the other Conditions Precedent set out in this paragraph 5.1;
- insofar as may be necessary, the consents of the JSE, the Takeover Regulation Panel, the South African Reserve Bank and such other regulatory authorities as may be necessary;
- insofar as may be necessary, the approval of the Proposed Transaction by the Competition Authorities as contemplated in the Competition Act, No. 89 of 1998, as amended;
- all relevant provincial gaming boards approving of the Proposed Transaction; and
- the approvals by shareholders of GPI and Sun International of the ordinary resolutions required to implement the Proposed Transaction.

##### 5.2 Pre-condition to RAH Conditional Offer

Sun International's (through SISA) obligation to make the RAH Conditional Offer will be subject to the fulfilment of the Pre-condition that the Transaction Agreements become unconditional in accordance with their terms, save for any condition in the Transaction Agreements requiring that the RAH Conditional offer must have become unconditional. Once the Transaction Agreements have become unconditional in accordance with their terms, the RAH Conditional Offer will be made but will be made subject to the condition precedent set out in paragraph 5.3 below.

If the Pre-condition is not fulfilled, Sun International shall not become obliged to make the RAH Conditional Offer.

##### 5.3 Condition Precedent to the RAH Conditional Offer

The RAH Conditional Offer, once made as contemplated in paragraph 5.2 above, will be subject to the fulfilment or waiver (as the case may be) of the following Condition Precedent, namely that by no later than 1 February 2012 (or such other date as may be agreed to between SISA and GPI) all of the necessary regulatory approvals and/or consents to effect the RAH Conditional Offer, to the extent required, have been granted, including, but not limited to, the Takeover Regulation Panel, the JSE and/or the relevant gaming boards.

## 6. FINANCIAL EFFECTS OF THE PROPOSED TRANSACTION ON SUN INTERNATIONAL

The unaudited *pro forma* financial effects as of and for the six months ended 31 December 2010 have been prepared to show the impact of the Proposed Transaction, as if the Proposed Transaction had occurred on 1 July 2010, for purposes of the *pro forma* EPS, HEPS and Adjusted HEPS, and 31 December 2010, for purposes of the *pro forma* NAV. The unaudited *pro forma* financial effects are presented for illustrative purposes only and because of its nature may not give a fair reflection of the financial position and results of operations post the implementation of the Proposed Transaction.

The unaudited *pro forma* financial effects have been prepared using the accounting policies that are consistent with IFRS and with the basis on which the historical financial information has been prepared in terms of the accounting policies adopted by Sun International.

The directors of Sun International are responsible for the compilation, contents and presentation of the unaudited *pro forma* financial information contained in this circular and for the financial information from which it has been prepared. Their responsibility includes determining that: (i) the unaudited *pro forma* financial effects have been properly compiled on the basis stated; (ii) the basis is consistent with the accounting policies of Sun International and (iii) the *pro forma* adjustments are appropriate for the purposes of the unaudited *pro forma* financial effects disclosed in terms of the JSE Listings Requirements.

### Unaudited Pro Forma Financial Effects

Per Sun International ordinary share	Before the Proposed Transaction (cents) <sup>(1)</sup>	Pro forma After the Proposed Transaction (cents)	Percentage change
EPS <sup>(2)</sup>	156	112	(28.2)
HEPS <sup>(2)</sup>	157	113	(28.0)
Adjusted HEPS <sup>(3)</sup>	218	217	(0.5)
NAV <sup>(5)</sup>	14.4	6.7	(53.5)
Weighted average number of shares ('000)	93 970	93 970	–
Weighted average number of shares used for adjusted HEPS ('000) <sup>(3,4)</sup>	100 546	100 546	–
Shares in issue as at 31 December 2010 ('000)	93 970	93 970	–

#### Notes:

1. Based on the published, unaudited consolidated interim results of Sun International for the six months ended 31 December 2010 as released on SENS on 28 February 2011.
2. EPS, HEPS and Adjusted HEPS effects are based on the following principal assumptions:
  - (i) the Proposed Transaction was effective 1 July 2010;
  - (ii) the Proposed Transaction Consideration is settled in cash of R762 million, funded at an after-tax estimated blended rate of 6.8% per annum;
  - (iii) a net cost of R34 million (attributable to ordinary shareholders and after tax) resulting from the cancellation of the Management Agreements which amount is received by a group company and consequently reverses on consolidation. The net effect of this expense is once-off in nature;
  - (iv) adjustments to give effect to the increased shareholdings in RAH, SunWest and Worcester; and
  - (v) total estimated transaction costs of R5 million, which are once-off in nature.
3. *Pro forma* adjusted HEPS are based on *pro forma* HEPS, excluding the following:
  - (i) a net cost of R34 million (attributable to ordinary shareholders and after tax), which is once-off in nature; and
  - (ii) total estimated transaction costs of R5 million.
4. Weighted average number of shares used for adjusted HEPS include shares held by the employee share trusts of Sun International.
5. NAV per share effects are based on the following principal assumptions:
  - (i) the Proposed Transaction was effective 31 December 2010;
  - (ii) the net cost of R34 million (attributable to ordinary shareholders and after tax), relating to the cancellation of the Management Agreements;
  - (iii) the Proposed Transaction Consideration is settled in cash of R762 million assumed to be included in debt;
  - (iv) as the Proposed Transaction is a transaction with minorities, the excess of the Proposed Transaction consideration over the carrying value of the net assets acquired is recognised directly in equity and amounted to R685 million; and
  - (iv) total estimated transaction costs of R5 million.

The impact on EPS and HEPS is largely due to the once-off charge relating to the cancellation of the Management Agreements. The NAV reduction is due to a significant difference between the purchase consideration, which is based on a current valuation, and the low historic book value of the assets being acquired.

Detailed notes relating to the preparation of the unaudited *pro forma* financial information is presented in Annexure II to this circular.

The Reporting Accountants' report on the unaudited *pro forma* financial information is set out in Annexure IV to this circular.

## 7. MATERIAL AGREEMENTS

Save for the Transaction Agreements and Heads of Agreement, neither Sun International nor any of its subsidiary companies have entered into any material contract, other than in the ordinary course of business, within the two years prior to the last practicable date or at any time and containing an obligation or settlement that is material to the Sun International group at the last practicable date.

## 8. MATERIAL CHANGES

No material change in the financial or trading position of Sun International and its subsidiaries has occurred since the publication of Sun International's latest interim accounts for the six months ended 31 December 2010, other than the impact which the Proposed Transaction may have, if implemented, and as is disclosed in this circular.

## 9. MAJOR SUN INTERNATIONAL SHAREHOLDERS

As at the last practicable date, Sun International shareholders who insofar as is known to Sun International, that are beneficially interested, directly or indirectly, in 5% or more of the Sun International shares, were as follows:

<b>Shareholders with a shareholding of greater than 5%</b>	<b>Number of shares</b>	<b>Percentage of total issued shares</b>
Allan Gray Asset Management*	29 063 260	26.16
Allan Gray	10 840 487	9.76
Sun International Investments No. 2 (treasury shares)	10 549 477	9.5
Dinokana Investments (Pty) Limited	6 719 759	6.05

\* Held on behalf of investors.

## 10. DIRECTORS OF SUN INTERNATIONAL

The direct and indirect beneficial interests of the Directors (and associates) holdings in the share capital of Sun International as at the date set out below:

<b>Director</b>	<b>Direct</b>	<b>Indirect</b>	<b>30 June 2010</b>	<b>Percentage shareholding</b>
R P Becker	35 976	114 024	150 000	0.14
D C Coutts-Trotter	85 000	323 365	408 365	0.37
N N Gwagwa*	–	276 794	276 794	0.25
I N Matthews	2 723	–	2 723	0.00
MV Moosa*	–	622 788	622 788	0.56
D M Nurek	–	5 000	5 000	0.01
E Oblowitz	1 556	–	1 556	0.00

\* Held indirectly through Lereko Investments (Pty) Limited and Dinokana Investments (Pty) Limited.

The following trades have occurred since the end of the last financial year (30 June 2010) and the last practicable date:

<b>Date</b>	<b>Director</b>	<b>Transaction</b>	<b>Shares</b>
9/28/2010	N N Gwagwa	On market Sale (indirect)	10 692
9/28/2010	MV Moosa	On market Sale (indirect)	24 057
9/30/2010	D C Coutts-Trotter	On market Purchase	2 715
9/30/2010	R P Becker	On market Purchase	1 256
9/30/2010	C A Reddiar	On market Purchase	123
10/1/2010	D C Coutts-Trotter	On market Sale	17 864
10/1/2010	R P Becker	On market Sale	7 222
11/25/2010	R P Becker	On market Sale	35 976

The following are the number of share options held by executive Directors at 30 June 2010:

**Director**

R P Becker	200 000
D C Coutts-Trotter	196 250

The following are the number of grants held by executive Directors at 30 June 2010:

**Director**

**Equity Growth Plan**

R P Becker	77 874
D C Coutts-Trotter	146 158

**Conditional Share Plan**

R P Becker	81 254
D C Coutts-Trotter	129 423

**Deferred Bonus Plan**

R P Becker	17 992
D C Coutts-Trotter	41 847

**Restricted Share Plan\***

R P Becker	96 032
D C Coutts-Trotter	195 378

\* Shares held under the Restricted Share Plan are included in the Directors' indirect shareholdings listed above.

