

SUSTAINABILITY REPORT 2009



Sun International

A Million Thrills. One Destination.



introduction

In accordance with international best practice, this Sustainability Report is published separately from Sun International's annual report, in order to provide shareholders and other interested stakeholders with a more focused and comprehensive overview of our activities in the fields of transformation and of our efforts to ensure that we create economic, social and environmental value wherever we conduct our business. This document thus complements the group's 2009 financial and operating results, offering an integrated and holistic view of our commitment to good corporate citizenship and the responsible management of our obligations to all sectors of society.

B-BBEE: Broad-Based Black Economic Empowerment **BEE:** Black Economic Empowerment **CASA:** Casino Association of South Africa **CSI:** Corporate Social Investment **ED:** Enterprise Development **EMS:** Environmental Management System **ER:** Employee Relations **GPI:** Grand Parade Investments Limited **JSE:** Johannesburg Stock Exchange Limited **MVG:** Most Valued Guest **NGO:** Non Governmental Organisation **NRGP:** National Responsible Gambling Programme **OH&S:** Occupational Health and Safety **PAYE:** Pay As You Earn **PDI:** Previously Disadvantaged Individuals **SACCAWU:** South African Catering, Commercial and Allied Workers Union **SANAS:** South African National Accreditation System **SETA:** Services Sector Education and Training Authority **SIBEMT:** Sun International Black Executive Management Trust **SIEST:** Sun International Employee Share Trust **STC:** Secondary Tax on Companies **THETA:** The Tourism, Hospitality, Sport Education and Training Authority **VAT:** Value Added Tax

ABBREVIATIONS

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OVERVIEW

Publishing this sustainable development report is integral to communicating how the group is facilitating transformation within the company as well as its social and environmental performance in the societies and economies in which the group operates.

This report covers the group's operations globally where it has equity and management interests and includes foreign sales offices which it manages.

The majority of the group's operations and employees are based in South Africa and southern Africa. During the 2009 financial year, the group opened Monticello (its casino near Santiago in Chile).

As a group, we believe that long term value for all our stakeholders will be created by adopting a holistic approach to sustainability in which economic, social and environmental performance is measured within a framework of the highest standards of corporate governance and ethics.

Through various social programmes, initiatives and commitments both at national and business unit level, Sun International's contribution to CSI, in line with its policy and guidelines, amounted to 2% of after tax profit in this financial year. This is above the average for South African companies of a comparable size. This contribution to CSI excludes enterprise development initiatives and in the year ahead, efforts will be concentrated on both ED and CSI.

The underlying philosophies which dictate our approach to sustainability are reflected in the activities which we cover.



Sun International

A Million Thrills. One Destination.

vision and strategy



The key driver of our sustainability is our mission, which is:

'To be recognised internationally as a successful leisure group offering superior gaming, hotel and entertainment experiences, that exceed our customers' expectations.

To create an environment in which all employees are well trained, motivated and take pride in working for the group.

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

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



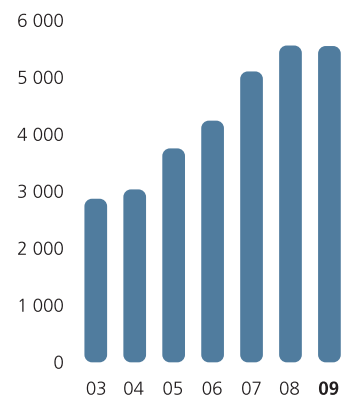
VALUE ADDED STATEMENTS

	2009 Rm	2008 Rm	Change %
CASH GENERATED			
Cash derived from revenue	8 108	7 535	
Income from investments	93	79	
Cash value generated	8 201	7 614	8
Paid to suppliers for materials and services	(2 627)	(2 044)	
Pre-opening expenses	(21)	(8)	
Total cash value added	5 553	5 562	-
CASH DISTRIBUTED TO STAKEHOLDERS			
Employees	(1 266)	(1 173)	8
Government taxes	(2 192)	(2 221)	(1)
Shareholders	(559)	(767)	(27)
Lenders	(692)	(580)	19
	(4 709)	(4 741)	(1)
Cash retained in the business to fund replacement of assets, facilitate future growth and repay borrowings	844	821	3
RECONCILIATION WITH CASH GENERATION			
Total cash value added (above)	5 553	5 562	
Pre-opening expenses	21	8	
Employee remuneration	(1 266)	(1 173)	
Employee tax	(217)	(194)	
Income from investments	(93)	(79)	
Levies and VAT on casino revenue	(1 353)	(1 244)	
Cash generated by operations (per group cash flow statements)	2 645	2 880	(8)
GOVERNMENT TAXES SUMMARY			
Income tax	(511)	(593)	
PAYE	(217)	(194)	
Levies and VAT on casino revenue	(1 353)	(1 244)	
STC	(100)	(118)	
Other taxes	(11)	(72)	
	(2 192)	(2 221)	(1)



● Employees27% (25%)
 ● State taxes46% (47%)
 ● Shareholders12% (16%)
 ● Lenders.....15% (12%)

TOTAL CASH VALUE ADDED (Rm)





Transformation

Since its establishment in 2003, the Trust has enabled employees to share in the benefits of the good performance of the group, empowering our people and encouraging a spirit of ownership.

Last year's sustainable development report consolidated the company's input on transformation under a special section to enable shareholders and other interested parties to gain a more holistic view of the company's commitment and performance. Feedback from shareholders was that this layout enabled an easier grasp of the company's commitment to and achievements in B-BBEE and therefore, this year's report follows the same format.

B-BBEE is a defined and managed focus area within the company and strategies are in place to give impetus to specific areas that have been identified. We constantly monitor our progress and benchmark ourselves against best practice both within the hospitality industry and more broadly within industry in South Africa generally.

HIGHLIGHTS

✳ **Sun International was ranked the 20th most empowered company of the Top 200 JSE listed companies in the Financial Survey rating by EmpowerDex.**

Score achieved by Sun International in each of the elements of the BEE scorecard:

Category	BEE score target	SI score
Ownership	20	21.7
Management	10	2.4
Employment Equity	15	5.9
Skills Development	15	7.9
Preferential Procurement	20	11.3
Enterprise Development	15	15.0
Socio-economic Development	5	5.0
Overall	100	69.2

Source: EmpowerDex, Financial Mail

✳ **Eligible employees continue to benefit from the Employee Share Trust through bi-annual distributions in October and April.** Total distribution for the financial year amounted to some R30 898 099, or R3 983 per employee.

✳ **Establishment and registration of the Sun International Community Development Trust:** The group's corporate social investment strategy remains focused on expenditure in the areas of education, health, welfare and cultural activities. Initiatives are motivated at operational level and channelled through this trust.

✳ **Total CSI investment reaches R26 million:** In tackling the many social development challenges presented by each of the focus areas, the group invested R26 million in the 2009 financial year.

✳ **Impact assessment of flagship projects shows high impact:** An externally conducted impact assessment on some of the company's flagship projects clearly illustrated the socio-economic impact they have had on intended beneficiaries.

The members of CASA decided in June 2006 to proceed with an industry survey which would eventually lead to standardised and verified certification in line with the prevailing Codes of Good Practice to effectively measure each casino in line with B-BBEE.

The first stage of the process is now complete, which involved the identification of a benchmark of where each casino currently stands with



regard to B-BBEE. EmpowerDex, which was appointed to conduct this survey on a company specific basis for each CASA member company, is still in the process of this evaluation. The final report would incorporate five phases of Assessment, Information Solicitation, Analysis, Review and Reporting.

In February 2007, the latest Codes of Good Practice for B-BBEE was enacted by Parliament. In June 2007, the Department of Trade and Industry then issued the Interpretive Guidelines for the Codes to enable industry to apply the Codes consistently and within the spirit of its intent.

Given the amendments in the Codes, and the degree to which some aspects have changed, it was a challenge to complete the exercise to at least get an indication of the B-BBEE status within the individual casinos, although this is the first step in an ongoing process. This first feedback is a benchmark of where the industry stands and it is the agreed intention of CASA for each casino to achieve a level 4 status by 2010.

OWNERSHIP

BEE SHAREHOLDING

The group's overall BEE shareholding has been estimated at 41%. The BEE ownership of the Sun International group is calculated by adding the BEE ownership of the underlying South African subsidiaries of the group and the BEE ownership directly in Sun International Limited, which is then divided by the aggregate value of all of the group's South African operations. The direct BEE ownership in Sun International includes the exclusion of the 40% mandated investments allowable in terms of the BEE Codes.

The table below sets out the direct BEE shareholding in the group and its subsidiaries:

Company	Empowerment partner		% holding
Sun International Limited*	• SIEST	Sun International Employee Share Trust	9.5
	• SIBEMT	Trust formed for the benefit of Sun International senior black managers	0.7
	• Dinokana (excluding SIEST)	Broad-based North West province BEE grouping led by Lereko	6.2
Subsidiaries			
SunWest	• GPI	Broad-based Western Cape empowerment grouping	29.2
	• GPI (through RAH)		4.3
	• SIEST		3.3
	• Other PDI minorities		0.2
Afrisun Gauteng	• Afrisun East Rand Community Trust	Trust formed for the benefit of the local community	3.4
	• SIEST		3.5
	• GPI (through RAH)		6.6
Afrisun KZN	• Dolcoast	Broad-based KwaZulu-Natal BEE grouping	22.4
	• Afrisun KZN Community Development Trust	Trust formed for the benefit of the local community	5.6
	• SIEST		3.5
	• GPI (through RAH)		4.2
	• Other PDI minorities		0.6
Emfuleni	• Zonwabise	Broad-based Eastern Cape empowerment grouping	20.3
	• SIEST		3.5
	• GPI (through RAH)		2.5
Meropa	• Domba	Polokwane based BEE grouping	28.9
	• SIEST		3.5
Teemane	• Meriting	Northern Cape based BEE grouping	21.4
	• SIEST		3.5
Mangaung	• Etapele	Free State based BEE grouping	15.4
	• Thabo Community Development Trust	Trust formed for the benefit of the communities in the Thaba'Nchu and Botshabelo areas effected after transfer of the Thaba'Nchu casino licence to Bloemfontein	11.1
	• SIEST		3.5
Transkei	• Mbizana Community Development Trust	Trust formed for the benefit of the Mbizana community	30.0
Worcester	• GPI		36.7
	• GPI (through RAH)		2.3
	• Breede River Valley Community Trust	Trust established for the benefit of the Breede River Valley community	3.9
	• SIEST		3.5

* The empowerment shareholding in Sun International has been calculated excluding mandated investments in terms of the BEE Codes.

SUN INTERNATIONAL EMPLOYEE SHARE TRUST (SIEST)

The SIEST provides an excellent opportunity for all employees to benefit when Sun International, through the combined efforts of its employees, performs well. The Trust owned an effective 6.2% of the company's shares at 30 June 2009. The Trust owns up to 3.5% in a number of the group's operating subsidiaries.

At 30 June 2009, the estimated net value (after borrowings) of the combined equity holdings of the Trust was R0.6 billion, or over R72 000 per employee.

R	Total distribution	Dividend per participant
October 2008	20 652 499	2 650
April 2009	10 245 600	1 333
Total for the financial year	30 898 099	3 983

Since its establishment in 2003, the Trust has enabled employees to share in the benefits of the good performance of the group, empowering our people and encouraging a spirit of ownership. All permanent full time and permanent scheduled employees with at least six months' group service are eligible. No directors, executives or senior managers who already participate in group share incentive schemes can become beneficiaries of the Trust.

The Trust now has more than 8 000 employees as beneficiaries who benefit by way of income distributions. These distributions are made in equal shares, irrespective of seniority or length of service, to eligible employees at the date of distribution. Bi-annual dividend distributions are paid net of loan repayments and other liabilities.

During the financial year, the two dividend distributions made by the Trust to employees amounted to R30.9 million (2008: R37.8 million). The first, in October 2008, amounted to R20.7 million (2008: R19.3 million) and the second, in April 2009, amounted to R10.2 million (2008: R18.5

million). This represented an annual distribution per eligible employee of R3 983 (2008: R5 115).

The Trust is administered by a board of trustees (currently 18), of whom 13 have been elected by employees from among their number, and three nominated by Sun International, including professional advisers from the group's investment bankers and legal advisers.

