

SECURITIES AND EXCHANGE COMMISSION

FORM SC 13D/A

Schedule filed to report acquisition of beneficial ownership of 5% or more of a class of equity securities [amend]

Filing Date: **2004-08-10**
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SUBJECT COMPANY

KERZNER INTERNATIONAL LTD

CIK: **914444** | IRS No.: **980136554** | State of Incorpor.: **C5** | Fiscal Year End: **1231**
Type: **SC 13D/A** | Act: **34** | File No.: **005-48645** | Film No.: **04965200**
SIC: **7990** Miscellaneous amusement & recreation

Mailing Address
*ATLANTIS, CORAL TOWERS
EXECUTIVE OFFICES
PARADISE ISLAND, BAH C5
NONE*

Business Address
*ATLANTIS, CORAL TOWERS
EXECUTIVE OFFICES
PARADISE ISLAND, BAH C5
NONE
242-363-6000*

FILED BY

Istithmar PJSC

CIK: **1298473** | IRS No.: **000000000**
Type: **SC 13D/A**

Mailing Address
*EMIRATES TOWERS, LEVEL
47
SHIEKH ZAYED ROAD, P.O.
BOX. 17000
DUBAI C0 00000*

Business Address
*EMIRATES TOWERS, LEVEL
47
SHIEKH ZAYED ROAD, P.O.
BOX. 17000
DUBAI C0 00000
971 4 390 2100*

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 13D

Under the Securities Exchange Act of 1934
(Amendment No.1)*

Kerzner International Limited
(Name of Issuer)

Ordinary Shares, \$0.001 par value per share
(Title of Class of Securities)

P6065Y107
(CUSIP Number)

David Jackson
Istithmar PJSC
Emirates Towers, Level 47
Sheikh Zayed Road - PO Box 17000
Dubai, United Arab Emirates
+971-4-390-2100

with a copy to:
Daniel S. Sternberg, Esq.
Cleary, Gottlieb, Steen & Hamilton
One Liberty Plaza
New York, New York 10006
212-225-2000

(Name, Address and Telephone Number of Persons Authorized to
Receive Notices and Communications)

August 10, 2004
(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of ss.240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box. |_ |

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See ss.240.13d-7(b) for other parties to whom copies are to be sent.

*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP No. P6065Y107 13D

1 NAMES OF REPORTING PERSONS
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Istithmar PJSC

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a)
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

WC

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT
TO ITEMS 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Dubai, United Arab Emirates

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 4,500,000
	8	SHARED VOTING POWER 0
	9	SOLE DISPOSITIVE POWER 4,500,000

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

4,500,000

See Item 5.

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES
CERTAIN SHARES

|_ |

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

12.8%

See Item 5.

14

TYPE OF REPORTING PERSON

CO

This Amendment No. 1 amends and supplements the statement on Schedule 13D filed on July 26, 2004 by Istithmar PJSC ("Istithmar") with respect to the ordinary shares \$0.001 par value per share (the "Ordinary Shares") of Kerzner International Limited, a company incorporated under the laws of the Commonwealth of The Bahamas (the "Issuer") (such statement on Schedule 13D, the "Statement"). All capitalized terms used herein and not otherwise defined herein have the meanings ascribed to such terms in the Statement.

Item 3. Source and Amount of Funds.

Item 3 of the Statement is amended and restated in its entirety to read as follows:

The aggregate amount of funds used by Istithmar to purchase the Securities (as defined in Item 4) was US\$225,000,000. These funds were obtained from working capital and no part of the purchase price for the Securities consisted of borrowed funds.

Item 4. Purpose of the Transaction.

Pursuant to the Stock Purchase Agreements, on August 10, 2004 Istithmar acquired the Securities (an aggregate of 4,500,000 Ordinary Shares, consisting of 3,000,000 newly-issued Ordinary Shares purchased from the Issuer and 1,500,000 outstanding Ordinary Shares purchased from Caledonia and CMS) and

entered into the Ancillary Agreements (described below in Item 6) with the Issuer and certain other shareholders of the Issuer.

Istithmar intends to exercise its right under the Governance Agreement (as defined in Item 6) to nominate a designee to serve on the Board of Directors of the Issuer (the "Board").

Item 5. Interest in Securities of the Issuer.

Item 5 of the Statement is amended and restated in its entirety to read as follows:

(a) Istithmar is the beneficial owner of 4,500,000 Ordinary Shares, which, based upon publicly available information, represent approximately 12.8% of the currently outstanding Ordinary Shares.

(b) Istithmar has the sole power to vote or direct the vote, and dispose or direct the disposal of 4,500,000 Ordinary Shares of the Issuer.

(c) On August 10, 2004, Istithmar acquired in privately negotiated purchases in accordance with the terms of the Stock Purchase Agreements (i) 3,000,000 Ordinary Shares from the Issuer for an aggregate purchase price of \$153,750,000, (ii) 1,300,000 Ordinary Shares from Caledonia for an aggregate purchase price of \$61,750,000 and (iii) 200,000 Ordinary Shares from CMS for an aggregate purchase price of \$9,500,000. Other than the transactions described in the preceding sentence, neither Istithmar nor, to the best of its knowledge, any of the Government of Dubai or the persons identified in Schedule A to the Statement has effected any transactions in the Ordinary Shares in the past sixty days.

(d) - (e) Not applicable.

Item 6. Contracts, Arrangements, Understandings or Relationships with

Respect to Securities of the Issuer.

On August 10, 2004, Istithmar entered into a Corporate Governance Agreement with the Issuer (the "Governance Agreement"). Among other things, the Governance Agreement provides that until August 10, 2009 Istithmar will not acquire additional Ordinary Shares or other equity securities of the Issuer if it would then own in excess of the total number of Ordinary Shares owned by the World Leisure Group and its affiliates ("WLG") (excluding Ordinary Shares acquired by WLG pursuant to employee compensation arrangements). The Governance Agreement also provides that until August 10, 2009 Istithmar will not take certain actions to acquire or influence control of the Issuer.

The Governance Agreement provides that for so long as Istithmar beneficially owns 5% or more of the voting power in the Issuer, Istithmar will have the right in connection with each election of directors of the Issuer to

designate a nominee to the Board and the Issuer has agreed to cause Istithmar's designee to be included in the Board's slate of nominees for such election and to use its reasonable best efforts to solicit proxies in favor of the nominee designated by Istithmar.

The Governance Agreement provides that until August 10, 2009, Istithmar may not without the approval of a majority of the Issuer's independent directors transfer, sell, or dispose any Ordinary Shares to any person or group, if to Istithmar's knowledge, that person or group would own more than 4.9% of the Issuer's Voting Stock after the transaction. Notwithstanding this restriction, Istithmar is free to transfer its Ordinary Shares (a) to certain Istithmar affiliates, (b) in an underwritten public offering, (c) in certain open market transactions or (d) pursuant to certain tender or exchange offers.

The preceding description of the Governance Agreement is qualified by reference to the full text of the Governance Agreement, a copy of which is filed as Exhibit 4 hereto and incorporated herein by reference in its entirety.

On August 10, 2004, Istithmar also entered into a Registration Rights Agreement with the Issuer (the "Registration Rights Agreement"), pursuant to which the Issuer has agreed to register under the Securities Act of 1933 sales by Istithmar and certain of its transferees ("Holders") of the Securities and any other Ordinary Shares acquired in accordance with the terms of the Governance Agreement. Holders may make one or more demand registrations, subject to certain limitations, including limitations on the number of Ordinary Shares to be registered and the timing of such registrations. Holders may also piggyback on the demand registrations of other Holders or on a registration of the Issuer, subject to certain limitations.