**10.1 Interests of Directors in transactions**

As at the last practicable date, none of the Directors held any beneficial or non-beneficial interests, whether direct or indirect, in transactions effected by Sun International during its current or preceding financial year or during an earlier financial year which remain outstanding or unperformed.

**10.2 Directors' service contracts**

The service contracts with executive Directors are terminable on six months' notice. There are no additional contracts with fixed durations. There are no service contracts between Sun International and any of the Directors longer than one year in duration. Executive Directors do not receive fees for their services as Directors.

The current remuneration of non-executive Directors was reviewed in line with the recommendations of King III. The non-executive Directors' fees have been split into a base fee component and an attendance fee component.

**11. RELATED PARTY TRANSACTION AND CATEGORISATION OF THE PROPOSED TRANSACTION**

In terms of the JSE Listings Requirements, where a listed company enters into a transaction with a related party, certain requirements are required to be fulfilled before completing the transaction, including but not limited to obtaining shareholder approval and an opinion from an independent expert acceptable to the JSE that the terms of the Proposed Transaction are fair as far as Sun International shareholders are concerned.

Sun International shareholders are advised that, in terms of the JSE Listings Requirements 10.9(d) and due to GPI being a material shareholder in certain of Sun International's subsidiaries GPI is deemed to be a related party to Sun International and the Proposed Transaction is deemed to be a "related party transaction". As such Sun International shareholder approval of the terms of the Proposed Transaction will be required in general meeting.

In terms of the JSE Listings Requirements, the Proposed Transaction would be categorised as a Category 2 transaction for Sun International.

**12. FAIRNESS OPINION**

As the Proposed Transaction is deemed to be a Related Party Transaction, a fairness opinion from an independent expert has been obtained.



Sasfin Bank, acting as independent expert, has considered the terms and conditions of the Proposed Transaction and is of the opinion that, as at the date of the issue of the fairness opinion, the Proposed Transaction is fair. This fairness opinion is attached as Annexure III to this circular.

### 13. LITIGATION STATEMENT

As at the last practicable date, there were no legal or arbitration proceedings, including any such proceedings which are pending or threatened against the Sun International or its subsidiaries, of which the Directors are aware and which may have, or have had during the 12-month period preceding the issue of this circular, a material effect on the financial position of Sun International or any of its subsidiaries.

### 14. DIRECTORS' RESPONSIBILITY STATEMENT AND RECOMMENDATION

The Directors, whose names are set out on page 8 of this circular, accept full responsibility for the accuracy of the information given and certify that, to the best of their knowledge and belief, there are no other facts that have been omitted which would make the contents of this circular false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this circular contains all information required by law and the JSE Listings Requirements.

Having regard to the background information and the independent expert's opinion, the Board is of the opinion that the Proposed Transaction is fair insofar as the Sun International shareholders are concerned and that the Proposed Transaction would be of future benefit to Sun International shareholders and, accordingly, recommend that Sun International shareholders vote in favour of the ordinary resolutions necessary to implement the Proposed Transaction.

Those Directors who hold Sun International shares and are permitted to vote, intend to vote in favour of the ordinary resolutions, as set out in the notice of general meeting.

#### Voting rights

All the issued Sun International shares rank *pari passu* with each other.

At the general meeting, every shareholder present or represented by proxy at the general meeting shall have one vote on a show of hands, and on a poll shall have that number of votes determined in accordance with the voting rights associated with the Sun International ordinary shares held by that shareholder.

The related parties and their associates will be taken into account in determining a quorum at the general meeting, but their votes will not be taken into account in determining the results of the voting at the general meeting in relation to the resolutions in connection with the Related Party Transaction.

### 15. PRELIMINARY EXPENSES

The total estimated costs of the Proposed Transaction are R5 000 000 before Value-Added Tax and the breakdown of these estimated costs are outlined below:

	<b>(R'000)</b>
Investec Corporate Finance – Corporate Advisor to Sun International*	2 500
Edward Nathan Sonnenbergs – Legal Adviser to Sun International	1 500
PricewaterhouseCoopers Inc – Reporting Accountant to Sun International	150
Sasfin – Independent expert to Sun International	500
Printing and posting	336
JSE	14
<b>Total</b>	<b>5 000</b>

\* This excludes ongoing sponsor fees.

These costs are once-off in nature.

## 16. CONSENTS

Each of the parties whose logo appears on the front cover of this circular has consented in writing to act in the capacity stated and to its name being stated in this circular and has not withdrawn such consent prior to the publication of this circular:

## 17. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours on any business day at the registered office of Sun International from 27 July 2011 (the date of issue of this circular) up to and including 25 August 2011:

- (a) Cancellation Agreements;
- (b) SunWest Sale Agreement;
- (c) Worcester Sale Agreement;
- (d) Heads of Agreement;
- (e) SunWest Shareholders' Agreement;
- (f) Worcester Shareholders' Agreement;
- (g) the memorandum and articles of association of Sun International;
- (h) the audited annual financial statements of Sun International for each of the previous three financial years ended 30 June 2008, 30 June 2009 and 30 June 2010, respectively;
- (i) Independent expert's report which is reproduced as Annexure III to this circular;
- (j) Independent reporting accountants' report which is reproduced as Annexure IV to this circular;
- (k) the consent letters referred to in paragraph 16 above; and
- (l) a copy of this circular.

## 18. GENERAL MEETING OF SUN INTERNATIONAL SHAREHOLDERS AND ACTION TO BE TAKEN BY SHAREHOLDERS

The general meeting of shareholders will be held in the boardroom at the registered office of Sun International, 4th Floor, 27 Fredman Drive, Sandown, Sandton at 08:30 on 26 August 2011 in order to consider and, if deemed fit, pass, with or without modification, the ordinary resolutions required to give effect to the Proposed Transaction and the special resolutions as set out in the notice of general meeting.

The record date for determining which shareholders are entitled to receive notice of the general meeting is 22 July 2011.

The record date for determining which shareholders are entitled to participate in and vote at the general meeting is 24 August 2011.

Sun International shareholders holding certificated shares and who are unable to attend the Sun International general meeting, but wish to be represented thereat, are requested to complete and return the relevant form of proxy (*blue*) attached to this circular in accordance with the instructions contained therein. The transfer secretaries or Sun International must receive duly completed forms of proxy by no later than 08:30 on 25 August 2011. Alternatively, the form of proxy may be handed to the chairman of the general meeting at the general meeting at any time prior to the commencement of the general meeting.

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

- may attend and vote at the general meeting; alternatively
- may appoint an individual as a proxy (who need not also be a shareholder of Sun International) to attend, participate in and speak and vote in your place at the general meeting by completing the attached form of proxy (*blue*) and returning it to the registered office of Sun International or to the transfer secretaries, by no later than 08:30 on 25 August 2011. Alternatively, the form of proxy may be handed to the chairman of the general meeting at the general meeting at any time prior to the commencement of the general meeting.

Please note that any shareholder of Sun International that is a company may authorise any person to act as its representative at the 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 (*blue*). 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 general meeting, before your proxy may exercise any of your rights as a Sun International shareholder at the general meeting.

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, but 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:

- if you wish to attend the general meeting you must contact your CSDP or broker, and obtain the relevant letter of representation from it; alternatively
- if you are unable to attend the general meeting but wish to be represented at the general meeting, you must contact your CSDP or broker, and furnish it with your voting instructions in respect of the 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 the 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 general meeting or by completing the attached form of proxy (*blue*) in accordance with the instructions thereon and returning it to the registered office of the Sun International or to the transfer secretaries, to be received by no later than 08:30 on 25 August 2011. Alternatively, the form of proxy may be handed to the chairman of the general meeting at the general meeting at any time prior to the commencement of the general meeting.

The general meeting of Sun International shareholders will be held at 08:30, in the boardroom, 4th Floor, 27 Fredman Drive, Sandown, Sandton on 26 August 2011.