SUN INTERNATIONAL BLACK EXECUTIVE MANAGEMENT TRUST
Overview

The SIBEMT was established to attract and retain black management within the group. The SIBEMT has an effective 0.7% interest in Sun International Limited held through Dinokana.

The Trust was established by Sun International to enable black executive management of the group to participate indirectly, through Dinokana in the ownership of shares in Sun International as part of its commitment to the economic empowerment of black people and to retain and attract black executive

management, thereby creating sustainable black leadership and contributing towards the social upliftment of South Africa.

The Trust owns a 6% interest in Dinokana, which at 30 June 2009 in turn owned 8 385 426 ordinary shares in Sun International. This represents an economic interest of 0.5% in Sun International.

Dinokana holds no other interests other than its interest in Sun International. The Trust's shares in Dinokana are held in trust by trustees in terms of the provisions of a trust deed regulating the conduct of the Trust. The operative date of the Trust was 18 December 2006 being the date on which the Master of the High Court issued letters of authority to the trustees in terms of the trust deed.

PARTICIPATION

Notwithstanding the transfer of Dinokana shares to a beneficiary, the Trust shall not be entitled to encumber, dispose of or transfer any of the Dinokana shares prior to the expiry of the lock-in period (ie 3 December 2014). In other words, although the allocated Dinokana shares are transferred to a beneficiary after the vesting date, the beneficiary is still restricted from dealing in or encumbering the Dinokana shares until after the expiry of the lock-in period.

The Trust may from time to time receive dividends and/or other distributions from Dinokana. Beneficiaries are entitled to participate in dividends declared by Dinokana.

A beneficiary is entitled to receive payment of any dividends and/or other distributions received by the Trust in respect of its Dinokana shares with reference to the number of Trust shares allocated to the beneficiary, after deduction of costs incurred by



- Asian.....5.0%
- Coloured.....11.4%
- African.....70.8%
- White.....12.8%



The Trust now has more than 8 000 employees as beneficiaries who benefit by way of income distributions.



TRANSFORMATION CONTINUED

the Trust. Dividends received by the Trust in respect of the Dinokana shares are to be distributed to the beneficiaries only in respect of Dinokana shares that have been allocated to the beneficiaries and over which they have acquired a vested right. The balance of dividends relating to Dinokana shares not yet allocated is retained by the Trust.

If, after the expiry of the lock-in period, Dinokana has not unbundled its shareholding in Sun International, participants may dispose of the Dinokana shares to a willing buyer subject to any pre-emptive rights attaching to those shares. Sun International will, in its discretion, assist beneficiaries to realise their investments in Dinokana in terms of the rules of the scheme.

Unless otherwise determined by the Sun International remuneration committee, in the event of the termination of employment of a beneficiary with any company in the Sun International group as a result of the death, permanent disablement, insolvency, retirement or retrenchment of the beneficiary, the beneficiary will be entitled to receive all the allocated Trust shares from the Trust, subject to the restrictions in relation to disposal and encumbrance until the expiry of the lock-in period, save that in the case of death and insolvency a sale of Trust shares will be deemed to have taken place even though the lock-in period may not have expired.

A beneficiary who has acquired his Dinokana shares after the vesting date and whose em-

ployment terminates for reasons other than death, permanent disablement, insolvency, retirement or retrenchment will not forfeit his shares, and may retain these subject to the restrictions in relation to disposal and encumbrance until the expiry of the lock-in period.

Any beneficiary whose employment terminates for reasons other than death, permanent disablement, insolvency, retirement or retrenchment before the termination of five years from the allocation date will forfeit all his beneficiary's rights and shall cease to be a beneficiary under the Trust.

EMPLOYMENT EQUITY

Employment Equity within Sun International is part of the overall Human Capital Management strategy and the group's key transformation imperatives. The unit and central forum committees ensure consultation with employees on Employment Equity issues and link with governance structures of the unit.

The group consistently reviews strategies that will enable equitable representation of designated groups in all occupational levels and categories in the workplace. This is intended to promote equal opportunity, diversity and elimination of barriers which could exist and affect progress on Employment Equity.

The aim is not only to increase the number of designated groups in Sun International, but also to enable an environment of growth and development that will ensure equitable representation in the core functions of the business and achieve various other human capital objectives.

EMPLOYMENT EQUITY PROGRESS REPORT (SOUTH AFRICAN EMPLOYEES)

In comparing the movement from year to year in designated permanent employees, progress has been made in the third category (Professionally Qualified/Specialists) with an increase of 4% to 104 managers. This has been repeated in category 4 (Skilled Technicians/Junior/Management/Supervisors) with an increase of 19 employees or 1%.

Occupational levels	Designated							Non-designated			Total
	Male			Female				Male	Foreign nationals		
	A	C	I	A	C	I	W	W	Male	Female	
Top management	1	1	1	1	-	-	1	14	1	-	20
Senior management	8	1	6	3	2	3	9	34	8	-	74
Professionally qualified and experienced specialists and mid-management	25	7	16	11	6	5	34	105	23	4	236
Skilled technical and academically qualified workers, junior management, supervisors, foreman, and superintendents	505	150	107	306	98	56	245	322	33	22	1 844
Semi-skilled and discretionary decision making	1 341	281	95	1 796	350	110	176	88	17	10	4 264
Unskilled and defined decision making	79	4	1	122	5	-	-	1	-	-	212
Total permanent	1 959	444	226	2 239	461	174	465	564	82	36	6 650
Total non-permanent	63	26	7	80	27	3	28	30	1	8	273
Grand total	2 022	470	233	2 319	488	177	493	594	83	44	6 923

Key: A = Africans, C = Coloureds, I = Indians, W = Whites

SKILLS DEVELOPMENT AND TRAINING

The group's score of 7.9 out of a total of 15 was disappointing and can be mainly attributed to the fact that the group is not registered as an accredited training provider with the SETA and as a result all internal training conducted by the in-house training department is not recognised for B-BBEE scoring purposes.

The group has begun the process of gaining training provider accreditation with THETA. This will enable the company to offer vocational national qualifications, unit standards and learnerships within hospitality and gaming to our employees. Phases A and B of the application has been submitted and approved. The accreditation will assist with improving the group score in Skills and Development.

INVESTMENT IN SKILLS DEVELOPMENT AND TRAINING

The group invested R45 million in internal and external education, training and development interventions during the financial year. These interventions ensure both the group's competitive edge in the gaming and hospitality industry, as well as compliance with relevant legislation and commitments.

Training costs as a percentage of leviable payroll

	2009
Leviable payroll (Rm)	996
Total training (Rm)	45
% of leviable payroll	4.5%

Beneficiaries of training

6 593 people were beneficiaries of training programmes/modules conducted during the financial year and in line with our Employment Equity goals, 83% of the delegates were black and 51% were female.

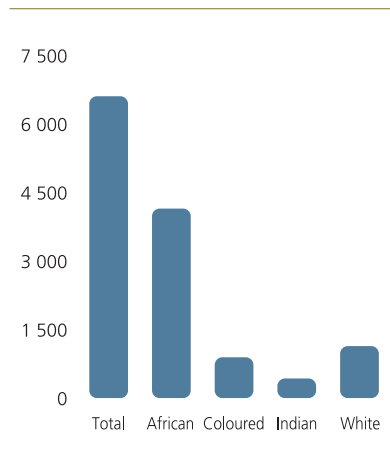
Training interventions

In the annual Sector Skills Plan compiled by THETA, skills priority areas have been identified and defined into the following seven broad based categories:

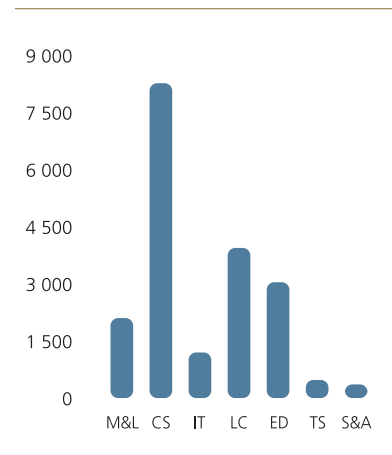
Skills priority area	Intervention types
Management & Leadership (M&L)	Management and leadership programmes
Client Service (CS)	Customer service and communication skills
Information Technology (IT)	Computer literacy and IT support services training
Legislative Compliance (LC)	Regulatory and legislative requirements
Employee Development (ED)	Life skills and personnel development training
Technical Skills (TS)	Operational specific programmes
Support & Administration Skills (S&A)	Secretarial, administration and financial training

The group conducted 19 337 education and training interventions in the seven skills priority areas within the hospitality and gaming sector during the year under review.

TOTAL INDIVIDUALS TRAINED



SKILLS PRIORITY AREAS INTERVENTIONS (Number of interventions)



- African.....(11 522) 60%
- Coloured.....(2 398) 12%
- Indian.....(1 536) 8%
- White.....(3 881) 20%



The group invested R45 million in internal and external education, training and development interventions during the financial year.



MANAGEMENT AND LEADERSHIP

2 097 interventions occurred in this area with the focus this year being on conducting programmes that lead to national qualifications on the NQF system.

Training interventions at management level

Course title	Interventions
Certificate Programme Management Development	396
National Certificate in Management Level 3	287
Supervisory Development Programmes	252
Supervisory Empowerment Programme	181



CLIENT SERVICE

8 240 interventions conducted ensured that employees had a renewed focus on customer centricity through the Brand Alignment programmes which centred on our Customer Management Strategy and also generic customer service through THETA’s SA Host programme. The SA Host programme has been approved by the FIFA World Cup Local Organising Committee for the development of volunteers for 2010.

Client service training interventions

Course title	Interventions
Brand Alignment	7 575
SA Host	239



INFORMATION TECHNOLOGY

Of the 1 195 interventions conducted, 1 126 were targeted at end users through an e-learning application which was conducted in partnership with Learning Resources Limited.

IT training interventions

Course title	Interventions
PV Internet & Information	183
PV Presentations	172
PV Database	167



LEGISLATIVE COMPLIANCE

This compliance-driven training is designed to meet various regulatory and legislative requirements that apply within our sector and 3 936 training interventions were conducted during this period.

Legislative compliance training interventions

Course title	Interventions
Responsible Gambling Programmes	1 102
Health & Safety	544
Money Laundering	436
Sexual Harassment Training	349
Environmental Awareness	336



EMPLOYEE DEVELOPMENT

3 037 interventions occurred in this area focusing on life skills and personnel development programmes.

Employee development training interventions

Course title	Interventions
Ban the Crim	919
Induction Programmes	556
HIV/AIDS Programmes	312
Culture Diversity	208

TECHNICAL SKILLS

This refers to sector specific programmes that relate to the operation of the business, including functional entry level skills training and 474 training interventions were conducted.

Technical training interventions

Course title	Interventions
Tables Training	108

SUPPORT & ADMINISTRATION SKILLS

358 interventions were conducted in this area with the majority directed to the end users of our Human Resources Management System.

Support and administration interventions

Course title	Interventions
PeopleSoft	167

GRANTS & LEVIES

A Workplace Skills Plan (WSP) for South African units, comprising the skills development initiatives identified to contribute to achieving the organisation’s business objectives and to individual development needs, has been submitted to THETA for the forthcoming year.

The submission of the Annual Training Report confirming the successful implementation of the previous year’s WSP enabled Sun International to access skills development grants from THETA under the levy grant scheme.

	Rm
Skills Development Levy Paid	9.0
Discretionary Grants Received from THETA	(1.8)
Mandatory Grants Received from THETA	(4.5)

The group received the maximum recovery of 50% from THETA for mandatory grants and 20% for discretionary grants.

LEARNERSHIPS

Implementation of learnerships is one of our key Training and Development strategies to ensure we meet our business needs as well as our B-BBEE goals and objectives within the Skills Development element. 129 employees participated in various THETA approved learnerships in management, hospitality and gaming.

ACCREDITATION

The group has embarked on the process of gaining training provider accreditation with THETA. This will enable the company to offer vocational national qualifications, unit standards and learnerships within hospitality and gaming to our employees.

TRAINING AND DEVELOPMENT IN NEIGHBOURING COUNTRIES

Botswana

203 training interventions were conducted in Botswana for 105 beneficiaries of whom 100% were black and 50% female. The total training spend was R0.3 million which was 1.1% of total payroll.