The preceding description of the Registration Rights Agreement is qualified by reference to the full text of the Registration Rights Agreement, a copy of which is filed as Exhibit 5 hereto and incorporated herein by reference in its entirety.

With respect to the 1,500,000 Ordinary Shares purchased from CMS and Caledonia, Istithmar, as a permitted transferee of such Ordinary Shares, has acquired certain registration rights under the Registration Rights and Governance Agreement dated as of July 3, 2001, by and among the Issuer, Sun International Investments Limited, WLG, Kersaf Investments Limited, Caledonia, Mangalitsa Limited, CMS, Rosegrove Limited, Royale Resorts Holdings Limited and Sun International Inc. (the "2001 Agreement").

The preceding description of the 2001 Agreement is qualified by reference to the full text of the 2001 Agreement, a copy of which is filed as Exhibit 6 hereto and incorporated herein by reference in its entirety.

On August 10, 2004, Istithmar also entered into a Letter Agreement with the Issuer, Caledonia, CMS and WLG (the "Letter Agreement"). Among other things, the Letter Agreement provides that Istithmar will vote all Ordinary Shares it beneficially owns in any election of directors of the Issuer in favor of any nominee to the Board designated by WLG, Caledonia or CMS in accordance

with the 2001 Agreement. Each of those parties have agreed, in turn, to vote all Ordinary Shares it beneficially owns in any election of directors of the Issuer in favor of any nominee to the Board designated by Istithmar in accordance with the Governance Agreement.

The preceding description of the Letter Agreement is qualified by reference to the full text of the Letter Agreement, a copy of which is filed as Exhibit 7 hereto and incorporated herein by reference in its entirety.

Except for the Stock Purchase Agreements, the Governance Agreement, the Registration Rights Agreement, the 2001 Agreement and the Letter Agreement, neither Istithmar, nor, to the best of its knowledge, any of the Government of Dubai or the persons identified in the Schedule A to the Statement has any contract, arrangement, understanding or relationship (legal or otherwise) with any person with respect to any securities of the Issuer.

Item 7. Material to be filed as Exhibits.

Item 7 of the Statement is hereby amended to add the following:

- Exhibit 4 Corporate Governance Agreement, dated as of August 10, 2004, by and between Istithmar and the Issuer.
- Exhibit 5 Registration Rights Agreement, dated as of August 10, 2004, by and between Istithmar and the Issuer.
- Exhibit 6 Registration Rights and Governance Agreement dated as of July 3, 2001, by and among the Issuer, Sun International Investments, WLG, Kersaf Investments Limited, Caledonia, Mangalitsa Limited, CMS, Rosegrove Limited, Royale Resorts Holdings Limited and Sun International Inc. (incorporated by reference to Exhibit C to Schedule 13-D of Mangalitsa Limited with respect to Kerzner International Limited, filed with the SEC on July 13, 2001, File No. 005-48645).
- Exhibit 7 Letter Agreement, dated as of August 10, 2004, by and between Istithmar, the Issuer, Caledonia, CMS and WLG.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I

certify that the information set forth in this statement is true, complete and correct.

DATED: August 10, 2004

ISTITHMAR PJSC

By: /s/ Sultan Ahmed Bin Sulayem

Name: Sultan Ahmed Bin Sulayem

Title: Chairman

Exhibit Index

Exhibit -----	Description -----
4	Corporate Governance Agreement, dated as of August 10, 2004, by and between Istithmar PJSC and Kerzner International Limited.
5	Registration Rights Agreement, dated as of August 10, 2004, by and between Istithmar PJSC and Kerzner International Limited.
6	Registration Rights and Governance Agreement dated as of July 3, 2001, by and among Kerzner International Limited, Sun International Investments Limited, World Leisure Group Limited, Kersaf Investments Limited, Caledonia Investments PLC, Mangalitsa Limited, Cement Merchants S.A., Rosegrove Limited, Royale Resorts Holdings Limited and Sun International Inc. (incorporated by reference to Exhibit C to Schedule 13-D of Mangalitsa Limited with respect to Kerzner International Limited, filed with the SEC on July 13, 2001, File No. 005-48645).
7	Letter Agreement, dated as of August 10, 2004, by and between Istithmar PJSC, Kerzner International Limited, Caledonia Investments PLC, Cement Merchants S.A. and World Leisure Group Limited.

CORPORATE GOVERNANCE AGREEMENT, dated as of August 10, 2004 (this "Agreement"), by and between Kerzner International Limited, a company incorporated under the laws of The Bahamas (the "Company"), and Istithmar PJSC, a company organized under the laws of Dubai ("Istithmar").

R E C I T A L S

A. Contemporaneously with the execution and delivery of this Agreement, Istithmar has purchased an aggregate of 4,500,000 ordinary shares of the Company, par value \$0.001 per share, from the Company and certain selling shareholders.

B. In connection with the sale of shares to Istithmar, the parties have agreed to enter into this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

ARTICLE I

DEFINED TERMS

SECTION 1.1. Certain Definitions. For the purposes of this Agreement, the following terms shall have the following meanings:

"Affiliate" means, with respect to any Person, any other Person controlling, controlled by or under direct or indirect common control with such Person. For the purposes of this Agreement, "control," when used with respect to any specified Person, shall mean, (a) as determined with respect to each Person pursuant to the laws of the jurisdiction where such Person is organized, the actual or deemed direction of the management and policies of such Person, directly or indirectly, whether through ownership of voting securities, by contract or otherwise, or (b) the power to direct the management and policies of such Person whether through ownership of voting securities, by contract or otherwise if there exists any agreement, arrangement or understanding, whether oral or written, between such specified Person and the Person who has such power (together with any Affiliates thereof, the "Power Person") with regard to the Power Person taking an action that the specified Person is prohibited from taking under this Agreement or the specified Person not taking an action it is required to take under this Agreement, or matters related to either of the foregoing; and the terms "controlling" and "controlled" shall have meanings correlative to the foregoing. For purposes of this Agreement, the Company shall be deemed not to be an Affiliate of Istithmar or WLG.

"Beneficial Ownership" shall have the meaning set forth in Rule 13d-3 under the Exchange Act as in effect on the date of this Agreement; and the terms "Beneficially Owned" and "Beneficially Owns" shall have meanings correlative to the foregoing.

"Board" or "Board of Directors" means the Board of Directors of the Company, except where the context requires otherwise.

"Caledonia" means Caledonia Investments PLC, a company incorporated under the laws of England.

"Director" means a member of the Board of Directors.

"Equity Security" means (i) Shares, (ii) securities of the Company convertible into or exchangeable for Shares and (iii) any options, warrants or other rights issued by the Company to acquire Shares or securities of the Company convertible into or exchangeable for Shares.

"Exchange Act" means the Securities Exchange Act of 1934 and the rules and regulations promulgated thereunder, as amended.

"Independent Director" means a Director of the Company who would be considered an "independent director" under (a) NYSE Rule 303A(2) as such rule may be amended, supplemented or replaced from time to time (whether by final rule or otherwise and without giving effect to any permitted delays for compliance or exceptions for foreign issuers) or (b) if the Company is not listed on the NYSE, any comparable rule or regulation of the primary securities exchange or quotation system on which the Shares are listed or quoted (whether by final rule or otherwise and without giving effect to any permitted delays for compliance or exceptions for foreign issuers).