**Sun International does not accept responsibility and will not be held liable for any failure on the part of a CSDP or broker of a dematerialised shareholder to notify such shareholder of the Sun International general meeting or any business to be conducted thereat.**

## 19. ELECTRONIC PARTICIPATION IN GENERAL MEETING

Sun International intends to make provision for Sun International shareholders, or their proxies, to participate in the general meeting by way of electronic communication. In this regard, Sun International intends making a dial-in facility available that will be linked to the venue at which the general meeting will take place, on the date of, and from the time of commencement of, the general meeting. The dial-in facility will enable all persons to participate electronically in the general meeting in this manner and to communicate concurrently with each other without an intermediary, and to participate reasonably effectively in the general meeting.

Shareholders wishing to participate electronically in the general meeting are required to deliver written notice as outlined in the notice to general meeting attached to this circular.

Please note that the cost of the dial in facilities described above will be for the account of Sun International.

For and on behalf of the Board

### SUN INTERNATIONAL LIMITED

**David Coutts-Trotter**

*Chief Executive Director*

Sandton  
27 July 2011

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**TRADING HISTORY OF SUN INTERNATIONAL SHARES**


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The high, low and closing prices of Sun International shares on the JSE, and the volumes traded, since quarter 3, 2008, were as follows:

<b>Date</b>	<b>High (cents)</b>	<b>Low (cents)</b>	<b>Value (Rand)</b>	<b>Volume (number of shares)</b>
<b>Daily</b>				
10/05/11	9 140	8 963	3 020 493	33 495
11/05/11	9 148	8 920	13 236 926	147 272
12/05/11	9 144	8 850	8 241 773	92 472
13/05/11	9 205	8 851	8 910 994	99 874
16/05/11	9 055	8 645	11 041 473	125 634
17/05/11	8 960	8 742	6 522 558	74 190
19/05/11	8 772	8 640	7 173 404	82 525
20/05/11	8 931	8 649	6 432 859	73 847
23/05/11	8 878	8 537	7 181 273	83 573
24/05/11	8 790	8 590	4 078 201	47 041
25/05/11	8 911	8 605	7 422 490	85 523
26/05/11	8 834	8 631	4 112 644	47 212
27/05/11	8 745	8 650	9 154 881	105 135
30/05/11	8 731	8 661	1 303 352	14 931
31/05/11	8 847	8 700	12 940 077	147 717
01/06/11	8 876	8 592	7 260 635	83 686
02/06/11	8 770	8 551	6 731 811	78 462
03/06/11	8 761	8 552	2 012 820	23 326
06/06/11	8 760	8 600	807 101	9 340
07/06/11	8 796	8 601	5 285 086	60 766
08/06/11	8 821	8 602	1 129 510	13 006
09/06/11	8 815	8 561	1 445 489	16 572
10/06/11	8 958	8 630	4 358 776	49 506
13/06/11	8 862	8 776	7 574 910	85 997
14/06/11	8 937	8 811	2 456 227	27 810
15/06/11	9 054	8 800	35 718 247	399 998
17/06/11	9 170	8 905	32 975 963	366 457
20/06/11	9 160	9 002	7 840 411	86 121
21/06/11	9 100	8 846	3 498 525	38 905
22/06/11	9 038	8 711	4 245 306	47 295
23/06/11	9 020	8 923	5 229 686	58 789
24/06/11	9 040	8 950	13 227 120	148 309
27/06/11	9 140	8 950	2 767 316	30 897
28/06/11	9 205	9 050	3 740 602	41 210
29/06/11	9 196	9 100	2 371 102	26 039
30/06/11	9 282	9 160	11 429 254	124 641
01/07/11	9 207	9 160	1 637 041	17 908
04/07/11	9 231	9 165	1 495 395	16 320
05/07/11	9 200	9 175	6 424 688	70 104
06/07/11	9 384	9 250	32 420 620	352 555
07/07/11	9 322	9 250	5 135 792	55 582
08/07/11	9 251	9 250	5 067 164	54 781
11/07/11	9 298	9 201	3 659 484	39 737
12/07/11	9 348	9 348	3 475 041	37 751
13/07/11	9 350	9 350	13 885 725	150 028
14/07/11	9 368	9 300	39 357 622	422 631
15/07/11	9 689	9 350	5 129 328	54 275
18/07/11	9 431	9 200	1 513 139	16 307
19/07/11	9 300	9 250	6 201 822	66 866

<b>Date</b>	<b>High (cents)</b>	<b>Low (cents)</b>	<b>Value (Rand)</b>	<b>Volume (number of shares)</b>
<b>Monthly</b>				
30/06/10	8 845	8 010	151 887 267	1 816 047
31/07/10	8 602	8 002	144 570 365	1 735 018
31/08/10	8 745	8 311	216 840 277	2 541 618
30/09/10	9 950	8 642	230 807 331	2 473 723
31/10/10	9 875	9 502	276 577 952	2 851 408
30/11/10	11 063	9 675	700 641 311	6 637 282
31/12/10	10 798	10 155	513 468 272	4 861 623
31/01/11	10 580	10 158	239 329 894	2 310 966
28/02/11	10 550	9 567	383 588 285	3 761 250
31/03/11	9 889	8 349	470 976 543	5 216 926
30/04/11	9 290	8 700	300 905 117	3 370 762
31/05/11	9 288	8 537	148 653 516	1 677 061
30/06/11	9 282	9 160	162 105 897	1 817 132
31/07/11	9 689	9 200	119 201 039	1 287 979
<b>Quarterly</b>				
30/09/08	10 000	7 631	1 076 272 798	12 600 912
31/12/08	9 999	6 900	729 120 934	8 610 527
31/03/09	9 799	5 822	970 319 261	12 013 622
30/06/09	8 800	7 000	986 135 502	12 729 619
30/09/09	9 690	7 515	748 288 005	8 985 506
31/12/09	9 855	8 591	854 240 548	9 315 466
31/03/10	9 570	8 500	1 104 206 514	12 249 681
30/06/10	10 099	8 250	683 760 586	7 620 250
30/09/10	9 950	9 760	592 217 973	6 750 359
31/12/10	11 063	10 547	1 490 687 535	14 350 313
31/03/11	10 580	9 050	1 093 894 722	11 289 142
30/06/11	9 290	9 160	611 664 530	6 864 955
30/09/11	9 689	9 200	119 201 039	1 287 979

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**UNAUDITED CONSOLIDATED PRO FORMA STATEMENT OF COMPREHENSIVE INCOME AND STATEMENT OF FINANCIAL POSITION OF SUN INTERNATIONAL**

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The unaudited consolidated *pro forma* statement of comprehensive income of Sun International for the six-months period ended 31 December 2010 and statement of financial position at 31 December 2010 is set out below. The unaudited *pro forma* financial information for the six months ended 31 December 2010 has been prepared to show the impact of the Proposed Transaction.

The unaudited consolidated *pro forma* statement of comprehensive income and statement of financial position have been prepared for illustrative purposes only and because of its nature may not fairly present the company's financial position and results of operations, nor the effect and impact of the Proposed Transaction going forward.

The directors of Sun International are responsible for the compilation, contents and presentation of the unaudited *pro forma* financial information contained in this circular and for the financial information from which it has been prepared. Their responsibility includes determining that: (i) the unaudited *pro forma* financial effects have been properly compiled on the basis stated; (ii) the basis is consistent with the accounting policies of Sun International and (iii) the *pro forma* adjustments are appropriate for the purposes of the unaudited *pro forma* financial effects disclosed in terms of the JSE Listings Requirements.

The unaudited consolidated *pro forma* statement of comprehensive income and statement of financial position are presented in a manner consistent in all material respects with IFRS and with the basis on which the historical financial information has been prepared in terms of accounting policies.

The unaudited consolidated *pro forma* statement of comprehensive income and statement of financial position as set out below should be read in conjunction with the independent reporting accountants' report set out in Annexure IV to this document.

## UNAUDITED CONSOLIDATED PRO FORMA STATEMENT OF COMPREHENSIVE INCOME OF SUN INTERNATIONAL

The unaudited consolidated *pro forma* statement of comprehensive income set out below presents the effects of the Proposed Transaction on the results of Sun International for the six months ended 31 December 2010 based on the assumption that the Proposed Transaction was effective 1 July 2010. All of the adjustments have a continuing effect, except where otherwise stated.