Lesotho

1 045 training interventions were conducted in Lesotho for 240 beneficiaries of whom 98% were black and 71% female. The total training spend was R0.4 million which was 2.5% of total payroll.

Namibia

685 training interventions were conducted at Kalahari Sands for 274 beneficiaries of whom 92% were black and 59% female. The total training spend was R0.7 million which was 2.8% of total payroll.

Nigeria

1 341 training interventions were conducted at the Federal Palace for 277 beneficiaries of whom 98% were black and 32% female. The total training spend was R0.4 million which was 1.3% of total payroll.

Swaziland

332 training interventions were conducted at Swaziland for 607 beneficiaries of whom 99% were black and 37% female. The total training spend was R2 million which was 4.5% of total payroll.

Zambia

862 training interventions were conducted in Zambia for 530 beneficiaries of whom 98% were black and 35% female. The total training spend was R1.5 million which was 3.4% of total payroll.



PROCUREMENT AND SUPPLY MANAGEMENT

As one of the largest leisure groups in South Africa, Sun International uses over 4 500 suppliers to procure various goods and services. The group procurement office is responsible for approximately 35% of all purchases made by the group, the balance of which represents discretionary spend which allows various business units to procure from local suppliers in a way that contributes positively to local communities. Procurement practices promote integrity and fairness in our dealings with suppliers, which contributes to beneficial relationships. We will continue to promote responsible procurement standards and encourage all our suppliers to act ethically and responsibly.

In the 2008 report we undertook to do the following:	Progress made in 2009	Plan for 2010
LOCALISATION: A concerted effort to increase direct economic benefits of each property through a programme of localisation.	The programme started and formal processes to support the programme and make it sustainable are under review for implementation in the 2010 financial year.	Introduce procurement forums, solicit involvement of senior leadership. Review the programme and account for progress made.
ENVIRONMENTAL PROCUREMENT: Introduction of the Group Procurement Environment Standard to represent the only effort in Africa to identify, evaluate, rate and actively select environmentally responsible products and services at corporate level.	Engagement with suppliers on environmental practice and responsible social standards is still at the early stage. Efforts were made to ensure that our suppliers comply with the policy. However, all group suppliers were requested to declare their progress in this area and they reviewed and signed the Environmental Declaration forms in that regard.	Review, update and entrench the Environmental Procurement policy across the group. Increase engagement with all our suppliers on environmental practices and responsible social standard.

Progress made in 2009	Plan for 2010
PREFERENTIAL PROCUREMENT: Group Procurement analysed the impact of converting from the narrow based application of the Codes to the broad based application of the DTI codes. In preparation for this transition, suppliers have been requested to obtain Broad Based BEE ratings and various procurement professionals at unit level are being trained on the application of broad based requirements of the DTI Codes on all discretionary spend. The process of supplier broad based verification has been slow due to the late accreditation of verification agencies by the South African National Accreditation System.	Ensure alignment to the Department of Trade and Industry Codes of Good Practice as well as increasing our procurement from local BEE compliant suppliers. Various benefits being targeted include: <ul style="list-style-type: none"> * Reduction in logistical costs and administration. * Reduction in lead time. * More efficient invoice management.
ETHICAL PROCUREMENT: We maintained focus on reviewing and updating our procurement governance structures.	<ul style="list-style-type: none"> * Ensure that procurement processes across the group promote integrity and fairness in our dealings with all suppliers. * Ensure suppliers and contractors to the group comply with the applicable legislative requirements such as Occupational Health and Safety Act. * Ensure supplier contracts make general provision for compliance with applicable legislation which also extends to legislation applicable to relationships with its suppliers.

Other key focus areas for the 2010 financial year will include:

- * Ensuring that procurement processes are aligned across the group (eg Structured Vendor Management programme, co-ordinated logistics activities, standard procurement processes, effective and auditable procurement activities).
- * Commercial savings or costs are reduced and contained (through the introduction of the Strategic Sourcing process).
- * Procurement activities are increasingly co-ordinated to make meaningful contributions to the communities and economies in which we operate and that our own internal staff members are afforded the relevant training to be able to effectively run with and maintain Procurement World Class Practices that are being introduced.

ENTERPRISE DEVELOPMENT

The group has adopted a group-wide approach to ED and has recently appointed an ED committee which includes both unit and group representatives. The committee is in the process of appointing a dedicated ED manager. The committee together with the ED manager will be responsible for the appointment of external and internal resources to assist with the implementation and ultimate management of the Sun International ED fund, the implementation of fund administration and the identification and roll out of various ED projects.

The objectives of the group-wide ED approach are to enhance procurement recognition benefits through the directing of ED spend to suppliers of the group, balance the requirements of the company's operating units against that of the group and create a centralised platform which, in collaboration with the units, will identify projects at local, regional and national level. We believe that this approach will best optimise group ED spend and management effort and achieve a focused collective effort.

In order to increase the group and unit spend on ED, management will be required to direct spend to ED over the next five years. The group is expected to achieve the full 3% required spend in terms of B-BBEE provisions by 2012.

CASE STUDY: ENTERPRISE DEVELOPMENT

KAOZ-AFRIC DESIGNERS SEWING PROJECT

The Boardwalk was approached in 2004 by Xoliswa Hudson to assist with funding for her sewing project, KAOZ-Afric Designers. She had a small operation that manufactured designer clothing for the African market and she was also doing community work by training aspiring disadvantaged clothing makers at her premises. Her vision was to grow the business and training segment by getting additional equipment and material. This would allow her to assist her students, all who did not have funds to buy the required material, to practice and produce their merchandise on new professional equipment. The Boardwalk agreed to facilitate her dream and supplied her with 12 sewing machines, one industrial over-locker machine and material in the form of old uniforms. In 2008, KAOZ-Afric Designers was looking to further expand the business and again, the Boardwalk assisted her by providing airtime on local radio stations, advertising space in local newspapers, machinery, fabrics and office equipment. In total, the Boardwalk has invested over R200 000 in KAOZ-Afric Designers.



Letter from owner of KAOZ-Afric Designers

Dear Mr JP Naude

Re: The Boardwalk's Assistance

The Boardwalk has played a very big role in developing my business KAOZ-Afric Designers and Fashion School. The first time I was assisted by The Boardwalk my business grew and it became very successful.

I am extremely grateful that the Boardwalk has seen how I was struggling to re-establish KAOZ-Afric and decided to assist me. With this support I have received from The Boardwalk I see my business growing from strength to strength. I am extremely humbled and impressed by The Boardwalk's dedication and involvement in developing small businesses.

Yours sincerely

Xoliswa Ngculu-Hudson



left:

This is our first Enterprise Development project with Nikki Nostaljix (Nikki Nostaljix Hand Bags). This was with the handover of the laptop in February 2009. In the picture is Peggy Mselana (SEM), Nikki, Xolela Mathiso (CSI representative of Boardwalk). In the background is the shelving we installed for her, also gave her sewing equipment. Her business is situated in our craft centre in our retail area and she manufactures custom made ethnic handbags.



SOCIO-ECONOMIC DEVELOPMENT

Focus areas for Sun International are Health and Welfare, Education, Community Development and Sports, Arts and Culture.

A multifaceted approach through contributions to community development, arts and culture and other projects enhances community impact. Where appropriate, public/private partnerships are in place to ensure sustainability.

Some of the major projects with which we are involved include:

HEALTH AND WELFARE

* Reach For A Dream

The foundation fulfils the dreams of children between the ages of 3 and 18 years who have life threatening illnesses. We continued to support Reach For A Dream and direct beneficiaries were 104 from the 7 500 dreams that were fulfilled. Indirect benefits include encouragement from peers and other beneficiaries in similar circumstances.

* Tapologo Aids Hospice

Tapologo provides a holistic facility for beneficiaries affected by the HIV/AIDS pandemic. The hospice, a 30+ in-patient unit, provides the necessary care for patients affected with HIV/AIDS, and in the terminal phase of the disease. The direct beneficiaries of the overall programme are estimated at 1 170.

* Emmanuel's Haven

The haven is a community based project established for HIV/AIDS care, support and prevention as well as support for orphans and vulnerable children. This project partners with various organisations and is involved in a number of

sustainable activities. There are 176 direct beneficiaries and 651 indirect beneficiaries.

* Shawco Community Health Project

Shawco is a student-run NGO at the University of Cape Town integrating health and education projects and has been in existence since 1943. The health programme provides quality clinical services in under-resourced and impoverished communities within the Cape Metropolitan area. The beneficiaries of this project range from 20 – 40 patients, per night per clinic six times a week. The project enjoys contributions from various donors. This project helps build student capacity and has a demonstrable impact in the communities it serves.

* Naledi Hospice

The hospice is based in the Free State and provides palliative care to families in the Motheo district, having been founded in 1989. Services provided include home based care, skills training, nutritional support and community

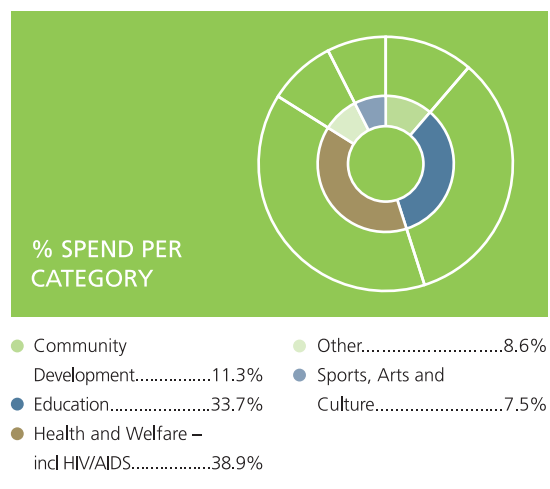
training, with about 50 patients being treated per week. Other benefits include the information dissemination of a range of key subjects and skilling of the community.

* Mzamba Trauma Centre

The centre is fully equipped to offer counselling to victims of abuse and is situated in the Mzamba police station opposite the Wild Coast Sun in the Eastern Cape. The centre is a focal point to address issues relating to crime against women, children within the immediate area and greater Mbizana locality. Since it opened in November, the centre has provided trauma counselling and other services to more than 200 people. The programme also falls under the Victim Empowerment programme of the South African Police Services, which has greatly increased the impact of the project.



left: Emmanuel Haven – Zonwabise chairperson Mandla Madwara (left), Miss Port Elizabeth runner up Ester Shaidi and Emfuleni chairperson Bongzi Siwisa at the hand-over of the Emmanuel Haven Step-Down Centre



EDUCATION

*** Matshidiso School for children with special needs**

The school is based in the East Rand and was established in 1994 to provide skills and education to children with special needs. The school provides technical skills such as sewing, embroidery, bread-making, cooking, metalwork and wood-work. There are 303 direct beneficiaries in the school and four of the students have subsequently acquired employment as a result of the skills they received from the school. The school also receives additional funds by selling bread made by the children in the neighbourhood. The funding for the machinery and other costs has thus enabled the school to have an impact in this community.

*** Bakubung Primary School**

This school is based in the North West and has 527 students. Two classrooms were built to alleviate over-crowding and provide a better learning environment for the students. This project was conducted

with other partners and various other in-kind donations were made to the school.

*** Study Trust**

The Study Trust is an independent national bursary organisation that was founded in 1974 and grants financial bursaries to carefully selected deserving students. A mentorship programme is in place to support the students and ensure that they meet the requirements of their study programme. Sun International contributed to the Fund to support eight students.

*** Martie du Plessis School for children with special needs**

Martie du Plessis is a school in the Free State catering specially for cerebral palsied, learning and physically disabled learners. The school currently has 500 learners who have been direct beneficiaries of the media centre which was made possible by direct funding from Windmill Casino. The centre is equipped with books, magazines, newspapers and computers.

*** GrandWest CSI Bursary Fund**

GrandWest CSI awarded bursaries to students from disadvantaged backgrounds to help provide access to a better education and the mainstream economy. The allocation to deserving students continues through this bursary scheme to help provide access to a better education.

COMMUNITY DEVELOPMENT

*** Blisters for Bread**

This project complements educational initiatives in the Western Cape by providing funding to feed thousands of school children who would otherwise be going to school on empty stomachs. The Peninsula School Feeding Association, which runs this feeding scheme, has a sound donor base and is well supported by government and other private organisations.



above: Mzamba Trauma & Care Centre.



left: Shawco/GrandWest CSI mobile clinic – community health project doctors and student volunteers servicing the community.

right: Shawco/GrandWest CSI mobile clinic – student doctor in action screening a child from the community.