"Istithmar Group" means Istithmar, Nakheel Co. LLC, Nakheel Holdings 1 LLC, Nakheel Holdings 2 LLC, Nakheel Holdings 3 LLC and, as of any date, any of their respective Subsidiaries and any Person engaged in investment or commercial activities which is under the authority and control of the current Executive Chairman of Istithmar comparable to the authority and control he exercises over Istithmar as of the date hereof.

"Istithmar Standstill Expiration Date" means the August 10, 2009.

"Istithmar's Percentage Interest" means, as of any date of determination, the percentage of Voting Power (determined on the basis of the number of outstanding shares of Voting Stock, as set forth in the most recent SEC filing of the Company prior to such date that contained such information) that is Beneficially Owned by the Istithmar Group as of such date. Voting Stock acquired by any member of the Istithmar Group in breach of this Agreement will be excluded from any calculation of Istithmar's Percentage Interest.

"Letter Agreement" means the Letter Agreement, dated as of August 10, 2004, among the Company, WLG, Caledonia, Cement Merchants SA and

Istithmar.

"NYSE" means The New York Stock Exchange, Inc.

"Person" means any individual, firm, corporation, partnership, company, limited liability company, trust, joint venture, association, governmental entity, unincorporated organization or other entity.

"Registration Rights Agreement" means the Registration Rights Agreement, dated as of August 10, 2004, between the Company and Istithmar.

"SEC" means the Securities and Exchange Commission.

"Securities Act" means the Securities Act of 1933 and the rules and regulations promulgated thereunder, as amended.

"Shares" means (a) the ordinary shares, par value \$0.001 per share, of the Company (including any dividends in kind thereon) or (b) any other class of stock resulting from any reclassification, exchange, substitution, combination, stock split or reverse stock split, including in connection with any merger or otherwise, of such ordinary shares.

"Subsidiary" of any person means another person, (i) an amount of the voting securities, other voting ownership or voting partnership interests of which is sufficient to elect at least a majority of its Board of Directors or other governing body or (ii) 50% or more of the equity interests of which, is owned directly or indirectly by such first person or by another subsidiary of such first person.

"13D Group" means any group of Persons formed for the purpose of acquiring, holding, voting or disposing of Voting Stock that would be required under Section 13(d) of the Exchange Act, and the rules and regulations thereunder (as in effect on, and based on legal interpretations thereof existing on, the date hereof), to file a statement on Schedule 13D with the SEC as a "person" within the meaning of Section 13(d) (3) of the Exchange Act if such group Beneficially Owned Voting Stock representing more than 5% of any class of Voting Stock then outstanding (other than a group consisting of all of Caledonia, Cement Merchants SA, Istithmar and WLG).

"Voting Power" means the ability to vote or to control, directly or indirectly, by proxy or otherwise, the vote of any Voting Stock at the time such determination is made; provided, however, that a Person will not be deemed to have Voting Power as a result of an agreement, arrangement or understanding to vote such Voting Stock if such agreement, arrangement or understanding (a) arises solely from a revocable proxy or consent given in response to a public proxy or consent solicitation made pursuant to the applicable rules and regulations under the Exchange Act and (b) is not also then reportable by such Person on Schedule 13D under the Exchange Act (or any comparable or successor report).

"WLG" means World Leisure Group Limited, a company

incorporated under the laws of the British Virgin Islands.

"WLG Group" means, as of any date, WLG and all of its Affiliates as of such time, including Solomon Kerzner and Howard B. Kerzner.

ARTICLE II

LIMITATIONS ON PURCHASES OF EQUITY SECURITIES AND OTHER ACTIONS

SECTION 2.1. Limitation on Purchases of Equity Securities. At any time prior to the Istithmar Standstill Expiration Date, Istithmar shall not, and shall cause each member of the Istithmar Group not to, directly or indirectly, acquire, agree to acquire or make a proposal to acquire Beneficial Ownership of any Equity Securities; provided, however, that Istithmar (or a member of the Istithmar Group) may acquire, agree to acquire or make a proposal to acquire Beneficial Ownership of additional Equity Securities if, after giving effect to such acquisition, the number of Shares Beneficially Owned by the Istithmar Group would not exceed the number of Shares then Beneficially Owned by the WLG Group (excluding any Shares received or acquired by any member of the WLG Group pursuant to the exercise of any stock options, or pursuant to any employment agreement or arrangement, employee stock purchase plan, deferred compensation plan, severance plan, fringe benefit plan or other executive compensation plan) based on the information contained in the most recent filing by WLG or the Company with the SEC regarding WLG's ownership of Equity Securities and other information provided by WLG or the Company to Istithmar. For purposes of this Section 2.1, the Company represents and warrants that the aggregate number of Shares Beneficially Owned, as of the date of this Agreement, by the WLG Group (excluding any Shares received or acquired pursuant to the exercise of any stock options, or pursuant to any employment agreement or arrangement, employee stock purchase plan, deferred compensation plan, severance plan, fringe benefit plan or other executive compensation plan) is approximately 4,450,000 Shares.

SECTION 2.2. Additional Limitations. At any time prior to the Istithmar Standstill Expiration Date, Istithmar shall not, and shall cause each member of the Istithmar Group not to:

(a) "solicit" any proxies or become a "participant" in any "solicitation" of proxies or in any "election contest" (as such terms are defined in Regulation 14A of the Exchange Act) with respect to any Equity Securities having the right to vote generally in any election of Directors ("Voting Stock") or seek to influence any person or 13D Group with respect to the voting of any Voting Stock;

(b) propose or attempt to acquire or affect control of the Company or directly or indirectly participate in, or encourage the formation of, any 13D Group which owns or seeks to acquire Beneficial Ownership of Voting Stock or to acquire or affect control of the Company;

(c) except through the presence of its designee on the Board

of Directors, otherwise act, alone or in concert with others, to seek to control or to influence in any manner the management, Board, policies or affairs of the Company or propose or seek to effect any merger, consolidation, tender or exchange offer, sale or purchase of all or a substantial portion of the assets or other business combination or similar transaction or any dissolution, liquidation, restructuring, recapitalization or similar transaction, in each case involving the Company; or

(d) publicly request, propose or otherwise seek any amendment or waiver of the provisions of Article II or otherwise request or propose any such amendment or waiver in a manner which could reasonably be expected to require the Company to make a public disclosure regarding such request or proposal.

SECTION 2.3. Fiduciary Duties; Voting. Nothing in this Agreement shall be construed to prohibit any Director designated for nomination by Istithmar pursuant to Section 3.2(a) or (c) from taking any action solely in his or her capacity as a member of the Board or from exercising his or her fiduciary duties as a member of the Board or to prohibit any member of the Istithmar Group from voting any Voting Stock in the manner it sees fit in its sole discretion except as expressly provided for in Section 3.3 of this Agreement.

SECTION 2.4. Termination of Certain Limitations. If, at any time prior to the Istithmar Relinquishment Event (as defined in Section 3.2(e)), notwithstanding the fact that Istithmar has exercised its rights to designate a Director in accordance with Section 3.2(a) or a replacement Director in accordance with Section 3.2(c), as the case may be, and complied in all material respects and in good faith with the requirements herein regarding the designation of and voting for directors, including pursuant to Section 3.3, no individual designated by Istithmar in accordance with Section 3.2(a) or (c) is elected or appointed, as the case may be, to serve as a Director (or as a replacement for a Director), then the restrictions applicable to Istithmar and the Istithmar Group in this Article II and in Section 4.1 shall terminate subject to notice from Istithmar and the expiration of a five business day cure period during which the Board may appoint an individual designated by Istithmar in accordance with Section 3.2(c).