R million	Before Proposed Transaction <sup>(1)</sup>	Pro forma adjustments <sup>(2)</sup>	Unaudited Pro forma After Proposed Transaction
Revenue	4 412		4 412
Employee costs	(908)		(908)
Levies and Value-Added Tax on casino revenue	(788)		(788)
Depreciation and amortisation	(379)		(379)
Promotional and marketing costs	(369)		(369)
Consumables and services	(502)		(502)
Property and equipment rental	(50)		(50)
Property costs	(211)		(211)
Other operational costs	(376)	(5)	(381)
Impairment of goodwill	(75)		(75)
<b>Operating profit</b>	754	(5)	749
Foreign exchange loss	(79)		(79)
Interest income	22		22
Interest expense	(265)	(27)	(292)
<b>Profit before tax</b>	432	(32)	400
Tax	(233)	4	(229)
<b>Profit for period</b>	199	(28)	171
<b>Other comprehensive income:</b>			
Transfer to hedging reserve to statements of comprehensive income	12		12
Tax on transfer to hedging reserve to statements of comprehensive income	(3)		(3)
Currency translation reserve	(40)		(40)
<b>Total comprehensive income for the period</b>	168	(28)	140
<b>Profit for the period attributable to:</b>			
Minorities	51	15	66
Ordinary shareholders	148	(43)	105
	199	(28)	171
<b>Total comprehensive income attributable to:</b>			
Minorities	39	15	54
Ordinary shareholders	129	(43)	86
	168	(28)	140
<b>Earnings per share (cents)</b>			
Basic	156	(44)	112
Diluted	154	(44)	110
<b>Headline earnings per share (cents)</b>			
Basic	157	(44)	113
Diluted	154	(43)	111
<b>Adjusted headline earnings per share (cents)<sup>(3)</sup></b>			
Basic	218	(1)	217
Diluted	215	(1)	214

### Notes:

1. Based on the published, unaudited consolidated interim results of Sun International for the six months ended 31 December 2010 as released on SENS on 28 February 2011.

2. Adjustments for the Proposed Transaction reflect the following:
  - (i) interest expense of R27 million relating to the Transaction Consideration which is settled in cash of R762 million funded at an after-tax estimated blended rate of 6.8% per annum;
  - (ii) a net cost of R34 million (attributable to ordinary shareholders and after tax) resulting from the cancellation of the Management Agreements which amount is received by a group company and consequently reverses on consolidation. The net effect of this cost is once-off in nature and reduces the total comprehensive income attributable to ordinary shareholders;
  - (iii) adjustments to give effect to the change in shareholdings in RAH, SunWest and Worcester which impacts the total comprehensive income attributable to ordinary shareholders; and
  - (iv) total estimated transaction costs of R5 million, which are once-off in nature.
3. Adjustments to adjusted HEPS exclude the following adjustments included in EPS and HEPS:
  - (i) a net cost of R34 million (attributable to ordinary shareholders and after tax), which is once-off in nature; and
  - (ii) total estimated transaction costs of R5 million.

## UNAUDITED CONSOLIDATED PRO FORMA STATEMENT OF FINANCIAL POSITION OF SUN INTERNATIONAL

The unaudited consolidated *pro forma* statement of financial position set out below presents the effects of the Proposed Transaction on the financial position of Sun International as at 31 December 2010 based on the assumption that the Proposed Transaction was effective 31 December 2010.

R million	Before Proposed Transaction <sup>(1)</sup>	<i>Pro forma</i> adjustments <sup>(2)</sup>	Unaudited <i>Pro forma</i> After Proposed Transaction
<b>ASSETS</b>			
<b>Non current assets</b>			
Property, plant and equipment	8 902		8 902
Intangible assets	369		369
Available for sale investment	48		48
Loans and receivables	35		35
Pension fund asset	30		30
Deferred tax	1 12		1 12
<b>Current assets</b>			
Loans and receivables	25		25
Accounts receivable and other	568		568
Cash and cash equivalents	765	(5)	760
<b>Total assets</b>	<b>10 854</b>		<b>10 849</b>
<b>EQUITY AND LIABILITIES</b>			
Ordinary shareholders' equity	1 356	(724)	632
Minorities interests	1 330	(43)	1 287
<b>Non-current liabilities</b>			
Deferred tax	491		491
Borrowings	3 525	762	4 287
Other non-current liabilities	292		292
<b>Current liabilities</b>			
Accounts payable and other	1 151		1 151
Borrowings	2 709		2 709
<b>Total liabilities</b>	<b>8 168</b>		<b>8 930</b>
<b>Total equity and liabilities</b>	<b>10 854</b>		<b>10 849</b>

### Notes:

1. Based on the published, unaudited consolidated interim results of Sun International for the six months ended 31 December 2010 as released on SENS on 28 February 2011.
2. Adjustments for the Proposed Transaction reflect the following:
  - (a) the net cost of R34 million (attributable to ordinary shareholders and after tax), relating to the cancellation of the Manco contracts;
  - (b) the Proposed Transaction Consideration is settled in cash of R762 million assumed to be included in debt;
  - (c) as the Proposed Transaction is a transaction with minorities, the excess of the Proposed Transaction consideration over the carrying value of the net assets acquired is recognised directly in equity and amounted to R685 million; and
  - (d) total estimated transaction costs of R5 million.



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**INDEPENDENT FAIRNESS OPINION**


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Business Banking • Capital • Wealth Management • Treasury • Logistics and Risk Management

**sasfin**  
BANK  
UNLIMITED FINANCIAL HORIZONS

20 July 2011

The Board of Directors  
Sun International Limited  
27 Fredman Drive  
Sandown  
Sandton  
2146

Dear Sirs

**INDEPENDENT FAIRNESS OPINION TO THE BOARD OF DIRECTORS OF SUN INTERNATIONAL LIMITED RELATING TO THE PROPOSED ACQUISITION BY SUN INTERNATIONAL (SOUTH AFRICA) LIMITED OF CERTAIN OF GRAND PARADE INVESTMENTS LIMITED'S SHARES IN SUNWEST INTERNATIONAL (PROPRIETARY) LIMITED, WORCESTER CASINO (PROPRIETARY) LIMITED AND REAL AFRICA HOLDINGS LIMITED AND THE PROPOSED RESTRUCTURE OF MANAGEMENT AGREEMENTS**

**1. INTRODUCTION**

In an announcement published on the Securities Exchange News Service ("SENS") by Sun International Limited ("Sun International") dated 16 May 2011, shareholders were advised that Sun International and Grand Parade Investments Limited ("GPI") had signed binding heads of agreement ("the agreement") detailing the terms of a restructure of Sun International and GPI's common interests in certain of Sun International subsidiaries ("the proposed restructure").

In terms of the agreement, Sun International (South Africa) Limited ("SISA") will acquire certain of GPI's shares in SunWest International (Proprietary) Limited ("SunWest") and Worcester Casino (Proprietary) Limited ("Worcester"), reducing GPI's economic interest in each of these entities to 25.1% resulting in GPI maintaining significant influence over these operations. In addition, the proposed restructure will result in SISA acquiring all of GPI's shares in Real Africa Holdings Limited ("RAH") and the restructure of existing management arrangements within SunWest and Worcester.

**2. OVERVIEW OF THE PROPOSED RESTRUCTURE**

A description of the proposed restructure is set out as follows:

- the acquisition by SISA of 3 328 SunWest ordinary shares from Business Venture Investments NO 575 (Proprietary) Limited ("BVI"), a wholly owned subsidiary of GPI, 391 370 SunWest N shares from BVI and 331 288 SunWest N shares from GPI, representing 0.12% of the voting rights of the entire issued share capital of SunWest and 4.94% of the economic value attributable to the entire issued share capital of SunWest (collectively, "the SunWest acquisition");

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Directors: CN Axten (Chairman)\* RDEB Sassoon (Chief Executive Officer)\* TD Soondarjee (Financial Director)\* ETB Blight\* GC Dunnington\* DD Mokgalle\* J Moses\* MS Rylands\* M Segal\* ML Smith\*  
Company Secretary: H Boshoff  
(\* British + Executive \* Non-executive)

An authorised Financial Services Provider 23833, Registered Credit Provider NCRCP22 and a member of the Sasfin Group

- the acquisition by SISA of 4 322 352 Worcester ordinary shares from GPI, representing 20.3% of the entire issued share capital of Worcester (“the Worcester acquisition”);
- the acquisition by SISA of 110 535 507 RAH ordinary shares from Utish Investments (Proprietary) Limited (“Utish”), a wholly owned subsidiary of GPI, and 106 183 RAH ordinary shares from GPI, collectively representing 30.57% of RAH (collectively, “the RAH acquisition”) as part of an offer to all shareholders in RAH (other than shares held by SISA and treasury shares) in terms of section 124 of the Companies Act No. 71 of 2008 (“the RAH conditional offer”). SISA’s obligation to make the RAH conditional offer will be subject to the fulfilment of the pre-condition that, by not later than 15 December 2011 (or such other date as may be agreed to between Sun International and GPI) the agreements relating to the proposed restructure are signed and become unconditional in accordance with their terms save for any condition requiring that the RAH conditional offer must have become unconditional; and
- the restructure of management agreements comprising:
  - the cancellation of the management contract currently in place between SunWest and Western Cape Casino Resort Manco (Proprietary) Limited (“WC Manco”) for a cancellation fee of R151 million payable by SunWest to WC Manco;
  - the cancellation of the management contract currently in place between Worcester and Winelands Casino Manco (Proprietary) Limited (“Worcester Manco”) for a cancellation fee of R3 million payable by Worcester to Worcester Manco; and
  - the cancellation of the management agreements currently in place between Sun International Management Limited (“SIML”), a wholly owned subsidiary of Sun International, and each of SunWest and Worcester and the entering into of new management and royalty agreements between SIML and each of SunWest and Worcester (collectively, “restructure of management agreements”).