SPORTS, ARTS AND CULTURE

*** SASCOC – Paralympics – SA sponsoring of the paralympics team**

Sun International is one of the major sponsors of the South African Paralympics team who will compete in London in 2012. The Paralympics Sponsors’ Forum, which includes Sun International, Vodacom, Pick ‘n Pay, DaimlerChrysler, Nedbank, Coca-Cola, SAA, Sasol, Telkom and Puma, ensures that South Africa will be well represented at this prestigious international sporting showcase.

*** Arts and Culture Trust**

As founding members of the Arts and Culture Trust, Sun International plays an important role in the development of arts and culture in South Africa. Since 1996, Sun International has supported more than 500 projects in all disciplines throughout South Africa through the Trust.

SOCIAL INVESTMENT IN NEIGHBOURING COUNTRIES

This financial year, our operations outside South Africa were involved in a number of CSI initiatives, the most notably being:

Zambia

A worm farm project was initiated in Zambia to create an organic environment for all plants, herbs and flowers grown within the resort. This was done to empower local communities economically, uplift their lives and introduce environmentally friendly organic farming. 60 members of the Care to Care organisation have directly benefited from this project and continue to benefit through ensuring food security for those on home care programmes.

Botswana

Gaborone Sun continues to support the SOS children’s village and donated funds that have assisted the new village in Serowe. The village currently has 76 children who benefited through additional facilities.

Lesotho, Namibia and Swaziland also continued to support various projects that have been in place since the previous financial year, including donations in kind and supporting clinics that were built in and around the areas in which the units operate.



above: Martie du Plessis School.



left: CSI Golf day – GrandWest CSI committee members with Valerie and the children from the Carel du Toit Trust at the annual CSI Golf day in aid of the organisation.

right: Miss SA Tatum Keshwar (centre) with a pile of gifts for the AAA Baby Haven purchased with money collected in The Boardwalk’s main fountain. With her are Boardwalk social equity manager Peggy Mokhatla (left) and AAA Baby Haven caregiver Monica Makapela.



Ethics

Sun International employs the services of a reputable external auditing firm to operate a 24-hour toll-free Ethics Line, which employees may call anonymously.

CODE OF ETHICS

The company's internal Code of Ethics and its policy in respect of its stance against fraud, corruption and dishonesty in general is manifested in this code and the policy documents. To give effect to this stance the company launched and maintains an awareness campaign with management and staff as reminders of the ills which fraud and corrupt practices can bring to companies if these practices are not brought to book.

Management and staff are expected to remain committed to the highest ethical standards of conduct (refer page 17) and this clearly confirms the company's commitment to all its stakeholders. Additionally, the other guidelines of the Code of Ethics emphasise the importance of enlightened employment practices.

The group intends to enhance its Code of Ethics on a regular basis and ensures that the values on which it prides itself will always be an integral part of the culture of the company.

ETHICS LINE

Sun International employs the services of a reputable external auditing firm to operate a 24-hour toll-free Ethics Line, which employees may call anonymously. Any crime or incident of fraud or misconduct within the group that might be reported to Ethics Line is brought to the attention of dedicated resources and the Chief Executive.

The reporting procedure is highlighted in an awareness campaign and is published in our staff magazine.

During the year, the group refreshed its policy with regard to whistle blowing and the procedures to be followed in response to reported fraud. The objective of the whistle blowing policy is to encourage reporting of matters which may cause financial or non-financial losses to the group and to provide guidelines which seek to protect whistle blowers against reprisals as well as establishing clear disclosure guidelines and an appropriate reporting infrastructure. The policy embraces the Protective Disclosures Act.

FRAUD RESPONSE PLAN

The fraud response plan provides all employees with a clear procedure for reporting fraud or misconduct and the appropriate escalation of that reporting. The policy further establishes the factors to be considered in investigating the fraud/misconduct, the mitigation of further losses as well as the involvement of insurers.

FICA AND POCDATARA

Money laundering remains a global problem. Due to the increasing sophistication of technical and electronic financial systems, opportunities for money laundering have escalated and so has the potential to finance undesirable activities.

This has resulted in renewed attention from governments to establish legislation to curb this potential. In South Africa the relevant legislation is effected through the Financial Intelligence Centre Act (FICA) and the Protection of Constitutional Democracy against Terrorist and Related Activities Act (POCDATARA). The group has an obligation to assist the country in preventing and curbing attempts at money laundering and the financing of undesirable activities.



ETHICS CONTINUED

Sun International meets all of its obligations and requirements in respect of reporting procedures, specific controls and administration as well as staff training.

As a member of CASA, the group liaises and interacts with the FIC and other member companies to ensure that industry-wide compliance with the legislated requirements are met and maintained.

The group considers it critical to maintain and protect its reputation in society and within the regulatory environment. This is of particular relevance to the gaming industry in which the group operates and is directly linked to the casino licence requirements to which the group must ensure compliance.

CODE OF ETHICS

The group recognises the vested interest of all stakeholders in the manner in which its various businesses are conducted. This Code of Ethics will assist in fulfilling our responsibility to these stakeholders.

The group will act in a way that will earn it and its subsidiaries the reputation of being:

- * Open and honest in all dealings
- * Consistent in fulfilling its moral and legal obligations
- * Socially responsible
- * Environmentally responsible
- * Non-sectarian
- * Non-political
- * Supportive of loyalty and long-standing relationships
- * Protective of the quality of its services and products

With respect to its people resources, the group is committed to enlightened employment policies and practices whereby:

- * Discrimination is eliminated
- * Training and skills development is emphasised
- * Employees have an uncontested right to organise and negotiate their conditions of employment



Management and staff are expected to remain committed to the highest ethical standards of conduct.



Employees, Health and Safety

The group approaches employee relations inclusively, engaging in constructive dialogue with both unions and employees on matters that have an impact on the workplace.

HIGHLIGHTS

- ✦ The group will continue to strive for a relationship based approach with all seven organised labour organisations it currently recognises.
- ✦ Greater management commitment to sustainability and improved health and safety awareness has resulted in a significant overall improvement in safety performance.

EMPLOYEE RELATIONS

The group approaches employee relations inclusively, engaging in constructive dialogue with both unions and employees on matters that have an impact on the workplace.

The group supports and upholds an equitable workplace where all the legislative rights of employees are confirmed and articulated in our general approach to employee relations, its various policy documents and workplace procedures.

Various relationship building initiatives were undertaken with the South African Catering, Commercial, and Allied Workers Union (SACCAWU) on a group level as well as business unit level.

The group will continue to strive for a relationship based approach with all seven organised labour organisations it currently recognises.

Labour relations remain underpinned by the group's adoption of sound, fair and measurable employment policies, procedures and practices that are aligned to and support the organisation's strategic objectives.

EMPLOYEE WELLBEING

HIGHLIGHT

- ✦ New streamlined Employee Wellness strategy review underway

A review of the Employee Wellness strategy in all our properties has necessitated reconsideration of our approach to wellness. This is underway to ensure a seamless proactive approach that is standardised across all units. It also focuses on holistic wellness and ensuring integration with various other interventions, for instance the HIV/AIDS management programme – Aid for Aids. The plans are to ensure that by the end of the next financial year, all units are part of the group programme that will ensure all employees benefit by having access to various services that enhance their wellbeing and that of their families.

REMUNERATION PHILOSOPHY

To ensure that Sun International's remuneration strategy creates the appropriate competitive base to attract and retain employees of the right calibre and skills set, we reward employees fairly and equitably, and motivate employees to achieve the highest levels of performance, in alignment with the group's strategic objectives.

Participation in a number of reputable bi-annual executive surveys and in annual general staff and industry surveys ensures that our remuneration strategy remains competitive.

Remuneration at executive and senior management level includes both guaranteed and variable elements. Variable remuneration is in the form of participation in an executive bonus scheme (EBS), comprising economic



value added (EVA®) and EBITDA elements. Additionally, and where appropriate, executives also participate in group share schemes. As a general guideline, remuneration levels are set on or above the market median for comparable positions in the market.

The group also provides appropriate benefits, including retirement, death and disability cover, medical funding and financial assistance towards personal development.

INTERNAL COMMUNICATION

HIGHLIGHT

- * New employee magazine launched

Sun International continues on the path of improving employee engagement by revamping existing employee communication channels and investigating communication platforms to facilitate staff conversations. This includes the use of new electronic channels which set the foundation for hosting staff conversations.

The group's employee magazine ONE SUN, was launched in September 2008. It supplies all our people with relevant information of what is happening in and around the group and has successfully been entrenched in the business as a valued communication medium.

The objectives of the magazine as well as other channels, are to support the business objectives, to provide two-way communication between the business and our people and to engage all of our employees to contribute positively and to deliver on our brand promise.

HUMAN CAPITAL MANAGEMENT SYSTEM (HCMS)

HIGHLIGHT

- * Payroll system upgrade completed and Spanish version of HCMS underway for Chilean employees

The group has completed its planned upgrade to a Windows based payroll system. The upgrade of the group's HCMS is progressing well. The new hardware and database has already been installed and the upgrade to the most current software version is in progress, with a go-live date confirmed for early October 2009. Future planned projects include the installation of a Spanish language version for the operation in Chile, followed by the introduction of employee and manager self-service. The automation of a Performance Management System (PMS) and the introduction of a Learning Management System (LMS) are also planned.

OCCUPATIONAL HEALTH AND SAFETY (OH&S)

HIGHLIGHTS

Greater management commitment to sustainability and improved health and safety awareness has resulted in a significant overall improvement in safety performance and the group remains ahead of its competitors in this field. The group has:

- * reduced its injuries on duty, reportable to the Compensation Commissioner by approximately 12%
- * reduced its no lost-time cases (NLTC) by an average of 53%, restricted-duty cases (RDC) by 41% and the lost workday cases (LDC) by 3%, resulting in an overall average reduction of 37% in incidents requiring medical treatment by a doctor
- * achieved its target of a ratio of more lower-severity injuries (first-aid) than higher-severity injuries (medical treatment) through increased focus on at-risk conditions/tasks and safe work procedures
- * reduced its total reportable incidents by an average of 37% and the lost-time incidents by an average of 9%
- * maintained its target of zero fatalities in workplaces
- * increased health and safety awareness levels and skills through 1 680 training and 424 internal communication interventions



The group's employee magazine ONE SUN, was launched in September 2008. It supplies all our people with relevant information of what is happening in and around the group and has successfully been entrenched in the business as a valued communication medium.

OUR VISION

The group strives to achieve zero injury to people through effective management of health and safety on all our operations. Zero injury means a work environment where no one gets hurt. Effective management is established by the implementation of a robust OH&S management system, based on a foundation of three principles.

OUR PRINCIPLES

1. **A zero mindset:** We strongly believe that all fatalities, injuries and occupational diseases are preventable. We fully embrace the vision of zero injury and will exercise zero tolerance to any breach of our OH&S standards and procedures. We are all custodians and responsible for correcting behaviour that could result in injury.
2. **No repeats:** All health and safety incidents need to be investigated to ensure that root causes are identified and corrective and preventative measures being implemented. We share information and learn from incidents.
3. **Simple, non-negotiable standards and procedures:** We have adopted the principles of OHSAS 18001 as the foundation of our group OH&S management system. OHSAS 18001 is an international OH&S management system that commits to the prevention of injuries and occupational diseases, continual improvement of performance and compliance with applicable legal requirements.

HEALTH AND SAFETY MANAGEMENT

POLICY, LEADERSHIP AND COMMITMENT

All our South African and southern Africa operations have site-specific OH&S policies in place which are aligned with our group Safety, Health and Environmental (SHE) policy. The latter underpins the vision of zero injury to people and is committed to:

- * constant improvement of our health and safety performance
- * as a minimum meeting applicable legal requirements
- * provide a work environment which is conducive to health and safety
- * provide resources to achieve our performance targets
- * develop our people to carry out their duties and responsibilities safely

The board remains responsible for execution of good and responsible OH&S governance and the Sun International top management is committed to the vision of zero injury. All operations have dedicated positions responsible for overall co-ordination of the OH&S management system and to advise and consult on OH&S. At our smaller properties,

this role is a shared responsibility with other disciplines. The group has continued to maintain a designated group SHE Officer, who is responsible for, amongst others, the overall co-ordination of the group OH&S management system as well as for strategic and technical OH&S advice to management. Part of our commitment is the expansion of OH&S responsibilities towards line managers and supervisors. The reported group average of line management with OH&S responsibilities integrated into their normal duties is 51%.