ARTICLE III

BOARD OF DIRECTORS; VOTING

SECTION 3.1. New Directors. Upon execution and delivery of this Agreement, the Company shall increase the size of the Board of Directors by two members and Howard B. Kerzner, the Company's Chief Executive Officer, and an individual designated by Istithmar who satisfies the requirements of Section 3.2(d) shall be appointed to fill the new seats.

SECTION 3.2. Nomination and Election of Directors.

(a) In connection with each meeting of the shareholders of the

Company in which Directors shall be elected, Istithmar shall have the right to designate for nomination one nominee who satisfies the requirements of Section 3.2(d) for Director, and the Company shall cause such Person designated for election in accordance with this Section 3.2(a) to be included in the Board's slate of nominees for such meeting.

(b) Subject to applicable law, Istithmar shall be entitled to remove any director designated by it. The Company shall take all reasonable efforts consistent with applicable law to effectuate such removal.

(c) Istithmar shall have the right to designate any replacement for a Director designated for nomination in accordance with Section 3.2(a) by Istithmar upon the death, resignation, retirement, disqualification or removal from office of such Director; provided that such replacement shall satisfy Section 3.2(d). The Board of Directors shall appoint each person so designated.

(d) Istithmar hereby agrees that any individual that it designates as a nominee for Director or replacement Director shall satisfy all administrative, regulatory or other governmental requirements applicable to the Company and the other members of the Board of Directors.

(e) Notwithstanding any provisions of this Agreement to the contrary, if, at any time, Istithmar's Percentage Interest falls below 5% (the "Istithmar Relinquishment Event"), then Istithmar shall no longer have the right pursuant to Section 3.2(a) or 3.2(c) to designate a nominee for Director and shall immediately take all reasonable efforts consistent with applicable law to cause its then current designee to resign as a member of the Board and this Article III shall terminate.

SECTION 3.3. Solicitation and Voting of Shares. (a) The Company shall use its reasonable best efforts to solicit from its shareholders eligible to vote for the election of Directors proxies in favor of the nominee designated by Istithmar in accordance with Section 3.2(a).

(b) In any election of Directors or any meeting of the shareholders of the Company called expressly for the removal of Directors, each member of the Istithmar Group shall attend in person or by proxy for purposes of establishing a quorum and shall vote all its Voting Stock (i) in favor of any nominee for Director designated by Istithmar in accordance with this Article III and (ii) otherwise against the removal of any Director designated by Istithmar in accordance with this Article III.

(c) Istithmar agrees that it will take all actions as a shareholder of the Company, or as is otherwise within its control, as necessary to effect the provisions of this Agreement.

SECTION 3.4. Fiduciary Duties; Replacement Nominees. (a) Nothing in this Agreement shall be deemed to require the Board of Directors or any committee or member thereof to take any action or refrain from taking any action, or result in a breach of any provision of this Article III, if the Board

of Directors, such committee or Director determines in good faith that taking such action or refraining from taking such action, as the case may be, would cause a violation of fiduciary duties under applicable law.

(b) In the event that the Board of Directors (or any committee thereof) relies on Section 3.4(a) or Section 3.2(d) to exclude a person designated by Istithmar pursuant to Section 3.2(a) or 3.2(c) from the Board's slate of nominees (or otherwise take adverse action with respect to any such designee, including failing to recommend the election of such designee), the Board of Directors (or applicable committee) shall afford Istithmar a reasonable opportunity to select a replacement designee for inclusion, subject to Section 3.2(e), on the Board's slate of nominees or the Board, as the case may be.

ARTICLE IV

TRANSFER OF SHARES

SECTION 4.1. Limitation on Transfer of Shares. (a) Except as permitted by Section 4.1(b), at any time prior to the Istithmar Standstill Expiration Date, the members of the Istithmar Group shall not, without the consent of a majority of the Independent Directors, sell, transfer or otherwise dispose of Shares, directly or indirectly, to any Person or 13D Group, if, after giving effect to such sale, transfer or other disposition such Person or 13D Group would, to Istithmar's knowledge after due inquiry, Beneficially Own, or have the right to acquire Beneficial Ownership of, more than 4.9% of the Company's Voting Stock.

(b) Notwithstanding any of the foregoing, Istithmar may at any time:

(i) transfer any or all of its Shares to a member of the Istithmar Group which agrees in writing to be bound by the terms and provisions of this Agreement to the same extent as the transferor party (a "Permitted Transferee") and remains a member of the Istithmar Group at all times following such transfer; provided that Istithmar shall not (A) permit such Permitted Transferee to cease to be a member of the Istithmar Group unless Istithmar has first reacquired all such transferred Shares from the Permitted Transferee and (B) in any manner be released from any of its obligations hereunder as a result of any transfer to a Permitted Transferee.

(ii) sell, transfer or otherwise dispose of any of its Shares in an Underwritten Public Offering (as defined in the Registration Rights Agreement) pursuant to any registration effected under the Registration Rights Agreement, subject to the conditions and limitations contained therein;

(iii) make a sale of Shares otherwise prohibited by Section 4.1(a) if such sale is affected as (A) a "brokers' transaction" (as such term is defined for purposes of Rule 144 under the Securities Act) or (B) other open-market sale (including a block trade) by a broker in

which no more than 500,000 Shares are sold to any single Person or 13D Group; or

(iv) sell, transfer or otherwise dispose of any of its Shares pursuant to any bona fide tender or exchange offer by any Person (other than by a member of the Istithmar Group, a member of any Group (as defined in the Registration Rights and Governance Agreement, dated as of July 3, 2001, among the Company, Sun International Investments Limited, WLG, Kersaf Investments Limited, Caledonia, Mangalitsa Limited, CMS, Rosegrove Limited, Royale Resorts Holdings Limited and Sun International Inc.) or by any 13D Group that includes any such member) for all of the Equity Securities that has not been solicited, directly or indirectly, by any member of the Istithmar Group or any such Group.

(c) Purported transfers of Shares that are not in compliance with this Article IV shall be void. For the avoidance of doubt, the sale of Shares to the Company shall not be prohibited by this Article IV.

ARTICLE V

BUSINESS OPPORTUNITIES

SECTION 5.1. Business Opportunities. (a) If any member of the Istithmar Group wishes to pursue, directly or indirectly, an investment in any other Venue-based Entertainment Business (as defined below) outside the Middle East (as defined below), Istithmar shall first present the opportunity to the Company, including a description of all material terms known to such member of the Istithmar Group and all out-of-pocket costs and expenses incurred by such member of the Istithmar Group. An "investment" for the purposes of this Section 5.1 shall not include an investment (a) in less than 5% (or of up to \$30 million if greater than 5%) of the outstanding stock of a publicly-listed Venue-based Entertainment Business or a company owning such business or (b) in an amount less than \$30 million in the outstanding equity capital of a privately owned Venue-based Entertainment Business or a company owning such a business.

"Venue-based Entertainment Business" means any enterprise, entity or project that owns and/or operates luxury hotels, theme parks, gaming or other resort activities at one or more fixed geographic sites. "Middle East" means the geographic area which includes the countries of United Arab Emirates, Bahrain, Qatar, Egypt, Oman, Yemen, Lebanon, Syria, Iran, Iraq, Jordan and Saudi Arabia.