The SunWest acquisition, the Worcester acquisition, the RAH acquisition and restructure of management agreements (collectively, “the proposed transaction”) are subject to various conditions precedent as set out in the agreement and are indivisibly inter-related and inter-conditional.

Worcester is seeking to acquire 400 000 Worcester shares held by the Breede River Valley Community Trust (IT No. 1519/09) following the implementation of the proposed transaction (“the Community Trust Buyback”). If the Community Trust Buyback is implemented at any time after the implementation of the proposed transaction, SISA has undertaken, in addition to the Worcester acquisition, to purchase an additional 100 400 Worcester shares from GPI (“the subsequent Worcester acquisition”) resulting in a total purchase of 4,422,752 Worcester shares from GPI collectively representing 21.1% of the Worcester shares in issue post implementation of the Community Trust Buyback. The full details of the terms and conditions of the proposed transaction are set out in the circular to be dated on or about 20 July 2011, which will include the text of this letter.

The purchase consideration payable by SISA pertaining to the proposed transaction and the subsequent Worcester acquisition (collectively, “the transaction”) amounts to R718.4 million (“the purchase consideration”) and is to be settled in cash as follows:

- R251.8 million for the SunWest acquisition;
- R15.2 million for the Worcester acquisition and the subsequent Worcester acquisition; and
- R451.4 million for the RAH acquisition.

### 3. SCOPE

The transaction is classified as a related party transaction in terms of section 10.1 of the JSE Limited (“JSE”) Listings Requirements as GPI is a material shareholder in certain of Sun International’s subsidiaries. In terms of section 10.4 of the JSE Listings Requirements, the board of directors of Sun International (“the board”) is required to obtain a fairness opinion from an independent expert as to whether or not the terms and conditions of the transaction are fair to shareholders of Sun International.

Sasfin Capital, a division of Sasfin Bank Limited (“Sasfin”), has been appointed by the board as the independent expert as required by section 10.4 of the JSE Listings Requirements to provide the board with independent advice as to whether the terms and conditions of the transaction are fair to the shareholders of Sun International.

### 4. RESPONSIBILITY

Compliance with the JSE Listings Requirements is the responsibility of the board. Our responsibility is to report on the fairness of the terms and conditions of the transaction as they relate to shareholders of Sun International.

We confirm that our fairness opinion has been provided to the board for the sole purpose of assisting the board in forming and expressing an opinion to the shareholders of Sun International.

### 5. DEFINITION OF FAIRNESS

The assessment of fairness is primarily based on quantitative issues. The transaction would be considered fair to the shareholders of Sun International if the value received is considered to be equal to or greater than the purchase consideration.

### 6. SOURCES OF INFORMATION

In arriving at our opinion we have relied upon and considered the following sources of information:

- the agreement;
- the terms and conditions set out in the SENS announcements by each of Sun International and GPI dated 16 May 2011;
- audited historic financial information and detailed historic management accounts pertaining to SunWest, Worcester and RAH, including separate information for each of RAH’s underlying investment entities (“the RAH group”), for the three financial years ended 30 June 2010;
- annual report for Sun International for the financial year ended 30 June 2010;
- draft financial information pertaining to, *inter alia*, WC Manco and Worcester Manco for the 11 months ended 31 May 2011;
- draft financial information pertaining to SunWest, Worcester and the RAH group for the 12 months ended 30 June 2011;
- discussions with directors of SIML and members of Sun International’s senior management team;
- detailed forecast financial information pertaining to SunWest, Worcester and the RAH group for the financial years ending 30 June 2012, 2013, 2014 and 2015;
- a letter issued by Sun International to the Provincial Government of the Western Cape pertaining to the expiry of the exclusivity arrangement for SunWest’s GrandWest Casino and Entertainment World, dated 7 September 2010;
- independent broker and Bloomberg research on the South African gaming and hotel industry and its listed market participants;
- South African macro-economic forecasts published by South African financial institutions;

- publicly available information and market information sourced from Bloomberg to derive trading comparables for JSE listed market participants;
- publicly available information, Bloomberg and transaction circulars to derive transaction comparables for South African gaming and hotel merger and acquisition transactions; and
- publicly available information on the general economic and market environment.

## 7. ASSUMPTIONS

We have arrived at our opinion based on the following assumptions:

- the current economic, regulatory and market conditions will not change materially;
- reliance can be placed on the audited financial information, detailed historic management accounts and draft financial information pertaining to SunWest, Worcester and the RAH group;
- SunWest, Worcester and the RAH group are not involved in any material legal proceedings which may have a material effect on our opinion;
- SunWest, Worcester and the RAH group have no outstanding disputes with any regulatory body, including the South African Revenue Service and relevant gaming authorities;
- there are no undisclosed contingent assets or liabilities that could affect the values of SunWest, Worcester and the RAH group;
- the Community Trust Buyback and subsequent Worcester acquisition will be successfully concluded resulting in the total purchase consideration amounting to R718.4 million;
- the implementation of the Community Trust Buyback will not materially impact on the value of Worcester or have any material consequential effects on the value of the transaction;
- the structure of the offer will not give rise to any undisclosed tax liabilities; and
- representations made by management during the course of formulating our opinion are correct.

## 8. APPROPRIATENESS AND REASONABLENESS OF UNDERLYING INFORMATION AND ASSUMPTIONS

We have satisfied ourselves as to the appropriateness and reasonableness of the information and assumptions employed in arriving at our opinion by:

- reconstructing management's detailed forecast financial information pertaining to SunWest, Worcester and the RAH group for the financial years ending 30 June 2012, 2013, 2014 and 2015 with reference to key revenue and cost drivers relevant to the underlying companies and the gaming and hotel industry;
- reviewing trends and growth assumptions in these revenue and cost drivers in the context of our industry knowledge and research;
- determining the extent to which representations from management were confirmed by documentary evidence as well as our understanding of SunWest, Worcester and the RAH group and the economic environment in which they operate;
- conducting reviews of independent broker research on the South African gaming and hotel industry; and
- analysing macro-economic forecasts sourced from independent financial institutions and Bloomberg consensus forecasts.

## 9. PROCEDURES PERFORMED

For purposes of our opinion set forth herein, we have considered and performed, *inter alia*, the following procedures:

- reviewed the terms and conditions as set out in the agreement and obtained an understanding of the transaction structure;

- reviewed the terms and conditions as set out in the SENS announcements by each of Sun International and GPI dated 16 May 2011;
- reviewed and analysed audited historic financial information and detailed historic management accounts pertaining to SunWest, Worcester and the RAH group for the three financial years ended 30 June 2010;
- reviewed and analysed draft financial information for the 11 months ended 31 May 2011 for, *inter alia*, WC Manco and Worcester Manco;
- reviewed and analysed draft financial information for the 12 months ended 30 June 2011 for SunWest, Worcester and the RAH group;
- reviewed and analysed the detailed forecast financial information pertaining to SunWest, Worcester and the RAH group for the financial years ending 30 June 2012, 2013, 2014 and 2015;
- held discussions with directors of SIML and members of Sun International's senior management team regarding various components influencing our valuation and fairness opinion including, *inter alia*, general and specific valuation assumptions, assumptions pertaining to revenue and cost drivers supporting the forecast financial information and assumptions relating to the valuation of the economic impact of the restructure of management agreements on shareholders of Sun International;
- performed a valuation of the transaction comprising a valuation of each of SunWest, Worcester and the RAH group and a valuation of the economic impact of the restructure of management agreements on shareholders of Sun International as outlined in paragraph 10 below;
- compiled and reviewed trading earnings multiples of gaming and hotel companies listed on the JSE and performed a valuation of the transaction through the application of these multiples to the earnings of SunWest, Worcester and the RAH group ("market multiple approach");
- compiled and reviewed transaction earnings multiples of recent appropriate comparable merger and acquisition transactions in South Africa's gaming and hotel industry and performed a valuation of the transaction through the application of these multiples to the earnings of SunWest, Worcester and the RAH group ("transaction multiple approach");
- reviewed and analysed independent broker research on the South African gaming and hotel industry and its listed market participants;
- reviewed and analysed South African macro-economic forecasts published by South African financial institutions;
- considered the general economic, market and other relevant conditions impacting on the businesses of SunWest, Worcester and the RAH group; and
- performed such other analyses, reviewed such other information and considered such other factors as we have deemed appropriate.