RISK MANAGEMENT

Sun International is focusing its efforts on the proactive identification of hazards, assessments of risk and implementation of controls in accordance with the accepted hierarchy. This approach has resulted in risk assessment training and review of risk assessments amongst our properties. Roll-out of a group OH&S Hazard Identification and Risk Assessment Standard is currently underway. The group has embraced robust risk management as the foundation of effective OH&S management.

LEGAL COMPLIANCE

Legal compliance is regarded as a minimum requirement. The internal audit department

continued this year to monitor OH&S compliance at our operations. Our South African operations are monitored for compliance with the OHS Act and regulations, while the southern African operations are being measured against the legislation of the country in which it operates. Where local legislation in these countries does not require an adequate level of performance, activities are conducted in a manner consistent with group SHE policy and other group standards.

The internal audit department has also undertaken additional independent verification audits of the OH&S information provided in quarterly and annual OH&S reports to head office. The validity, reliability and accuracy of the information provided by units were assessed and concluded in a consolidated verification report. The group's Chief Executive is overall accountable for OH&S legal compliance. To assist with this responsibility, all operational General Managers are held fully responsible for OH&S and compliance at operations.

OH&S PERFORMANCE MANAGEMENT AND INDICATORS

Sun International's OH&S performance is measured by incident/injury frequency rates, OH&S severity index frequency rates, system indicators and audit scores. The use of rates is standard practice to indicate OH&S performance. Since the rate expresses the number of incidents/injuries per 200 000 hours worked, it allows for comparison of safety performances across operations, irrespective of its geographical size or headcount. The indirect relationship of man-hours on the frequency rates is important to take into account when establishing trends, since a reduction in man-hours will increase the rate if the number of incidents remained constant.

Incident/injury frequency rates:

First-aid, medical treatment (ie no lost-time, restricted-duty and lost workday), occupational diseases, noise-induced hearing loss, and fatalities were continued as indicators. Near-hit incident rates have been added as a new leading safety indicator this year. Trauma-Induced Stress Disorders (TISDs) have also been added as a new occupational health indicator due to our employees' potential risk of exposure to high-trauma incidents such as armed robberies and while serving on emergency and first-aid teams.



OH&S severity index frequency rates:

Calculations of specific combinations of incident/injury frequency rates, reportable this year is total incident, total recordable incident and lost-time incident frequency rates. The total incident (TI) frequency rate has been added as indication of the total safety and occupational diseases occurring per 200 000 hours worked.

System indicators:

Leading (proactive) and lagging (reactive) performance indicators in six key performance areas (KPA's) were rolled out this year.

TRAINING, AWARENESS AND COMPETENCE

Ensuring that our employees have the skills to realise our vision of zero injury, is a safety fundamental. Our operations are responsible to ensure their employees are appropriately trained and competent to carry out their duties safely without endangering their own health or safety or those of others. 1 680 OH&S training interventions have been conducted and included basic fire fighting and emergencies, first-aid, health and safety awareness, health and safety worker representative programmes and management systems. We also believe that competent and skilled operational OH&S officers are crucial to the success of a group's OH&S system. A total of three group and 18 operational OH&S training workshops were conducted this year. Further to the formal training interventions, general OH&S awareness training occurred at most of our operations. The group has reported 424 OH&S awareness communication interventions (newsletters, safety talks, management sessions and electronic mails).

COMMUNICATION, CONSULTATION AND INVOLVEMENT

Due to the geographic spread of the group, a health and safety webpage has been introduced on the group intranet. It acts as a centralised repository of OH&S information. The past year has seen three group OH&S officer consultation interventions during the centralised training workshops. This has contributed considerably in bridging gaps with respect to OH&S between operations and has initiated cross mentoring.

Joint OH&S committees comprising both management and worker representatives have continued at our operations. These committees provide two-way communication between employees and management regarding OH&S issues. The average total workforce represented by worker representatives for 2008/9 is 5%. The ratio of one worker representative for every 50 employees in employment has been maintained monthly by 74% of our operations and all representatives have served on an OH&S committee.

OUR PERFORMANCE

The performance results have been aggregated from our South African and southern African operations, excluding Chile, Nigeria and head office. Unless otherwise stated, the performance statistics are limited to Sun International employees and excludes contractors, suppliers, concessionaires and visitors. Reporting on the OH&S performance of our stakeholders has been initiated as a voluntary option during this year and will continue to be gradually phased in over the next two years. The collation of accurate

statistics and data for performance measurement has improved in all operations. Sun International has significantly improved its overall OH&S performance during 2008/9.

Injury/incident frequency rates

This year the group has reduced the employee injuries on duty reportable to the Compensation Commissioner by 12%. This reduction is attributable to the current strategy of prevention of injuries through safety awareness. The 2008/9 group average is 14.

Near-hits:

This indicator acts as a warning sign for management intervention and can prevent injuries if investigated and corrective actions initiated. Near-hits were reported by 68% of our operations. The group's average has been estimated at 26.5 with a frequency rate of 12.2 per 200 000 hours worked or 100 employees.

First-aid cases (FACs) vs medical treatment cases (MTCs):

The reporting of first-aid cases by operations has improved to 95%. Medical treatment cases have continued to be grouped into three categories with incrementing severity and all involve treatment by a medical professional. The group target to achieve and maintain a ratio of as-high-as-possible lower-severity injuries (first-aid) vs low-as-possible higher-severity injuries (medical treatment) has been achieved in the past year. The 2008/9 ratio of FACs vs MTCs is 62%:38%, whilst the 2007/8 ratio was 41%:59%. Not only has the group managed to reverse the ratio, it also managed to reduce its no lost-time cases by 53%, the restricted duty cases by 41% and the lost



This year the group has reduced the employee injuries on duty reportable to the Compensation Commissioner by 12%.

workday cases by 3%. Overall, the group has reduced the number of injuries that require medical treatment by 37%. This favourable decrease is the result of an increased focus that has been placed on identification of at-risk conditions and tasks prone to higher severity injuries and increased awareness.

Work-related fatalities:

The group has maintained its target of zero fatalities in our workplaces.

TISD incidents:

Two operations in the group have reported TISDs following armed robbery incidents this year. The 2008/9 TISD average has been established at 18.5 and the rate at 3.1 per 200 000 hours or 100 employees. This rate is the second highest in the group of all the incident/injury rates if one excludes the near-miss case rate.

OH&S severity index frequency rates

Total Incident Frequency Rate (TIFR):

The group has reported a total of 1 196 OH&S incidents for the year with a rate of 14 per 200 000 hours worked or 100 employees.

Total Recordable Incident Frequency Rate (TRIFR):

This is an all-inclusive index of the higher-severity incidents and is the sum of work-related fatalities, all injuries (exclusive of first-aid cases), all diagnosed occupational diseases and all noise-induced hearing loss cases. The Total Reportable Incidents (TRIs) for the group has decreased by an average of 37% over the past year and the TRIFR average decreased from 5.5 to 4.3.

Total Lost-Time Incident Frequency Rate (LTIFR):

This is an index of those work-related injuries that render the injured unable to perform normal duties for one shift or more on the day following the day of injury. It is the sum of all the restricted-duty and lost workday incidents occurring per 200 000 hours worked. The Lost Time Incidents (LTIs) for the group has decreased by an average of 9% over the past year. The average LTIFR for 2008/9 is 2.3.

Wild Coast Sun (94%), Boardwalk (95%) and Carnival City (92%) have maintained the three highest scores in the group during their last two audits. The average group audit score reported for the last round of audits has improved from the second-last round of audits to 78.4%.

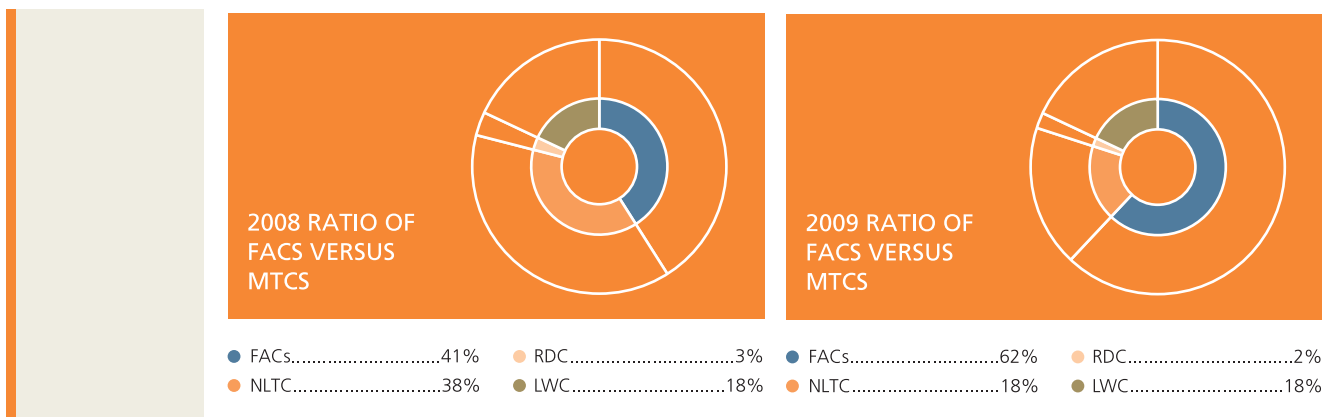
OCCUPATIONAL HYGIENE AND LEGIONELLA RISK MANAGEMENT

Sun International continues to monitor its occupational hygiene and Legionella risks through independent third party and SANAS accredited laboratories. Scheduled assessments are taking place throughout the group and results are internally reportable as indicators of health and hygiene.

Objectives and targets

Since our operations have historically implemented different types of OH&S systems or elements thereof (ie NOSA and OHSAS 18001) our standardisation and consolidation phase started in July 2008 and will be phased in over the next three years. This year, we have focused mainly on OH&S performance management and reporting. The group has shown a significant overall improvement in its safety performance. The following group objectives have been set for achievement during the past year.

Objectives 2009	Achieved	Remark
Implementation of the BRS Safetour System at all operations	In progress	The group switched to an in-house developed OH&S system instead
Obtaining at least silver status on the BRS Safetour System	In progress	In-house performance targets were introduced instead
Improve OH&S awareness levels and skills development for OH&S roleplayers and employees	✓	
Improve on OH&S performance indicator data recording for more accurate and comparable results	✓	
Initiate quarterly reporting on Group OH&S performance indicators by all operations	✓	





An important milestone achieved is the establishment of a group OH&S performance system enabling evaluation and comparison across all operations and benchmarking the group’s overall OH&S performance. While the safety incident frequency rates and statistics are showing an improving trend, significant scope for improvement remains in order to achieve the ultimate goal of zero injury. The following objectives have been identified for the following year.

Objectives 2009/10

KPI	Description	Quantification
OH&S awareness	OH&S induction for employees	>75% current
	OH&S induction for contractors/visitors working on our properties	>75%
	Active participation in zero harm to people campaigns	>95%
OH&S commitment and responsibility	All directors, operational general managers and group managers, as a minimum have current appointments in place which specify the OH&S responsibilities delegated from the CE	>95%
	All line managers and other supervisors have current appointments in place which specify the OH&S responsibilities delegated from the operational general managers or group managers	>95%
Safety improvement plans	To be put in place for each operation by end of October 2009	100%
Near-hits	All operations to put a system in place that reports and records near-hits	50% increase from 2008/9 group average
TRIFR	This is an outcome measure of the more severe work-related injuries and ill health cases (excludes first-aid cases)	<4.0 (average)
LTIFR	Measure of lost-time rate of injured unable to perform normal duties for one shift or more on the day following the day of injury	<2.0 (average)
Fatalities	Fatality is a death resulting from a work-related incident	Zero

Sexual harassment

The group reviews its sexual harassment policy based on developments in the legislative arena. Any relevant amendments to the policy are communicated to all employees and appropriate stakeholders to ensure the working environment is conducive to optimum performance and free of discrimination. The group continues to confirm its commitment to eliminate all forms of sexual harassment in the workplace by updating and communicating relevant codes of good practice and pertinent information through policies and procedures.