(b) Within 60 days of the presentation of an opportunity pursuant to Section 5.1(a), the Company shall notify Istithmar whether it desires to assume the opportunity. To "assume the opportunity" means undertaking the investigation, investment, development, acquisition and/or management of the relevant investment.

(c) If the Company determines to assume the opportunity, the Company will reimburse such member of the Istithmar Group for all of its out-of-pocket costs and expenses related to the identification or evaluation of the potential business opportunity.

(d) If the Company declines to assume the opportunity or fails to provide notice within 60 days of the presentation of an opportunity pursuant to Section 5.1(a), such member of the Istithmar Group shall be entitled to pursue the proposed opportunity so long as its ultimate involvement in such opportunity shall be on terms in the aggregate no more favorable than those presented to the Company pursuant to Section 5.1(a).

(e) Notwithstanding any provision of this Agreement to the contrary, this Article V shall terminate in its entirety immediately upon (i) the occurrence of the Istithmar Relinquishment Event or (ii) if at any time (1) the percentage of Voting Power (determined on the basis of the number of outstanding shares of Voting Stock, as set forth in the most recent SEC filing of the Company prior to such date that contained such information) that is Beneficially Owned by the WLG Group falls below 5% or (2) neither Solomon Kerzner nor Howard B. Kerzner serves as an executive officer of the Company.

ARTICLE VI

MISCELLANEOUS

SECTION 6.1. Adjustments. References to numbers of Shares and to sums of money contained herein shall be adjusted to account for any reclassification, exchange, substitution, combination, stock split or reverse stock split of the Shares, including in connection with any merger or otherwise.

SECTION 6.2. Notices. All notices, requests and other communications to any party hereunder shall be in writing and shall be deemed given (i) when delivered, if delivered in person, (ii) when sent by facsimile (provided the fax is promptly confirmed by telephone confirmation thereof), (iii) when sent by email (provided the email is promptly confirmed by telephone confirmation thereof) and (iv) two business days following sending by overnight delivery by an internationally recognized overnight courier, in each case, to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 6.2):

if to the Company, to:

Kerzner International Limited
P.O. Box N-4777
Nassau, The Bahamas
Attention: General Counsel
Facsimile: (242) 363-4581
Email: Richard.Levine@kerzner.com

with a copy to:

Cravath, Swaine & Moore LLP
Worldwide Plaza
825 Eighth Avenue

New York, NY 10019
United States of America
Attention: Philip A. Gelston
Facsimile: (212) 474-3700
Email: PGelston@cravath.com

if to Istithmar, to:

Istithmar PJSC
Emirates Towers, Level 47
Sheikh Zayed Road
PO Box 17000
Dubai, United Arab Emirates
Attention: Chief Executive Officer
Facsimile: +971 4 390 3818
Email: info@istithmar.ae

with a copy to:

Cleary, Gottlieb, Steen & Hamilton
One Liberty Plaza
New York, New York 10006
Attention: Daniel S. Sternberg
Facsimile: (212) 225-3999
Email: DSternberg@cgsh.com

SECTION 6.3. Legend. (a) Istithmar agrees to the imprinting, until the Istithmar Standstill Expiration Date, of a legend on certificates representing all of its Shares, to the following effect:

THE SALE, TRANSFER OR OTHER DISPOSITION (EACH A "TRANSFER") OF ANY OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE RESTRICTED BY THE TERMS OF THE CORPORATE GOVERNANCE AGREEMENT, DATED AUGUST 10, 2004 (THE "CORPORATE GOVERNANCE AGREEMENT"), AMONG THE COMPANY AND THE SHAREHOLDER NAMED THEREIN, A COPY OF WHICH MAY BE INSPECTED AT THE COMPANY'S PRINCIPAL OFFICE. THE COMPANY WILL NOT REGISTER THE TRANSFER OF SUCH SECURITIES ON THE BOOKS OF THE COMPANY UNLESS AND UNTIL THE TRANSFER HAS BEEN MADE IN COMPLIANCE WITH THE TERMS OF THE CORPORATE GOVERNANCE AGREEMENT.

(b) The Company shall remove the legend described in clause (a) from certificates representing Shares owned by Istithmar or a Permitted Transferee (i) if the Shares represented thereby are sold, transferred or otherwise disposed of in compliance with this Agreement (other than to a Permitted Transferee) and (ii) immediately following the Istithmar Standstill Expiration Date.

SECTION 6.4. Amendments; No Waivers. (a) No provision of this Agreement may be amended or waived unless such amendment or waiver is in writing and signed by each of the Company and Istithmar; provided that no such amendment

or waiver shall be effective against the Company without the prior approval of a majority of the Company's Independent Directors.

(b) No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

SECTION 6.5. Successors and Assigns. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors. No party may assign, delegate or otherwise transfer any of its rights or obligations under this Agreement.

SECTION 6.6. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of New York applicable to agreements made and to be performed entirely within such State and, to the extent applicable, the federal securities laws of the United States.

SECTION 6.7. Change in Law. In the event any law, rule or regulation comes into force or effect (including by amendment) which conflicts with the terms and conditions of this Agreement, the parties shall negotiate in good faith to revise the Agreement to achieve the parties' intention set forth herein.

SECTION 6.8. Jurisdiction.

(a) Each party inter se irrevocably submits to the exclusive jurisdiction of (a) the Supreme Court of the State of New York, New York County, and (b) the United States District Court for the Southern District of New York, solely for the purposes of any suit, action or other proceeding arising out of this Agreement or any transaction contemplated hereby. Each party agrees to commence any such action, suit or proceeding either in the United States District Court for the Southern District of New York or if such suit, action or other proceeding may not be brought in such court for jurisdictional reasons, in the Supreme Court of the State of New York, New York County. Each of the parties hereto further irrevocably consents, and shall cause each of its Affiliates to irrevocably consent, to the service of process in any such action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, return receipt requested, to such party at its address as provided for notices hereunder. Each party irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement or the transactions contemplated hereby and thereby in (i) the Supreme Court of the State of New York, New York County, or (ii) the United States District Court for the Southern District of New York, and hereby and thereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

(b) Istithmar confirms that (i) it is not a party to any

agreement with the United States of America relating in any way to the immunity of Istithmar from jurisdiction of courts, suit, execution upon a judgment, attachment prior to judgment or in aid of execution upon a judgment or any other legal process and (ii) it is, under the law of Dubai, subject to civil and commercial law with respect to its obligations under this Agreement and has agreed not to assert the defense of immunity, on the grounds of sovereignty or otherwise, in respect of any suit, action or proceeding arising out of or relating to claims under this or the consummation of the transactions contemplated hereby or thereby.

SECTION 6.9. Counterparts; Effectiveness. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signature thereto and hereto were upon the same instrument. This Agreement shall become effective when each party hereto shall have received counterparts hereof signed by the other party hereto.

SECTION 6.10. Specific Performance. The parties hereto (and any Person who agrees to be bound hereby pursuant to the terms hereof) acknowledge and agree, and shall cause each of its Affiliates to agree, that their respective remedies at law for a breach or threatened breach of any of the provisions of this Agreement would be inadequate and, in recognition of that fact, agree that, in the event of a breach or threatened breach by any party (or any of such Persons) of the provisions of this Agreement, in addition to any remedies at law, they shall, respectively, without posting any bond, be entitled to obtain equitable relief in the form of specific performance, a temporary restraining order, a temporary or permanent injunction or any other equitable remedy which may then be available.