## 10. VALUATION

Sasfin performed a valuation of each of SunWest, Worcester and the RAH group and valued the economic impact of the restructure of management agreements on shareholders of Sun International to determine whether the transaction is fair to shareholders of Sun International from a quantitative perspective.

The discounted cash flow ("DCF") approach was adopted as the primary valuation method. The DCF method was substantiated through additional valuation methodologies including the market multiple approach and the transaction multiple approach.

In applying the market multiple approach and transaction multiple approach, we considered and analysed the following earnings multiples:

- EV/EBITDA multiples calculated as the ratio that an entity's enterprise value (adjusted for treasury shares) bears to its earnings before interest, tax, depreciation and amortisation; and
- PE multiples calculated as the ratio that an entity's equity value (adjusted for treasury shares) bears to its normalised net earnings after tax attributable to equity holders of the parent.

In applying the DCF approach, various scenario analyses and sensitivities were performed to test the outcome in respect of key value drivers including, *inter alia*, number of tables/slots, casino table/slot win percentages, growth in drop per table/slot (*which is in turn affected by various macro-economic factors including, inter alia, inflation, interest rates, household disposable income and propensity to gamble*), hotel occupancy and room rates, cost inflation, profit margin trends, capital expenditure and changes to the capital structure.

## 11. OPINION

Based upon and subject to our analysis and procedures outlined in this letter, we are of the opinion that as at the date hereof, the terms and conditions of the transaction are fair to the shareholders of Sun International.

Our opinion does not constitute a recommendation to any Sun International shareholder as to how such shareholder should vote on the transaction. An individual shareholder's decision may be influenced by such shareholder's particular circumstances and a shareholder should consult his or her own independent advisor if in any doubt as to the merits or otherwise of the transaction.

## 12. LIMITING CONDITIONS

We relied upon the accuracy of the information used by us in deriving our opinion, albeit that where practicable, we have corroborated the reasonableness of such information and assumptions, through, amongst other things, reference to historic precedents and our knowledge and understanding of the gaming and hotel industry in South Africa. Whilst our work has involved an analysis of historic financial information, detailed forecast financial information and other information provided to us, our engagement does not constitute nor does it include an audit conducted in accordance with applicable auditing standards. Accordingly we assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided to us in respect of the transaction which may have been influenced by the outcome of our opinion. We have not reviewed the terms and conditions of the Community Trust Buyback and have not considered the merits, legality or otherwise of such a potential transaction.

Our opinion expressed is necessarily based upon information available to us, the financial, regulatory, securities market and other conditions and circumstances existing and disclosed to us as at the date hereof. We have furthermore assumed that all conditions precedent, including any material regulatory and other approvals required in connection with the transaction have been or will be properly fulfilled. Subsequent developments may affect our opinion, however we are under no obligation to update, revise or re-affirm such.

## 13. USE OF OUR OPINION

Our opinion is provided solely for the use of the board in connection with the transaction and for the purpose of evaluating the transaction. Our opinion shall not, in whole or in part, be disclosed, reproduced, disseminated, quoted, summarised or referred to at any time nor shall public references to Sasfin be made by Sun International or any of its affiliates without the prior written consent of Sasfin.

#### **14. INDEPENDENCE, COMPETENCE AND FEES**

We confirm that we have no direct or indirect interest in Sun International shares or the transaction. We also confirm that we have the necessary competence to provide the fairness opinion on the transaction.

Furthermore, we confirm that our professional fees of approximately R500 000 (excluding Value Added Tax) are not contingent upon the success of the transaction.

#### **15. CONSENT**

Sasfin hereby consents to the inclusion of this letter and references to our opinion in the circular to be issued to the shareholders of Sun International in connection with the transaction in the form and context in which it appears.

Yours faithfully



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**LEONARD EISER**  
**FOR AND ON BEHALF OF SASFIN CAPITAL**  
**(A DIVISION OF SASFIN BANK LIMITED)**

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## INDEPENDENT REPORTING ACCOUNTANTS' LIMITED ASSURANCE REPORT ON THE UNAUDITED *PRO FORMA* FINANCIAL INFORMATION

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"The Board of Directors  
Sun International Limited  
27 Fredman Drive  
Sandown  
Sandton, 2031

20 July 2011

Dear Sirs

### INDEPENDENT REPORTING ACCOUNTANTS' LIMITED ASSURANCE REPORT ON THE UNAUDITED *PRO FORMA* FINANCIAL INFORMATION OF SUN INTERNATIONAL LIMITED ("SUN INTERNATIONAL" OR "THE COMPANY")

#### INTRODUCTION

Sun International is issuing a circular to its shareholders ("the Circular") regarding the proposed restructure of Sun International and Grand Parade Investments' common interests ("the Proposed Transaction").

At your request and for the purposes of the Circular, to be dated on or about 27 July 2011, we present our report on the unaudited *pro forma* statement of financial position as at 31 December 2010, the unaudited *pro forma* statement of comprehensive income for the six months ended 31 December 2010 and financial effects ("the unaudited *pro forma* financial information") of Sun International presented in paragraph 6 and Annexure II to the Circular.

The unaudited *pro forma* financial information has been prepared in accordance with the JSE Limited ("JSE") Listings Requirements, for illustrative purposes only, to provide information about how the Proposed Transaction might have affected the reported historical financial information presented, had the Proposed Transaction been undertaken at the commencement of the period or date of the unaudited *pro forma* statement of financial position being reported on.

#### DIRECTORS' RESPONSIBILITY

The Directors of Sun International are responsible for the compilation, contents and presentation of the unaudited *pro forma* financial information contained in the Circular and for the financial information from which it has been prepared. Their responsibility includes determining that: the unaudited *pro forma* financial information contained in the Circular has been properly compiled on the basis stated; the basis is consistent with the accounting policies of Sun International; and the *pro forma* adjustments are appropriate for the purposes of the unaudited *pro forma* financial information disclosed in terms of the JSE Listings Requirements.

#### REPORTING ACCOUNTANTS' RESPONSIBILITY

Our responsibility is to express our limited assurance conclusion on the unaudited *pro forma* financial information included in the Circular. We conducted our assurance engagement in accordance with ISAE 3000 (Revised): International Standard on Assurance Engagements Applicable to Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and the Guide on *Pro Forma* Financial Information issued by The South African Institute of Chartered Accountants. This standard requires us to obtain sufficient appropriate evidence on which to base our conclusion.

We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited *pro forma* financial information, beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

#### SOURCES OF INFORMATION AND WORK PERFORMED

Our procedures consisted primarily of comparing the unadjusted financial information of Sun International with the source documents, considering the *pro forma* adjustments in light of the accounting policies of Sun International, considering the evidence supporting the unaudited *pro forma* adjustments and discussing the adjusted unaudited *pro forma* financial information with the directors of Sun International in respect of the Proposed Transaction that is the subject of the Circular.



In arriving at our conclusion, we have relied upon financial information prepared by the directors of Sun International and other information from various public, financial and industry sources.

While our work performed involved an analysis of the historical financial information and other information provided to us, our limited assurance engagement does not constitute either an audit or review of any of the underlying financial information in accordance with the *International Standards on Auditing* or the *International Standards on Review Engagements* and, accordingly, we do not express an audit or review opinion.

In a limited assurance engagement, the evidence-gathering procedures are more limited than for a reasonable assurance engagement and therefore less assurance is obtained than in a reasonable assurance engagement. We believe our evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

## **CONCLUSION**

Based on our examination of the evidence obtained, nothing has come to our attention that causes us to believe that:

- the unaudited *pro forma* financial information has not been properly compiled on the basis stated;
- such basis is inconsistent with the accounting policies of Sun International; and
- the adjustments are not appropriate for the purposes of the unaudited *pro forma* financial information as disclosed pursuant to Sections 8.17 and 8.30 of the JSE Listings Requirements.

Yours faithfully

### **PricewaterhouseCoopers Inc**

Director: L de Wet  
Accredited Auditor"

2 Eglin Road  
Sunninghill  
2157  
South Africa



# Sun International Sun International Limited

(Registration number: 1967/007528/06)  
Share code: SUI ISIN: ZAE000097580  
("Sun International" or "the company")

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## NOTICE OF GENERAL MEETING

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Notice is hereby given that a general meeting of shareholders of Sun International will be held in the boardroom, 4th Floor, 27 Fredman Drive, Sandown, Sandton, Gauteng, South Africa, on Friday, 26 August 2011 at 08:30 to, among other things, consider; and if deemed fit, to pass (with or without modification) the ordinary and special resolutions set out below. The record date for determining which shareholders are entitled to: (i) receive notice of the general meeting is 22 July 2011 and (ii) participate in and vote at the general meeting is 24 August 2011, in terms of section 62(3)(a), as read with section 59 of the Companies Act, 2008 (Act 71 of 2008) ("Companies Act").