Sexual harassment training and briefing sessions continues at all our units to ensure employees are aware of pertinent issues in respect of this form of discrimination.



Sun International continues to monitor its occupational hygiene and Legionella risks.

ORGANISED LABOUR RELATIONS

HIGHLIGHT

* Two longer term agreements were signed with various unions and no major industrial action occurred during the period

UNION MEMBERSHIP

The group has formal relationship agreements in place with six recognised trade unions as well as a Staff Association. Currently, 52% of the company's employees are members of registered and recognised trade unions and/or Staff Associations, the majority of these represented by SACCAWU.

The group continues with relationship-building exercises on a regular basis between full time shop stewards, office bearers of the various unions and management representatives. Valuable interaction takes place at these sessions and the group believes that they are vital in ensuring a continued strong relationship with all organised labour partners.

At the end of the reporting period, union membership within the group amounted to 3 161 employees in the South African operations (47% of the workforce) and 1 336 employees in the non-South African operations (69% of the workforce).

SUBSTANTIVE NEGOTIATIONS

In the period under review, two longer term agreements were signed with various unions,

beneficial to both the group and the respective unions. Several one-year wage agreements were also signed with various unions. The three-year wage agreement covering unionised South African units expired on 30 June 2009 and the wage negotiations with the Union to review wages and other terms and conditions of employment are in progress. There has not been any major industrial action in any of the group's business units during the reporting period.

SECONDARY NEGOTIATIONS

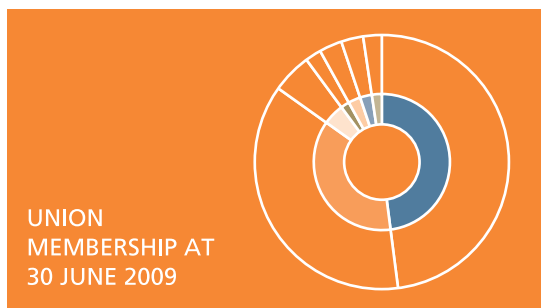
The company has finalised the process of rolling out the transfer option to the SACCAWU National Provident Fund for certain staff members.

ORGANISATIONAL RIGHTS/RELATIONSHIP AGREEMENT

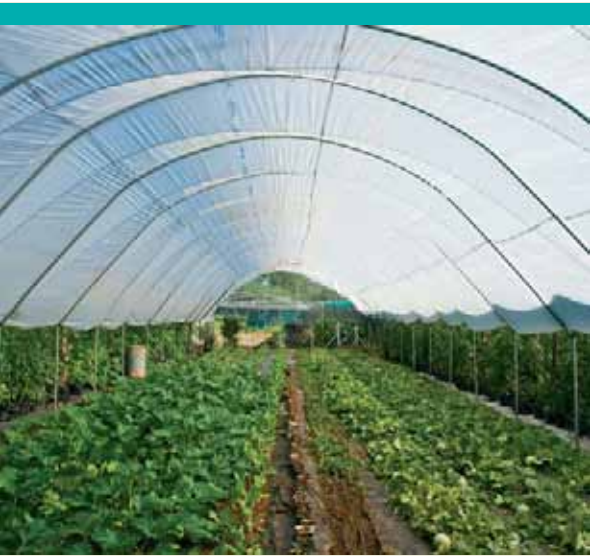
The company is finalising an agreement with SACCAWU to grant the union full recognition and bargaining rights at its Windmill operation.

LABOUR TURNOVER

Formal resignations amounted to 9.7% of the average number of employees employed during the year. Turnover is continuously monitored and given industry standards and prevailing circumstances, is well within industry norms. Where anomalies are experienced, these are investigated and appropriate interventions are put in place.



The group has formal relationship agreements in place with six recognised trade unions as well as a Staff Association.



Environmental management performance

73% of all lamps used by the group are now low-energy type, further adding to reduced energy consumption.

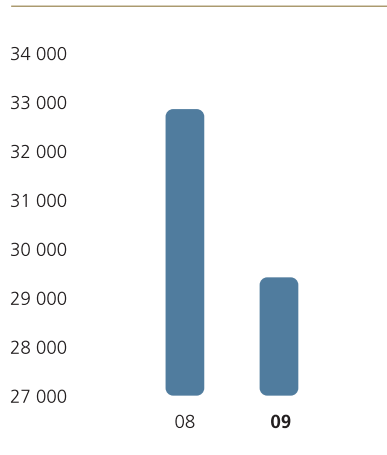
HIGHLIGHTS

The past year has seen continued implementation and management of the group Environmental Management System and the application of a number of strategies across the group designed to enhance the work already completed in environmental performance.

We have achieved even further consolidation of the group EMS standard, improved reporting standards and the introduction of new technology and systems designed to reduce and manage, amongst others, energy and water consumption. The completed refurbishment of the Sun City Hotel marked a significant chapter in the history of the resort with the introduction of a number of energy-saving systems and the adoption of the responsible refurbishment and development policy by the group has firmly established the company on the path of sustainability.

The efforts that have been made at all levels of the organisation towards achieving greater compliance to the group environmental performance standard has been noteworthy, and while there is still some way to go towards the environmental performance benchmarks that have been set, that which has been achieved has contributed to the overall positive results that follow.

ENERGY CONSUMPTION (Thousand energy kWh)



ENERGY AND CLIMATE CHANGE

Energy use across the group reflected a small decline when compared against the previous year in spite of efforts that have been made at a number of properties this year. Although energy management and improved technology have resulted in respectable savings at properties such as Carnival City (10.2%), a net reduction of only 1.7% was achieved across the group.

While the reduced energy consumption falls well short of the mandated 10% expected of the hospitality sector in South Africa, and less than the 13% achieved last year, it must be remembered that the reductions in 2008 were due in part to improved energy management practices and to enforced load-shedding in the middle of the last reporting period, both of which contributed to lower consumption in general.

Improved reporting standards and more accurate monitoring of consumption across the group has also contributed to the less than expected decrease in consumption and although the optimum reporting accuracy has not yet

been achieved, we are confident that the current data represents a more accurate reflection of actual consumption in general.

As reported in the previous report, the power shortages of 2008 resulted in increased diesel use due to increased reliance on generators at group properties. Although power shortages continue to be felt across the group as a result of a national shortage of power at peak periods, this past year has seen considerable reductions of as much as 33% in diesel use for power supplementation.

Ongoing efforts have been made to review and manage energy consumption in the past year. This has included comprehensive energy audits and improved optimisation of energy management systems at properties such as Sun City, GrandWest and others. Refurbishments and upgrading at a number of properties has also resulted in improved technology being introduced to reduce and manage consumption, including smart-card systems at the Sun City Hotel and the adoption of group refurbishment and energy management policies in respect of all refurbishments and developments. The use of alternate energy systems is receiving priority by the development department and the final acceptance of the group's first solar array for hot water production at the Gaborone Sun marks a turning point for the group's sustainable energy strategy. Solar hot-water systems are currently under evaluation at the Sun City Vacation Club with a view to making greater use of this source in coming years.

The use of energy efficient lighting systems has also increased from the 57% reported last year to an estimated 73% in the current year and this is being expanded wherever possible in an effort to further reduce consumption over the next three years. While increased use of low-energy lamps has contributed to reduce energy consumption, it has had a knock-on effect with hazardous waste and this has required additional training and management of used lamps across the group. Trials with the use of LED (light emitting diodes) fixtures have been initiated at Sun City in an effort to find acceptable alternatives to low-energy lighting challenges over the past year. The following actions contributed to reduced energy consumption this past year:

- * Energy audits and reviews of Sun City and other resorts in conjunction with Eskom
- * Greater use of smart technology in refurbishments and development projects
- * Introduction of alternate energy (solar) systems at Gaborone and Sun City
- * The introduction of group Energy and Sustainable Refurbishment policies
- * Increased use of low-energy lighting and equipment systems across the group

The introduction of legislated penalties for energy use in February 2010 poses financial and governance challenges for the group in the coming year and a concerted effort will be undertaken to achieve and where possible exceed the mandated 10% reductions expected of the group.

MONITORING AND MANAGEMENT

Improved performance by environmental committees at each of the group properties in the past year has contributed to more significant environmental performance in most cases, and where the structures and systems are not fully operational, specific attention is being provided by the Heritage Environmental Management Company, the group's external environmental certification partner to ensure that shortcomings are addressed in the interests of improved performance.

The sustainability of environmental performance management has for a number of years been affected by issues such as staff rotation and turnover, and although the group has managed to maintain an acceptable level of expertise, the lack of suitable skills in this field within the group has been identified as a strategic shortcoming in respect of the sustainability of the work already completed. Steps have therefore been taken this past year to introduce appropriate staff and managerial skills development initiatives to meet the future environmental management requirements of the group and to identify and develop appropriate levels of in-house expertise. The strengthening of environmental management expertise at Sun City and at properties such as GrandWest, the Fish River Sun and the Zambezi Sun Resort reflects a commitment to more effective management and efforts are underway to

introduce appropriate skills development opportunities to bolster existing expertise in the coming year.

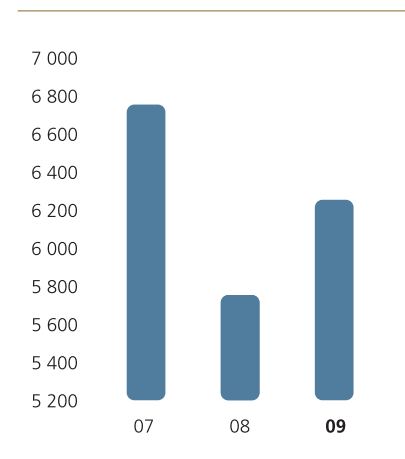
The finalisation of the Environmental Legal Register was an important milestone for the group in 2009 and it has resulted in greater awareness and identification of risk across the group. This programme will be expanded in the coming year through the implementation of regular compliance audits as part of the overall group EMS.

WATER

Water consumption across the group has increased over the past year in spite of efforts to maintain the overall 11% reductions experienced last year. An increase of 3.3% has been recorded for the past year but we consider this to be as a result of more accurate reporting standards rather than unexpected or unplanned consumption over the period. The installation of more effective metering systems and improved management of data at most properties has resulted in greater accuracy and we are satisfied that the reflected increase in consumption does not represent a serious challenge.

Improved management of water consumption and the introduction of more efficient irrigation systems resulted in noticeable reductions at Morula (11.9%), Meropa (19.3%), Flamingo (17.9%) and others across the group, although properties such as Sun City, Wild Coast Sun and Boardwalk

GROUP WATER CONSUMPTION (MI)





have all reflected increased consumption for the same period.

Increased use of grey water irrigation systems at the golf courses of Sun City, Wild Coast Sun and Fish River Sun have contributed to lower potable water consumption and ongoing efforts to install low-flow fittings in guest rooms and public facilities will result in improved reductions in the coming year. The timing of the replacement of outdated chiller plants at the Fish River Sun and introduction of improved technology systems at other properties failed to reflect the savings that were expected this year but we are confident that these will result in improved performance in 2010.

Management of water across the group presents challenges in some cases but improved awareness and stronger efforts to gain improved guest participation in resorts have been largely successful. The group EMS is being enhanced to address challenges such as increased raw water costs and pending water management legislation. Current reporting systems and consumption data management will be a key focus for the coming year.

WASTE AND RECYCLING

While waste management remains a daily challenge for the group, the past year has seen improved management of waste and an improvement in waste recycling and recovery levels in most properties. Although

lower than projected, higher awareness of the impacts of waste on the group has resulted in last year's achievement of 32.8% recycled and recovered waste being exceeded by 3.2% this year. The group target of 45% remains an objective for 2010 and increased efforts are being made to ensure that the least possible waste is consigned to landfill sites.

Overall waste generated across the group was reduced by 9.3% over the year, mainly as a result of improved procurement systems and reduced acceptance of unnecessary packaging. Increased awareness by staff and greater willingness by members of the public contributed to improved separation systems at Sun City resulting in a reduction of 7% landfill consignment and an increase of almost 21% in recovered waste. The Wild Coast Sun experienced a 36% reduction (28% recovered) and Carnival City achieved a reduction of 20% and a recycled content of almost 87%.