SECTION 6.11. Interpretation; Certain Definitions. When a reference is made in this Agreement to a Section or Subsection, such reference shall be to a Section or Subsection of, this Agreement unless otherwise indicated. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Whenever the words "include", "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation". The words "hereof", "herein", "hereto", "hereby" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. The term "or" is not exclusive. The word "extent" in the phrase "to the extent" shall mean the degree to which a subject or other thing extends, and such phrase shall not mean simply "if". The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms. Any agreement or instrument defined or referred to herein or in any agreement or instrument that is referred to herein means such agreement or instrument as from time to time amended, modified or supplemented. References to a person are also to its permitted successors and assigns.

SECTION 6.12. No Third Party Beneficiaries. Nothing contained in this Agreement, express or implied, is intended to or shall confer upon anyone other than the parties hereto (and their permitted successors and assigns) any right, benefit or remedy of any nature whatsoever under or by

reason of this Agreement.

SECTION 6.13. Severability. If any provision of this Agreement or the application of any provision hereof to any party hereto or set of circumstances is held invalid, the remainder of this Agreement and the application of such provision to the other parties hereto or sets of circumstances shall not be affected, unless the provisions held invalid shall substantially impair the benefits of the remaining portions of this Agreement.

SECTION 6.14. Confidentiality. (a) Istithmar agrees to maintain, and shall cause each member of the Istithmar Group and its and their respective directors, officers, employees and other representatives to maintain, the confidentiality of all material non-public information obtained from the Company or any of its Subsidiaries or their respective directors, officers, employees or agents, and not to use such information for any purpose other (i) than the evaluation and protection of the investment by Istithmar in the Company, (ii) the exercise by Istithmar of its rights under this Agreement or any of the other agreements entered into among Istithmar, the Company and/or certain of its shareholders in connection with Istithmar's investment in the Company and (iii) the exercise by the directors designated by Istithmar of their fiduciary duties as members of the Board.

(b) Notwithstanding the foregoing, the confidentiality obligations of Section 6.14(a) will not apply to information obtained other than in violation of this Agreement:

(i) which Istithmar or any member of the Istithmar Group or any of its or their respective directors, officers, employees or other representatives is required to disclose by judicial or administrative process, or by other requirements of applicable law or regulation or any governmental authority; provided, however, that, where and to the extent practicable, the disclosing party (A) gives the Company reasonable notice of any such requirement and, to the extent protective measures consistent with such requirement are available, the opportunity to seek appropriate protective measures and (B) cooperates at the Company's sole cost and expense with the Company in attempting to obtain such protective measures;

(ii) which becomes available to the public other than as a result of a breach of Section 6.14; or

(iii) which has been provided to Istithmar or any member of the Istithmar Group or its or their respective directors, officers, employees or other representatives, by a third party who obtained such information other than from any such Person or other than as a result of a breach of Section 6.14.

[Signature pages follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

KERZNER INTERNATIONAL LIMITED

By: /s/ Howard B. Kerzner

Name: Howard B. Kerzner
Title: Chief Executive Officer

ISTITHMAR PJSC

By: /s/ Sultan A. Bin Sulayem

Name: Sultan A. Bin Sulayem
Title: Chairman

REGISTRATION RIGHTS AGREEMENT, dated as of August 10, 2004 (this "Agreement"), by and between Kerzner International Limited, a company incorporated under the laws of The Bahamas (the "Company"), and Istithmar PJSC, a company organized under the laws of Dubai ("Istithmar").

R E C I T A L S

A. On the date hereof, Istithmar has purchased ordinary shares (the "Company Shares") of the Company, par value \$0.001 per share, pursuant to the Stock Purchase Agreement dated as of July 15, 2004 between the Company and Istithmar (the "Company Purchase Agreement").

B. On the date hereof, Istithmar has purchased ordinary shares (the "Other Shares") of the Company, par value \$0.001 per share, pursuant to stock purchase agreements dated as of July 15, 2004 among Istithmar and certain shareholders (the "Other Purchase Agreements" and, together with the Company Purchase Agreement, the "Purchase Agreements").

C. In connection with the purchase and sales of the Company Shares and the Other Shares, the Company and Istithmar entered into a Corporate Governance Agreement dated as of the date of this Agreement (the "Governance Agreement"), and the Company, Istithmar and certain shareholders of the Company entered into a letter agreement dated as of the date of this Agreement (the "Letter Agreement") regarding voting for directors, certain matters relating to registration rights and other matters.

D. The parties have agreed to enter into this Agreement in order to provide Istithmar with certain registration rights.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

ARTICLE I

DEFINED TERMS

SECTION 1.1 Certain Definitions. For the purposes of this Agreement, the following terms shall have the following meanings:

"Affiliate" means, with respect to any Person, any other Person controlling, controlled by or under direct or indirect common control with such Person. For the purposes of this Agreement, "control," when used with respect to any specified Person, shall mean, (a) as determined with respect to each Person pursuant to the laws of the jurisdiction where such Person is

organized, the actual or deemed direction of the management and policies of such Person, directly or indirectly, whether through ownership of voting securities, by contract or otherwise, or (b) the power to direct the management and policies of such Person whether through ownership of voting securities, by contract or otherwise if there exists any agreement, arrangement or understanding, whether oral or written, between such specified Person and the Person who has such power (together with any Affiliates thereof, the "Power Person") with regard to the Power Person taking an action that the specified Person is prohibited from taking under this Agreement or the specified Person not taking an action it is required to take under this Agreement, or matters related to either of the foregoing; and the terms "controlling" and "controlled" shall have meanings correlative to the foregoing. For the avoidance of doubt, for purposes of this Agreement the Company shall be deemed not to be an Affiliate of Istithmar.

"Authorized Representative" shall have the meaning ascribed thereto in Section 2.1(d).

"Beneficial Ownership" shall have the meaning set forth in Rule 13d-3 under the Securities Exchange Act as of the date of this Agreement; and the terms "Beneficially Owned" and "Beneficially Owns" shall have meanings correlative to the foregoing.

"Business Combination" means any one of the following transactions:

(i) any merger or consolidation of the Company or any of its Subsidiaries with any Person, or any tender or exchange offer by any such Person for any Equity Securities of the Company or any of its Subsidiaries; or

(ii) any sale, lease, exchange, mortgage, pledge, transfer or other disposition by the Company (in one transaction or a series of transactions) to any Person of assets constituting a Substantial Part of the Company; or

(iii) the issuance, exchange or transfer by the Company or any of its Subsidiaries (in one transaction or series of transactions) of any securities of the Company or any of its Subsidiaries to any member of the WLG Group, the Kersaf Group, the Caledonia Group, the CMS Group or the Istithmar Group that increases such member's Voting Interest, or to any other Person in excess of ten percent (10%) of the Shares issued and outstanding as of the date of such issuance; or

(iv) the adoption of any plan or proposal for the liquidation or dissolution of the Company; or

(v) any transaction having, with respect to the Company, the effect of a "Rule 13e-3 transaction" (as defined in Rule 13e-3(a)(3) of the Securities Exchange Act); or

(vi) any agreement, contract or other arrangement with any Person providing for any one or more of the actions specified in clauses (i) to

(v) above.

"Caledonia" means Caledonia Investments PLC, a company incorporated under the laws of England.

"Caledonia Group" means, as of any date, Caledonia and all of its Affiliates as of such time.