### **ORDINARY RESOLUTION NUMBER 1 – approval of related party transaction**

"Resolved that, in accordance with the JSE Listings Requirements, and subject to and conditional upon the approval of ordinary resolution number 2, the Proposed Transaction on the terms summarised in the circular and more fully described in the relevant Transaction Agreements, which are available for inspection, be and is sanctioned, approved and authorised."

### **Percentage of voting rights required for the adoption of ordinary resolution number 1:**

In terms of the JSE Listings Requirements, GPI is regarded as a "related party" in relation to Sun International. Accordingly, in terms of the JSE Listings Requirements, the Proposed Transaction must be authorised by way of an ordinary resolution approved by a simple majority of shareholders (that is, more than 50% of the total voting rights exercisable on ordinary resolution number 1), other than the related party and its associates participating in such Proposed Transaction.

### **SPECIAL RESOLUTION NUMBER 1 – approval of Directors' remuneration for their services as Directors**

"To consider and if deemed fit, to pass with or without modification, the following special resolutions by way of separate resolutions:

- 1.1 "Resolved that payment of the portion of the non-executive Directors' fees approved at the company's Annual General Meeting held on 25 November 2010 (ordinary resolution number 3) in terms of the relevant provisions applicable at that time but which have not been paid, since 1 May 2011, being the commencement date of the Companies Act from which date such fees must be approved as a special resolution is hereby approved and authorised in terms of section 66 of the Companies Act."
- 1.2 "Resolved, as a special resolution, that the fees payable by the company to the non-executive Directors for their services as Directors (in terms of section 66 of the Companies Act) for the year ending 30 June 2012 be and are hereby approved for a period of two years from the passing of this resolution or until its renewal, whichever is the earliest, as follows:

		<b>Base fee</b>	<b>Attendance fee</b>	<b>Total fee</b>
1.2.1	Chairman	R642 000	R37 450	R829 250
1.2.2	Lead Independent Director	R246 100	R21 400	R353 100
1.2.3	Directors	R101 650	R21 400	R208 650
1.2.4	Audit Committee Chair	R85 600	R24 075	R181 900
1.2.5	Audit Committee Member	R42 800	R12 038	R90 950
1.2.6	Risk Committee Chair	R47 080	R25 680	R124 120
1.2.7	Risk Committee Member	R23 540	R12 840	R62 060
1.2.8	Remuneration Committee Chair	R38 520	R23 540	R109 140
1.2.9	Remuneration Committee Member	R19 260	R11 770	R54 570
1.2.10	Nomination Committee Chair	R32 100	R16 050	R80 250
1.2.11	Nomination Committee Member	R16 050	R8 025	R40 125
1.2.12	Social & Ethics Committee Chair	R32 100	R16 050	R80 250
1.2.13	Social & Ethics Committee Member	R16 050	R8 025	R40 125"

1.3 “Resolved, as a special resolution that an annual increase not exceeding 10% of the fees payable by the company to the non-executive Directors for their services as Directors be and is hereby approved for a period of two years from the passing of this resolution or until its renewal, whichever is the earliest.”

**Reason and effect:**

**The reason and effect for special resolution number 1.1:**

The approval of the non-executive Directors’ remuneration was proposed and approved as an ordinary resolution at the company’s last Annual General Meeting on 25 November 2010 (ordinary resolution number 3), in terms of the relevant provisions applicable at that time. However, since the approval by the shareholders of such non-executive Directors’ remuneration, the Companies Act has come into force and effect on 1 May 2011, and in terms of section 66 thereof, such remuneration must be approved as a special resolution in terms of section 66(9) of the Companies Act. Therefore, the company requests that a resolution be proposed and passed as a special resolution.

**The reason and effect for special resolution number 1.2:**

To obtain shareholder approval by way of a special resolution in accordance with section 66(9) of the Companies Act for the payment by the company of remuneration of each of the non-executive Directors of the company for each non-executive Director’s services as a non-executive Director for the ensuing financial year in the amounts set out under special resolution number 1.2. For purposes of comparative analysis the remuneration of each of the non-executive Directors of the company for the preceding financial year (1 July 2010 – 30 June 2011) are set out below:

<b>Fees for 2010/2011 financial year</b>	<b>Base fee</b>	<b>Attendance fee</b>	<b>Total fee</b>
Chairman	R600 000	R35 000	R775 000
Lead Independent Director	R230 000	R20 000	R330 000
Directors	R95 000	R20 000	R195 000
Audit Committee Chair	R80 000	R30 000	R170 000
Audit Committee Member	R40 000	R15 000	R85 000
Risk Committee Chair	R44 000	R24 000	R116 000
Risk Committee Member	R22 000	R12 000	R58 000
Remuneration Committee Chair	R36 000	R22 000	R102 000
Remuneration Committee Member	R18 000	R11 000	R51 000
Nomination Committee Chair	R30 000	R15 000	R75 000
Nomination Committee Member	R15 000	R7 500	R37 500
Social & Ethics Committee Chair*	n/a	n/a	n/a
Social & Ethics Committee Members*	n/a	n/a	n/a

\* The Social & Ethics Committee was constituted during the 2010/2011 financial year and the fees are based on the estimated services and time required for those members of the Social & Ethics Committee.

The total fees are based on the following number of meetings for the 2011/2012 financial year:

- five Board meetings;
- four Audit Committee meetings;
- three Risk Committee meetings;
- three Remuneration Committee meetings;
- three Nomination Committee meetings; and
- three Social & Ethics Committee meetings.

**The reason and effect for special resolution number 1.3:**

As the fees payable to non-executive Directors are, from time to time, benchmarked to other companies with a similar market capitalisation taking into account the estimated time and the other requirements of directors, an annual increase not exceeding 10% is proposed for approval in the subsequent year.

**Percentage of voting rights required for the adoption of special resolution number 1:**

In order for special resolutions numbers 1.1, 1.2 and 1.3 to be adopted, the support of 75% of the total number of votes exercisable by shareholders, present in person or by proxy, is required to pass this resolution.

## **SPECIAL RESOLUTION NUMBER 2 – financial assistance to related or inter-related company**

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

“Resolved that, to the extent required by the Companies Act, the Board of directors of the company may, subject to compliance with the requirements of the company’s memorandum and articles of association, the Companies Act and the JSE Listings Requirements, each as presently constituted and as amended from time to time, authorise the company to provide direct or indirect financial assistance in terms of section 45 of the Companies Act by way of loans, guarantees, the provision of security or otherwise, to any of its present or future subsidiaries and/or any other company or corporation that is or becomes related or inter-related (as defined in the Companies Act) to the company for any purpose or in connection with any matter, such authority to endure until the annual general meeting of the company to be held in 2012.”

### **Reason and effect:**

#### **The reason and effect for special resolution number 2:**

The company, when the need previously arose, had to provide loans to and guarantee loans or other obligations of subsidiaries and was not precluded from doing so in terms of its articles of association or in terms of the Companies Act, 61 of 1973, as amended. The company would like the ability to continue to provide financial assistance, if necessary, also in other circumstances, in accordance with section 45 of the Companies Act. This authority is necessary for the company to continue to provide financial assistance in appropriate circumstances. Under the Companies Act, the company will, however, require the special resolution referred to above to be adopted, provided that the Board of directors of the company be satisfied that the terms under which the financial assistance is proposed to be given are fair and reasonable to the company and, immediately after providing the financial assistance, the company would satisfy the solvency and liquidity test contemplated in the Companies Act. In the circumstances and in order to, *inter alia*, ensure that the company’s subsidiaries and other related and inter-related companies and corporations have access to financing and/or financial backing from the company (as opposed to banks), it is necessary to obtain the approval of shareholders, as set out in special resolution number 2. Therefore, the reason for, and effect of, special resolution number 2, is to permit the company to provide direct or indirect financial assistance (within the meaning attributed to that term in section 45 of the Companies Act), to the entities referred to in special resolution number 2 above.

#### **Percentage of voting rights required for the adoption of special resolution number 2:**

In order for special resolution number 2 to be adopted, the support of 75% of the total number of votes exercisable by shareholders, present in person or by proxy, is required to pass this resolution.

## **ORDINARY RESOLUTION NUMBER 2 – authority for Directors or company secretary to implement resolutions**

“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 ordinary resolution number 1 and special resolutions numbers 1 and 2.”