Carnival City's high recovery rate is due to its waste being treated by the service provider at a biofuel and methane capture plant located in Brakpan. All organic waste is used in the production of methane fuel while effective and managed separation and recycling initiatives at the property ensure the highest possible level of waste recovery.

Over the coming year, greater emphasis will be placed on ensuring that concession operators and tenants at Sun International

properties commit fully to effective waste management through, amongst others, improved procurement practice and the elimination of non-recyclable packaging. Pilot projects operated at Sun City and GrandWest has proved viable and this strategy will be rolled out to the remainder of the group by 2010.

SUN CITY'S BIODIESEL PROJECT

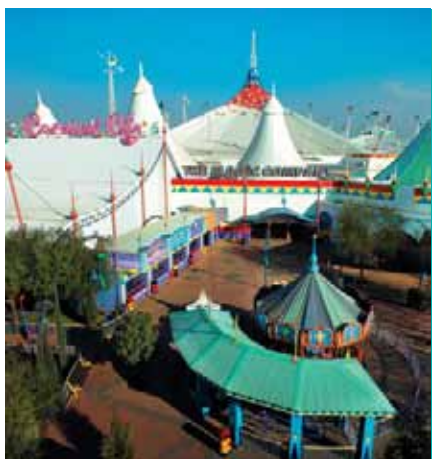
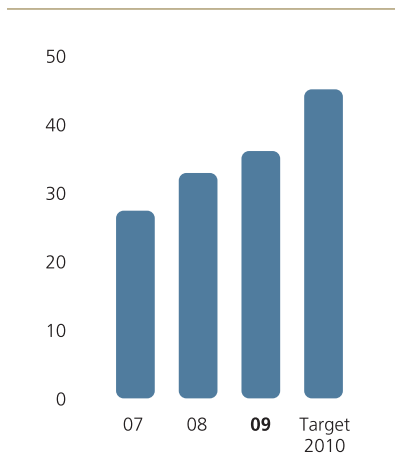
In 2008, the WITS CPMD Class (Certificate Programme in Management Development) started a project to recycle the vast amounts of cooking oil used by the resort.

This group of 10 decided to investigate Biodiesel, which is a relatively new concept to South Africa. This is basically the process of taking used cooking oil, processing through a simple plant and converted into Biodiesel, which then can be used in all diesel engines as an alternative fuel source.

Making Biodiesel from used oil is relatively inexpensive, making it not only a sound financial investment for Sun City, but an excellent environmentally friendly project, as this waste product can too often end up in sewers and landfills instead of being recycled.

Sun City has now purchased a Biodiesel plant which can produce 400 litres of diesel in one batch, which with the current volume of used oil on the resort, means that a massive 29 000 litres of Biodiesel

GROUP RECYCLED WASTE PERFORMANCE (%)



Carnival City has achieved an 87% waste recovery and recycling rate in addition to a 20% overall reduction in waste over the past year.

can be manufactured in the first year of operation. The Biodiesel enhances Sun City's environmental programme as an eco-friendly resort by decreasing the amount of greenhouse gasses emitted from diesel engines and increases the control over the used oil waste of the resort.

Currently, Sun City aims at using the biodiesel produced for powering all grass and garden cutting machinery and tractors on the resort, primarily on the two golf courses.

By implementing the Biodiesel manufacturing plant, Sun City continues to strive towards achieving higher standards regarding the eco footprint left behind on the resort and its environs.

PROCUREMENT AND SUPPLY CHAIN MANAGEMENT

Sun International continues to play an important economic role in many of the locations in which it is represented, and the past year has seen consolidation of group procurement practices at most of the company's properties. Improved localisation, supplier selection and greater awareness of local suppliers have contributed considerably to the local economies of properties such as Zambezi Sun, Sun City and Carnival City in particular.

The Group Environmental Procurement standard will over the coming year be upgraded and expanded to introduce lifecycle evaluation of a range of products as a second phase in the development of

Africa's first environmentally responsible procurement audit. This will require higher levels of skills development at unit level, a process which will be started at group level and then expanded to unit level from 2010.

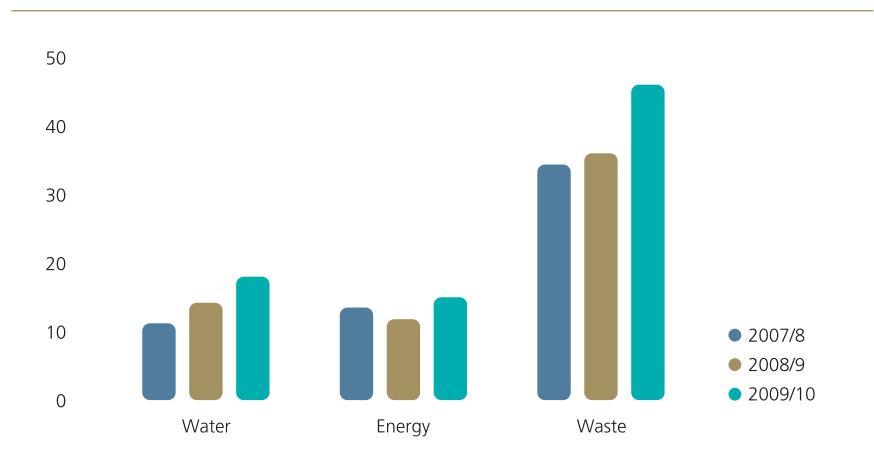
We believe the efforts that have already been made to raise local support for small, medium and macro enterprises and alternate suppliers have proven beneficial for the company and for the communities in which our properties are located. Ongoing efforts are being made to ensure that the group's entire procurement and supply chain reflects best practice and that wherever possible, the products and services procured by Sun International reflect our commitment to responsible and environmentally appropriate procurement management.

TARGETS AND OBJECTIVES

Over the coming year, the following objectives have been identified in order to improve the overall environmental performance of Sun International:

- * Implementation of an on-line resource database for improved management and performance at group level
- * The introduction and implementation of group environmental policies and procedures
- * Introduction of an environmental management development programme for senior staff
- * Consideration of participation in the Global Carbon Disclosure Project
- * Development and reporting of group carbon impact and mitigation strategy

TARGETS AND OBJECTIVES (%)



left: 'Save the frog day' at Boardwalk

right: The Herb and Rose Garden, a CSI project that provides fresh herbs and roses to the hotel guests at The Royal Livingstone and Zambezi Sun



ENVIRONMENTAL MANAGEMENT PERFORMANCE CONTINUED

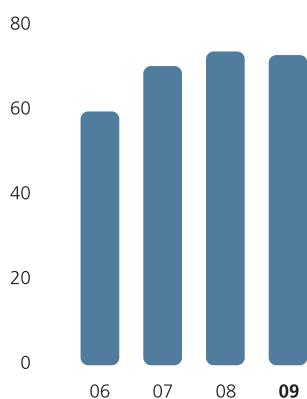
Ongoing efforts will be made in the coming year to ensure the most efficient management of resources possible, and improved application and monitoring of environmental performance across all operations will be intensified.

Increased costs related to water, electricity, gas and waste management will continue to provide a focal point for improved management actions, and pending legislation related to energy reductions, water management and waste handling are being factored into our short and medium targets. The targets that were set last year have largely been met and we are confident that the environmental performance strategy for the group will continue to deliver positive and internationally competitive results.

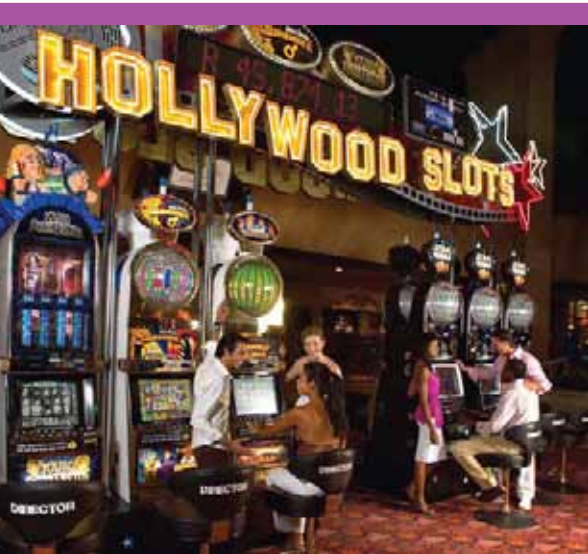
Objectives 2008	Status
Completion and implementation of Green Building Standard	Completed
Improve environmental awareness levels and skills across the group	Partly achieved/ongoing
Improve resource monitoring and reporting systems	Ongoing
Achieve group environmental performance targets by December 2008	Partly achieved/ongoing
Introduce environmental performance compliance strategies for business partners	Implemented
Incorporate environmental and sustainability aspects into the group marketing policies	Under review
Increase public awareness of group environmental policy	Under review
Conduct an audit of all bio-diverse and environmentally sensitive areas affected by the group's operations by July 2008	Underway
Investigate greater use of sustainable energy options for the group	Implemented
Increase waste recovery and management levels across the group	Achieved

Objectives 2009	Targets
Introduce the lifecycle evaluation standard for procurement	Pending
Undertake environmental skills audit and introduce management development programme	Underway
Reduce group energy consumption to within prescribed targets	March 2010
Increase water reduction targets by 15%	June 2010
Reduction of landfill levels by an additional 10% in 2010	June 2010

GROUP ENVIRONMENTAL PERFORMANCE
(EMP %)



left:
Sun City's Biodiesel Project:
Making Biodiesel from used oil is relatively inexpensive and an excellent environmentally friendly project.



Customers

We are starting to see the benefits of our strategy as our customers are experiencing the results of our efforts and investment when they visit our properties.

In the past year, we have made significant progress with our Customer Management (CM) journey towards creating relevant value for our customers and for our business. We are starting to see the benefits of our strategy as our customers are experiencing the results of our efforts and investment when they visit our properties. We will continue to focus on identifying ways in which we can create mutual value through customising our offerings to meet and exceed our customers' expectations.

HIGHLIGHTS

- * We successfully completed the roll out of the One Sun brand alignment programme to +/- 21 000 of our staff, and those of our business partners and concessionaires. The programme engaged all our people in our vision, our brand promise and educated them on the importance of delivery 'A Million Thrills. One Destination' to our customers.
- * With the launch and release of four editions of our One Sun Magazine we established a new internal communication channel for our business as well as a vehicle to create sustainability for the One Sun programme to ensure that we keep the messages alive.
- * The configuration and deployment of our Campaign Management technology to all our gaming properties to improve our marketing capability and to ensure that we improve our ability to build relationships with our MVGs.

Over the past three years, our CM strategy has stood the test and proved to be focusing on the right areas. We will continue to focus our efforts on:

- * Repositioning our brand in the minds of our customers through the careful management of their **perception** and expectations.
- * Igniting, motivating and creating passionate employees who deliver in our brand promise when they **interact** with our customers.
- * Consistently delivering unique thrilling, memorable, quality **experiences** that exceed our customers' expectations.
- * Creating long term, lasting **relationships** with our customers through learning and remembering what they need and want.
- * Delivering **relevant value** to our customers and our business as we apply our improved understanding of our customers' requirements.

Quality interactions and providing excellent service to our guests who visit our properties are at the centre of our business, and we aim to deliver consistent, memorable, quality guest experiences that fulfil in our brand promise of 'A Million Thrills. One Destination'. We will continue to strive to establish closer personal relationships with our most valued guests.

PERCEPTIONS

Our new brand promise of 'A Million Thrills. One Destination' accurately describes the unique experiences we aim to deliver to our customers when they visit our properties. Our properties each offer a unique experience which contributes to 'A Million Thrills', but as a group, we are all part of the Sun International family and we guarantee quality and consistency through the intent of 'One Destination'.



CUSTOMERS CONTINUED

We live our values of passion, fun, innovation, courage, ethics, teamwork and respect, all focused on our customer requirements. Through strategic and tactical marketing campaigns we have successfully positioned our brand as a leader in the South African gaming and hospitality market and we will continue to manage the perceptions of our customers through marketing our brand via multiple communications channels.