"CMS" means Cement Merchants SA, a company incorporated under the laws of Panama.

"CMS Group" means, as of any date, CMS and all of its Affiliates as of such time.

"Commission" means the Securities and Exchange Commission or any other federal agency at the time administering the Securities Act or the Securities Exchange Act.

"Company Event" shall have the meaning ascribed thereto in Section 2.2.1(b).

"Convertible Securities" means securities of the Company convertible into or exchangeable for Shares.

"Demand Piggyback Shares" shall have the meaning ascribed thereto in Section 2.3.1(a)(i).

"Demand Registration" shall have the meaning ascribed thereto in Section 2.2.1(a).

"Election Period" shall have the meaning ascribed thereto in Section 2.3.1(a)(i).

"Equity Security" means (i) Shares, (ii) Convertible Securities and (iii) any options, warrants or other rights issued by the Company to acquire Shares or Convertible Securities.

"Holder" shall have the meaning ascribed thereto in Section 2.1(c).

"Incidental Registration" shall have the meaning ascribed thereto in Section 2.3.1(b).

"Incidental Registration Piggyback Shares" shall have the meaning ascribed thereto in Section 2.3.1(b).

"Indemnified Party" shall have the meaning ascribed thereto in Section 2.7.1.

"Initiating Holder" shall have the meaning ascribed thereto in Section 2.2.1(a).

"Independent Director" means a director of the Company who (a) is not (apart from such directorship) (i) an officer, Affiliate, employee, principal stockholder, consultant or partner of any member of the WLG Group, the Caledonia Group or the Istithmar Group or of any entity that was dependent upon any member of the WLG Group, the Caledonia Group or the Istithmar Group for more than five percent (5%) of its revenues or earnings in its most recent fiscal year or (ii) an officer, employee, consultant or partner of the Company or any Affiliate of the Company or an officer, employee, principal stockholder, consultant or partner of an entity that was dependent upon the Company or any Affiliate of the Company for more than five percent (5%) of its revenues or earnings in its most recent fiscal year or (b) is designated by any of WLG, Caledonia, CMS or Istithmar (whether or not such director is independent in accordance with clause (a) above) but with respect to the matter under consideration by the Board, the Group appointing such director does not have an interest (financial or otherwise) that is different than the interest of the Company.

"Istithmar Group" means Istithmar, Nakheel Co. LLC, Nakheel Holdings 1 LLC, Nakheel Holdings 2 LLC, Nakheel Holdings 3 LLC and, as of any date, any of their respective Subsidiaries and any Person engaged in investment or commercial activities which is under the authority and control of the current Executive Chairman of Istithmar comparable to the authority and control he exercises over Istithmar as of the date hereof.

"Kersaf" means Kersaf Investments Limited, a company incorporated under the laws of the Republic of South Africa.

"Kersaf Group" means, as of any date, Kersaf and all of its Affiliates as of such time.

"Letter Agreement" shall have the meaning ascribed thereto in the Recitals.

"Notice" shall have the meaning ascribed thereto in Section 2.3.1(a)(i).

"Permitted Transferee" shall have the meaning ascribed thereto in Section 2.1(c).

"Person" means any individual, firm, partnership, company, joint stock company, corporation, partnership, trust, estate, incorporated or unincorporated association, syndicate, joint venture or organization, or any government or any department, agency or other political subdivision thereof, or any other entity, and shall include any successor of any such entity.

"Prior Registration Delay" shall have the meaning ascribed thereto in Section 2.2.1(b).

"Registrable Securities" shall have the meaning ascribed thereto in Section 2.1(b).

"Registration Expenses" shall have the meaning ascribed thereto in Section 2.6.

"Securities Act" means the United States Securities Act of 1933 or any successor federal statute, and the rules and regulations of the Commission thereunder, all as the same shall be in effect from time to time.

"Securities Exchange Act" means the United States Securities Exchange Act of 1934 or any successor federal statute, and the rules and regulations of the Commission thereunder, all as the same shall be in effect from time to time.

"Shares" means (a) the ordinary shares, par value \$0.001 per share, of the Company (including any dividends in kind thereon), or (b) any other class of stock resulting from any reclassification, exchange, substitution, combination, stock split or reverse stock split, including in connection with any merger or otherwise, of such ordinary shares.

"Standstill Expiration Date" means August 10, 2009.

"Subsidiary" of any Person means another Person, an amount of the voting securities, other voting ownership or voting partnership interests of which is sufficient to elect at least a majority of its Board of Directors or other governing body (or, if there are no such voting interests, fifty percent (50%) or more of the equity interests of which) is owned directly or indirectly by such first Person or by another subsidiary of such first Person.

"Substantial Part of the Company" means, as of any date, twenty percent (20%) or more of the book value of the consolidated tangible assets of the Company and its Subsidiaries, taken as a whole (without regard to any liabilities of the Company or any of its Subsidiaries), as of the end of its most recent fiscal quarter ending prior to the time the determination is made.

"2001 Agreement" means the Registration Rights and Governance Agreement, dated as of July 3, 2001, among the Company, Sun International Investments Limited, WLG, Kersaf Investments Limited, Caledonia, Mangalitsa Limited, CMS, Rosegrove Limited, Royale Resorts Holdings Limited and Sun International Inc, as in effect on the date of this Agreement.

"2001 Agreement Holder" shall have the meaning ascribed to the term "Holder" in Section 5.1(c) of the 2001 Agreement.

"2001 Agreement Registrable Securities" shall have the meaning ascribed to the term "Registrable Securities" in Section 5.1(b) of the 2001 Agreement.

"Underwriter" shall have the meaning ascribed thereto in Section 2.2.3.

"Underwriter Out" means the occurrence of any of the

following: (1) trading in securities generally on the New York Stock Exchange or the American Stock Exchange or in the over-the-counter market, or trading in any securities of the Company on any exchange or in the over-the-counter market, shall have been suspended or minimum prices shall have been established on any such exchange or such market by the Commission, by such exchange or by any other regulatory body or governmental authority having jurisdiction, (2) a banking moratorium shall have been declared by federal or state authorities, (3) there shall have been a declaration of a national emergency or war by the United States or (4) there shall have occurred such a material adverse change in general economic, political or financial conditions (or the effect of international conditions on the financial markets in the United States shall be such) as to make it impracticable or inadvisable to proceed with a public offering.

"Underwritten Public Offering" shall mean a sale of securities of the Company to an underwriter or underwriters for re-offering to the public, which shall include customary selling efforts.

"WLG" means World Leisure Group Limited, a company incorporated under the laws of the British Virgin Islands.

"WLG Group" means, as of any date, WLG and all of its Affiliates as of such time, including Solomon Kerzner and Howard B. Kerzner.

SECTION 1.2 Other Definitions. Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to such terms in the 2001 Agreement.

ARTICLE II

REGISTRATION RIGHTS

SECTION 2.1 General; Securities Subject to this Agreement. (a) Grant of Rights. The Company hereby grants registration rights to each Holder (as defined below) upon the terms and subject to the conditions set forth in this Agreement.

(b) Registrable Securities. For the purposes of this Agreement, "Registrable Securities" means the Company Shares, the Other Shares and any Shares acquired prior to the Standstill Expiration Date by the Istithmar Group in accordance with the Governance Agreement; provided, however, that Shares shall cease to be Registrable Securities for purposes of this Agreement when a registration statement covering such Registrable Securities has been declared effective under the Securities Act by the Commission and all such Registrable Securities have been disposed of pursuant to such effective registration statement.