#### **Percentage of voting rights required for the adoption of ordinary resolution number 2:**

A simple majority (that is, more than 50%) of the voting rights exercisable on ordinary resolution number 2 is required to be cast in favour of the adoption of ordinary resolution number 2.

#### **Statement in terms of section 62(3)(e) of the Companies Act:**

Sun International shareholders holding certificated shares and Sun International shareholders holding Sun International shares in dematerialised form in “own name”:

- may attend and vote at the general meeting; alternatively
- may appoint an individual as a proxy (*blue*) (who need not also be a shareholder of Sun International) to attend, participate in and speak and vote in your place at the general meeting by completing the attached form of proxy (*blue*) and returning it to the registered office of Sun International or to the transfer secretaries, by no later than 08:30 on 25 August 2011. Alternatively, the form of proxy may be handed to the chairman of the general meeting at the general meeting at any time prior to the commencement of the 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 general meeting, before your proxy may exercise any of your rights as a Sun International shareholder at the general meeting.

Please note that any shareholder of Sun International that it is a company may authorise any person to act as its representative at the general meeting. Please also note that section 63(1) of the Companies Act requires that persons wishing to participate in the 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, but 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:

- if you wish to attend the general meeting you must contact your CSDP or broker, and obtain the relevant letter of representation from it; alternatively
- if you are unable to attend the general meeting but wish to be represented at the general meeting, you must contact your CSDP or broker, and furnish it with your voting instructions in respect of the 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 the 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 general meeting or by completing the attached form of proxy (*blue*) in accordance with the instructions thereon and returning it to the registered office of the Sun International or to the transfer secretaries, by no later than 08:30 on 25 August 2011. Alternatively, the form of proxy may be handed to the chairman of the general meeting at the general meeting at any time prior to the commencement of the general meeting.

#### **Voting at the general 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.

#### **RELATED PARTIES**

In terms of the of the JSE Listings Requirements, the votes of related parties and their respective associates will be taken into account in determining whether a quorum of shareholders is present at the general meeting, but such votes will not be taken into account in determining the result of the voting procedure at the general meeting in relation to ordinary resolution number 1.

#### **Electronic participation in the general meeting:**

Sun International intends to make provision for Sun International shareholders, or their proxies, to participate in the general meeting by way of electronic communication. In this regard, Sun International intends making a dial-in facility available that will be linked to the venue at which the general meeting will take place, on the date of, and from the time of commencement of, the general meeting. The dial-in facility will enable all persons to participate electronically in the general meeting in this manner and to communicate concurrently with each other without an intermediary, and to participate reasonably effectively in the general meeting.

Shareholders wishing to participate electronically in the general meeting are required to deliver written notice to Sun International at 4th Floor, 27 Fredman Drive, Sandown, Sandton, Gauteng, South Africa (marked for the attention of CA Reddiar, Company Secretary) by no later than 25 August 2011 that they wish to participate via electronic communication at the general meeting (the "Electronic Notice").

In order for the Electronic Notice to be valid it must contain: (a) if the shareholder is an individual, a certified copy of his/her 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 the identity documents and/or passports of the persons who passed the relevant resolution. The authority resolution must set out who from the relevant entity is authorised to represent the entity at the general meeting via electronic communication; (c) a valid e-mail address and/or facsimile number (the "Contact Address/Number") and (d) if the shareholder wishes to vote via electronic communication, set out that the shareholder wishes to vote via electronic communication.

By no later than 24 (twenty-four) hours before the general meeting Sun International shall use its reasonable endeavours to notify a shareholder at its Contract Address/Number who has delivered a valid Electronic Notice of the relevant details through which the shareholder can participate via electronic communication.

Should you wish to participate in the general meeting by way of electronic communication as aforesaid, you, or your proxy, will be required to dial-in on the date of the general meeting. The dial-in facility will be linked to the venue at which the general meeting will take place on the date of, and from the time of commencement of, the general meeting. The dial-in facility will enable all persons to participate electronically in the general meeting in this manner and to communicate concurrently with each other without an intermediary, and to participate reasonably effectively in the general meeting.

By order of the Board

**C A Reddiar**

*Company secretary*

27 July 2011

**Registered office**

27 Fredman Drive  
Sandown  
Sandton, 2031  
(PO Box 782121, Sandton, 2146)

**Transfer Secretaries**

**Postal address:**

Computershare Investor Services (Proprietary) Limited  
PO Box 61051, Marshalltown 2107  
Gauteng, South Africa

**Delivery address:**

Computershare Investor Services (Proprietary) Limited  
Ground Floor; 70 Marshall Street  
Johannesburg, 2001  
Gauteng, South Africa



**Sun International**  
**Sun International Limited**

(Registration number: 1967/007528/06)  
Share code: SUI ISIN: ZAE000097580  
("Sun International" or "the company")

**FORM OF PROXY – GENERAL MEETING**

**For use by certificated shareholders or own name dematerialised shareholders at the general meeting of shareholders of Sun International will be held in the boardroom, 4th Floor, 27 Fredman Drive, Sandown, Sandton, Gauteng, South Africa, on Friday, 26 August 2011 at 08:30.**

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 CSDP's 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 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 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 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.

Please note that any shareholder of the company that it is a company may authorise any person to act as its representative at the general meeting. Please also note that section 63(1) of the Companies Act, requires that persons wishing to participate in the general meeting (including the aforementioned representative) 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 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 ordinary shares held by that shareholder.

I/We (FULL NAMES IN BLOCK LETTERS)

of (address)

Telephone: (Work) (area code)

Telephone: (Home) (area code)

Fax: (state area code)

Cell number:

being the holder(s) of

Sun International ordinary shares, hereby appoint (refer note 1):

1. \_\_\_\_\_ or failing him/her;

2. \_\_\_\_\_ or failing him/her;

3. the chairman of the general meeting,

as my/our proxy to attend, participate in and speak and vote at the general meeting in my/our place and on my/our behalf at the Sun International general meeting which will be held for the purpose of considering and, if deemed fit, passing, with or without amendment, 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 behalf at the Sun International general meeting, provided that my/our proxy: may only delegate his/her authority to act on my behalf at the 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 behalf at the Sun International general meeting by no later than 08:30, before the general meeting to be held in the boardroom, 4th Floor, 27 Fredman Drive, Sandown, Sandton, Gauteng, South Africa; and
- must provide to his/her delegee a copy of his/her authority to delegate his/her authority act on my behalf at the general meeting.

	Number of ordinary shares		
	For	Against	Abstain
<b>Ordinary resolution number 1</b> – approval of related party transaction			
<b>Special resolution number 1.1</b> – approval of the payment of the non-executive Directors' fees' approved at the company's Annual General Meeting held on 25 November 2010			
<b>Special resolution number 1.2</b> – approval of the fees payable by the company to the non-executive Directors for their services as Directors			
<b>Special resolution number 1.3</b> – approval of the annual increase of the fees payable to non-executive Directors for their services as Directors			
<b>Special resolution number 2</b> – financial assistance to related or inter-related company			
<b>Ordinary resolution number 2</b> – Directors' or Company Secretary's authority to take all such actions necessary to implement the above resolutions			

Insert an "X" in the relevant spaces above according to how you wish your votes to be cast. If you wish to cast your votes in respect of a lesser number of shares than you own in the company, instead of an "X" insert the number of shares held in respect of which you desire to vote (see note 3).

Signed at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_ 2011

Signature (Authority of signatory to be attached if applicable – see note 7)

Assisted by me (where applicable – see note 9)

**Please read the notes below.**

**A shareholder entitled to attend and vote at the general meeting may appoint one or more persons as his/her proxy to attend, speak or vote in his/her stead at the general meeting. A proxy need not be a shareholder of the company.**

**On a show of hands, every Sun International shareholder shall have one vote (irrespective of the number of Sun International shares held). 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 general meeting". The proxy or proxies need not be shareholder(s) of the company. The person whose name stands first on this form of proxy and who is present at the general meeting will be entitled to act as a proxy to the exclusion of those whose names follow.
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 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 form of proxy must be lodged at the registered office of the company, 27 Fredman Drive, Sandown, Sandton, Gauteng, South Africa or posted to the Company Secretary at 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 08:30 on 25 August 2011. Alternatively, the form of proxy must be handed to the chairman of the general meeting at the general meeting at any time prior to the commencement of the general meeting.
6. Forms of proxy must be received or lodged by the company or the transfer secretaries no later than 08:30 on 25 August 2011 or handed to the chairman of the general meeting, before the commencement of the general meeting to be held at 08:30 on Friday, 26 August 2011.
7. 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 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.
8. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the 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.
9. 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.
10. 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.
11. 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 articles of association 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.