INTERACTIONS

Customer touch points are the points of interaction between our guests and our brand. These are also known as 'contact points', 'customer or guest contacts' or 'points of contact' or the places where we touch our customers and leave an impression which will influence their perception and confirm our brand promise. Other examples of touch points are our marketing collateral, our website, our sales calls, our corporate communication, our advertising and everywhere our brand is represented. It is the responsibility of each and every person working at Sun International to deliver exceptional service experiences and to ensure that we fulfil in our brand promise when we interact with our guests.

Our internal brand alignment project successfully communicated to all our people the importance of delivering on our brand promise at the moment of truth. The project focused on engaging our people in a fun and informative way to align our behaviour with the group's new vision and brand promise and to ignite the hearts and minds of our people so that they will focus on 'how they interact' with guest versus 'what task they need to perform'. We also share a common purpose at Sun International –

for our customers, we want to 'Light up their lives'.

EXPERIENCES

Customers expect to be delighted wherever they find themselves in our wide choice of properties and to ensure that our people are firmly focused on delighting them, they are being trained, empowered and recognised to take ownership for delivering on the brand promise. We want to achieve a guest service vision where our people are consistently delivering memorable, quality experiences that thrill our guests as we exceed their expectation. We aim to achieve this through paying attention to every detail and following our group basic service standards when we interact with guests.

RELATIONSHIPS

We continue to evolve and grow our MVG programme which, with 349 000 active cardholders, is one of the largest and leading loyalty programmes in the gaming industry. Because relationships are our business, we focus on customer retention and ways to improve our corporate memory so that customers can experience the same brand service across our group and don't have to repeat themselves. Over the past three years we have been specifying, configuring and testing a technology application which will assist our front-line staff to access relevant information when they need to serve a customer. Our relationship marketing programme will enable us to recognise our customers across our properties, regardless of which properties they visited in the past. This technology based initiative will be rolled out this year, and will considerably enhance our customer database and boost our customer interactions.

RELEVANCE

In a world where everything is becoming faster, easier to access and choice is everywhere, we know that 'being relevant' is important to our customers and we will be more easily able to retain them if we address their unique needs. We regularly conduct extensive research to enable us to better understand the needs, perceptions and expectations of our customers. A key driver of the CM programme is the sharing of customer insights and feedback throughout the group to ensure that we supply our customers with improved communication, product and service offerings.



Customers expect to be delighted wherever they find themselves in our wide choice of properties.



Responsible gambling

More than 10 000 callers to the 24/7 toll-free counselling line (0800 006 008) have been referred for free treatment, representing an average of about 97 per month.

HIGHLIGHTS

During the nine years since the establishment of the NRGP:

- ✦ More than 10 000 callers to the 24/7 toll-free counselling line (0800 006 008) have been referred for free treatment, representing an average of about 97 per month.
- ✦ Cutting-edge research into problem gambling has continued. Recent research findings show that problem gambling numbers have not increased and remained for the last three years between 4.6% and 4.8%.
- ✦ Industry as a whole has contributed nearly R72 million to the NRGP since inception, an average of R10 million a year.

As market leader, we aim to be South Africa's most ethical and accountable gaming company, and believe we have a special duty to promote a culture of responsible gambling.

As much as customers have the right to expect quality, service, integrity and honesty in their dealings with Sun International, there are other equally important expectations that we must uphold. Rights include those in respect of privacy of customer information, facilities for disabled people, a safe, clean and healthy environment and, importantly, a high level of accountability in terms of the promotion of responsible gambling, with measures to address problem and compulsive gambling.

For Sun International this is not simply a matter of compliance with regulations, it is central to the group's commitment to its customers and their wellbeing.

Sun International conceptualised and founded the NRGP in June 2000, today supported by all sectors of the industry and a programme which is acknowledged internationally and by local regulators to be among the foremost of its type in the world.

The NRGP is the only national initiative in the world funded to this degree by the private sector, and the only one internationally in which treatment, research and education are integrated in a single initiative. It is also the only programme of its type in the world which is jointly controlled by government and industry in a unique public/private sector partnership.

This model, and the fact that contributions are voluntary yet substantial, is unique among gambling jurisdictions worldwide and is one which is now likely to be introduced in the United Kingdom and in other countries. This reflects creditably and well on South Africa, and in the leadership of its gambling industry.

All Sun International staff are provided with Responsible Gambling Programme training and 2 150 training interventions for our staff were implemented during the year.

To ensure compliance within Sun International, our internal audit department serves management and the board of directors through independent evaluations and examinations of the group's activities and resultant business risks, including gaming compliance and compliance with the Responsible Gambling Programme.



Since the establishment of the NRGP:

- * More than 10 000 callers to the 24/7 toll-free counselling line (0800 006 008) have been referred for free treatment, representing an average of about 97 per month.
- * More than 3 000 have received assistance telephonically by the multilingual team that operates 24 hours a day and seven days a week.
- * The multilingual treatment network, comprising nearly 72 medical professionals, has been extended to 53 towns and cities in southern Africa.
- * Cutting-edge research into problem gambling has continued.
- * 20 123 employees have been trained in the nine years in one or more of the group's three-level training programmes.
- * During the year under review, Sun International's contribution to the NRGP was just over R5.5 million, excluding the cost of the group's extensive investment in customer education.
- * Industry as a whole has contributed nearly R72 million to the NRGP since inception, on average R10 million a year.



Government and regulators

It is self-evident that Sun International's relationship with government is based on a high degree of compliance, mutual trust, constructive engagement and regular consultation.

Sun International operates in a highly regulated environment. In terms of the Constitution, Parliament and the nine provinces have concurrent legislative competence regarding, among other things, casinos, racing, gambling and wagering.

The gambling industry is governed by the National Gambling Act of 2004 and legislation enacted by each of the nine provinces. The provincial gambling boards (PLAs) exercise a range of statutory functions to control the conduct of gambling and racing, where applicable, in their respective provinces. The National Gambling Board has an oversight function and a range of other responsibilities aimed at meeting the objectives of the National Act.

The principal asset of any casino operator is its licence to trade. Attached to casino licences are a variety of conditions and it is the function of the PLAs to ensure operators comply with these and other terms of the licence. It is noteworthy that the conditions of a casino licence have become the vehicle by means of which BEE-related objectives are being applied in respect of licensed casino operators.

It is self-evident that Sun International's relationship with government is based on a high degree of compliance, mutual trust, constructive engagement and regular consultation. Sun International enjoys a constructive relationship with the National Gambling Board as well as the PLAs in the eight provinces in which it operates.

CASINO ASSOCIATION OF SOUTH AFRICA

CASA was formed in 2003 by the groups whose operating companies hold the casino licences in South Africa. Its aim is to serve as a forum for the advancement of matters of common interests to its members. The main activities are conducted by a board comprising the chief executives of its members, as well as the office of the chief executive officer of CASA. Sun International is an active participant in the affairs of CASA.

CASA contributes significantly in the areas of research and information dissemination regarding the casino sector to the public, the media, regulators and a host of political and other decision makers. CASA's CEO is a regular participant at international conferences and has established meaningful relations with a number of counterpart associations in various parts of the world.

There is a constructive working relationship with the NRGF, the internationally acclaimed public/private sector partnership which focuses on problem gambling research, education and treatment. The casino sector contributed some 85% of the NRGF's overall budget, with the balance provided by the horse-racing, bingo and limited payout machine industries.

TOURISM BUSINESS COUNCIL OF SOUTH AFRICA (TBCSA)

TBCSA continues its activities through South Africa's tourism industry roleplayers to bolster the funding of SA Tourism's marketing and promotional activities. Currently, a 1% levy on room rates is paid over to SA Tourism to add to their local and international marketing spend.

HOTEL INDUSTRY LIAISON GROUP (HILG)

HILG is an informal discussion forum at which senior executives of South Africa's major hotel and resort groups discuss matters of common interest. Meetings are held periodically, as and when agenda items of sufficient import have been collated. The HILG remains an active supporter of skills development in the hospitality industry in connection with the 2010 World Cup to be held in South Africa.

LEGISLATIVE DEVELOPMENTS

The National Gambling Amendment Act 2008 will regulate, among other things, on-line gambling activities and will be brought into effect once the taxation, levy and operating issues have been addressed in the form of additional statutory instruments. Sun International has delivered substantial comments on two draft Bills and a set of draft Regulations, which are being considered by National Treasury and the Department of Trade and Industry.



Shareholders

The chairman and executive directors engage in discussions with representatives of the major shareholders to obtain feedback on issues of relevance to the group.

COMMUNICATION

Sun International continues to enjoy the support of its shareholders and appreciates their involvement and interest in the affairs of the group.

Sun International actively seeks constructive engagement with its shareholders. As a policy it strives to provide shareholders with information pertinent to the group of a financial and non-financial nature promptly and transparently. This is achieved through the publication of the annual report, the interim and year end results announcements and through other media releases in the case of matters which are considered of interest to shareholders. Announcements of a regulatory nature are published through SENS (the JSE's Securities Exchange News Service) and the press, as applicable.



Sun International's website (www.suninternational.com) has been expanded to include an investor relations portal containing information which is of interest to stakeholders, including copies of latest press releases and announcements, the interim, quarterly and year end results publications, the annual report, and archive containing past reports and announcements.

The chief executive and chief financial officer meet with industry analysts, fund managers, financial journalists and representatives of existing and prospective shareholders, both locally and internationally, to enable them to gain a better appreciation of the industry and the group and to deal with any queries relating to our operations. The chairman and executive directors engage in discussions with representatives of the major shareholders to obtain feedback on issues of relevance to the group. No information of a price sensitive nature or which is not in the public domain is discussed at these meetings and no particular shareholder is given broader rights or privileged access to information over the rest of the shareholders.

Sun International publishes quarterly business updates at the end of the first and third quarters of the financial year, including high level trading and operating performance data in an effort to provide stakeholders with up to date and relevant information.

Management encourages and appreciates the feedback received from shareholders, analysts and fund managers regarding the usefulness, quality and extent of the group's reporting and communication process.

Shareholders are encouraged to attend the annual general meeting, as this is the forum at which they can air their views and raise issues of concern.



● Insurance and assurance companies and provident funds.....59%	● Share trusts.....6%
● Investment companies.....7%	● Corporate.....1%
● Banks, nominee companies and trusts.....14%	● Individuals.....3%
	● Treasury shares.....10%

SHAREHOLDERS CONTINUED

Category	Number of shareholders	Number of shares owned	% of total issued shares
Size of shareholding			
1 – 1 000 shares	3 423	1 118 554	1.02
1 001 – 10 000 shares	960	2 895 408	2.64
10 001 – 100 000 shares	323	12 221 538	11.13
100 001 – 1 000 000 shares	136	36 800 923	33.50
1 000 001 shares and over	24	46 245 004	42.10
	4 866	99 281 427	90.39
Treasury shares	1	10 549 477	9.61
	4 867	109 830 904	100.00

Ten largest beneficial shareholders at 30 June 2009	Number of shares owned	% of total issued shares
Sun International Investments No. 2 (treasury shares)	10 549 477	9.61
SIEST	*6 203 152	5.65
Sanlam	5 593 149	5.09
Dinokana (excluding SIEST)	4 779 693	4.35
Old Mutual Group	4 790 722	4.36
State Street Bank & Trust Co (Custodian)	4 749 929	4.32
Investment Solutions	4 267 065	3.89
Transnet Pension Fund	2 381 915	2.17
Metropolitan	2 254 791	2.05
Investec	1 850 875	1.69
	47 420 768	43.18

* Includes an effective interest in 3 605 733 shares held indirectly through Dinokana.

Top 10 fund managers	Number of shares	% of total issued shares
Allan Gray Asset Management	36 360 690	33.11
Investec Asset Management	8 629 096	7.86
Sanlam Investment Management	6 335 827	5.77
Regarding Capital Management	4 791 261	4.36
Old Mutual Investment Group	3 533 773	3.22
Metropolitan Asset Management	2 203 842	2.01
Foord Asset Management	1 817 752	1.65
Peregrine Asset Management	1 057 840	0.96
Dimensional Fund Managers	711 615	0.65
Afena Capital	536 839	0.49
	65 978 535	60.08

Shareholders' spread (beneficial) at 30 June 2009	Number of shareholders	% of total issued shares
Public	4 833	82.43
Non-public		
Directors of the company and its subsidiaries	31	1.85
Employee Share Trusts	2	6.11
Own holdings – treasury shares	1	9.61
	4 867	100.00



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