(c) Holders of Registrable Securities. A Person shall be a holder of Registrable Securities (each, a "Holder") whenever such Person is a member of the Istithmar Group (or a Person that has acquired Registrable Securities, directly or indirectly, from a member of the Istithmar Group in

accordance with the Governance Agreement (such Person, a "Permitted Transferee")), that (i) owns of record Registrable Securities and (ii) agrees in writing to be bound by the terms of this Article II applicable to the Istithmar Group. For purposes of this Agreement, a Holder shall be entitled to assign its rights hereunder to a Permitted Transferee and such Permitted Transferee shall acquire such rights only if such Permitted Transferee shall have acquired one million (1,000,000) or more Registrable Securities pursuant to one (1) or more transfers made in accordance with the Governance Agreement, and, for the avoidance of doubt, shall include any Person who shall have acquired one million (1,000,000) or more Registrable Securities from a member of the Istithmar Group following the Standstill Expiration Date pursuant to any privately negotiated purchase.

(d) If the Company receives conflicting instructions, notices or elections from two (2) or more Persons with respect to the same Registrable Securities, the Company may act upon the basis of the instructions, notice or election received from the registered owner of such Registrable Securities. The Company shall be entitled to rely upon any instruction received from the authorized representative (the "Authorized Representative") of the Istithmar Group appointed pursuant to Section 3.3. In furtherance of the foregoing Istithmar hereby represents and warrants to the Company that the Authorized Representative, as appointed from time to time, has and shall have the power and authority to make, execute, acknowledge and deliver such notices, requests, instructions, certificates, stock powers and other writing, and in general, to do any and all things and to take any and all actions that such Authorized Representative, in its sole and absolute discretion, may consider necessary, proper or convenient in connection with or to carry out the activities described in this Article II as the agent and attorney-in-fact of any Holder.

SECTION 2.2 Demand Registration Rights.

SECTION 2.2.1 Demand Registrations. (a) Each Holder shall have the following rights to make written requests (specifying the intended method of disposition) (such Holder, the "Initiating Holder") for registration under the Securities Act (each, a "Demand Registration") of all or part of the Shares which constitute such Initiating Holder's Registrable Securities:

(i) with respect to the Company Shares, the Other Shares or any Shares acquired prior to the Standstill Expiration Date by the Istithmar Group in accordance with the Governance Agreement, one (1) or more Demand Registrations, each covering no less than one million (1,000,000) Shares; and

(ii) with respect to any Incidental Registration Piggyback Shares requested by a Holder pursuant to Section 2.3.1 to be included in a registered offering but excluded from such registration pursuant to Section 2.3.2(b) solely as a result of the inclusion in such registration of Shares to be sold by any 2001 Agreement Holder, each Holder of such excluded Shares shall have the right to make one (1) Demand Registration in respect of the aggregate number of Incidental Registration Piggyback Shares so excluded from such registration; provided that the request for such Demand Registration must be made no later than the three (3) month anniversary of the first date on which

the Company is permitted in accordance with this Agreement, the 2001 Agreement and otherwise to file such registration statement.

(b) If at the time of any request to register Registrable Securities pursuant to this Section 2.2.1, the Company is engaged in a registered public offering, intends to file a registration statement solely with respect to the sale of Shares by the Company within forty five (45) days of such time or is engaged in any activity other than the filing of a registration statement which, in the reasonable good faith determination of the Board of Directors, after consultation with outside counsel, would be required to be disclosed under applicable law as a result of such request and would be materially and adversely affected by the requested registration (each, a "Company Event"), then the Company may at its option, within five (5) business days of such request, direct that such request be delayed, (A) in the case the Company is engaged in a registered offering or intends to file such a registration statement, for a reasonable period of time not in excess of the lesser of (x) three (3) months from the date of such request or (y) forty five (45) days from the effective date of such offering (provided, however, that where such delay is requested by the Company as a result of its intention to file a registration statement within forty five (45) days of such time, the Company may exercise its rights hereunder only to the extent that such registration statement is actually filed by the Company within such forty five (45) day period) and (B) in the case of any other activity, for a reasonable period of time not in excess of forty five (45) days from the date of such direction by the Company, provided, however, that notwithstanding the foregoing such forty five (45) day period may be extended to the extent that the failure to file such registration statement is the result of the Company not having available financial statements or other information required to be included in such registration statement and the Company has used commercially reasonable efforts to obtain such financial statements or other information as soon as practicable. In the event any Initiating Holder(s) have made a written request to the Company for a Demand Registration and the conditions described in the immediately preceding sentence shall not exist as of the time of such request, such Demand Registration may not be delayed except as a result of the Company becoming involved in any activity other than the filing of a registration statement which, in the reasonable good faith determination of the Board of Directors, after consultation with outside counsel, would be required to be disclosed under applicable law as a result of such Demand Registration and would be materially and adversely affected by the requested registration (and such circumstances shall be deemed to constitute a Company Event for all purposes of this Agreement); provided, however, that such delay shall be made for a reasonable period of time not in excess of forty five (45) days from the date of such direction by the Company, provided, however, that notwithstanding the foregoing such forty five (45) day period may be extended to the extent that the failure to file such registration statement is the result of the Company not having available the financial statements or other information required to be included in such registration statement and the Company has used commercially reasonable efforts to obtain such financial statements or other information as soon as practicable. In addition, the Company shall not be required to file any registration within six (6) months after the effective date of any other registration statement of the Company (the "Prior Registration Delay").

Notwithstanding the foregoing, the Company shall, upon reasonable prior written notice by any Holder, use its commercially reasonable efforts to be prepared to file a registration upon the expiration of such six (6) months.

(c) The obligations of the Company to take the actions contemplated by this Section 2.2.1 hereof with respect to an offering of Shares shall be subject to the following conditions and limitations:

(i) Each participating Holder shall conform to all applicable requirements of the Securities Act and the Securities Exchange Act with respect to the offering and sale of securities and advise each Underwriter, broker or dealer through which any of the Registrable Securities are offered that the Registrable Securities are part of a distribution that is subject to the prospectus delivery requirements of the Securities Act.

(ii) Except if the Initiating Holder(s) pay any incremental costs incurred by the Company, the fulfillment of the Company's obligations in connection with such registration shall not require the Company to prepare audited financial statements not required to be prepared for the Company to comply with its obligations under the Securities Exchange Act as of any date not coincident with the last day of any fiscal year of the Company.

SECTION 2.2.2 Effective Demand Registration. Subject to Section 2.2.1(b) of this Agreement and the Company's obligations under Section 5.4(b) of the 2001 Agreement, the Company shall use reasonable commercial efforts to cause any Demand Registration to become effective not later than ninety (90) days after it receives a request under Section 2.2.1 hereof and to remain effective for the lesser of (i) the period during which all Registrable Securities registered in the Demand Registration are sold and (ii) one hundred and twenty (120) days; provided, however, that if the Initiating Holder(s) requests the Company to withdraw such registration, other than as the result of a breach by the Company, the Initiating Holder(s) shall promptly pay all of the costs and expenses incurred by the Company in connection with such registration.

SECTION 2.2.3 Underwriting Procedures. (a) Selection of Underwriters. The offering of Registrable Securities pursuant to a Demand Registration may be in the form of a firm commitment underwritten offering and the managing underwriter selected for such offering shall be an internationally recognized underwriter jointly selected by, and engaged on terms and conditions mutually satisfactory to, the Company and the Initiating Holder, each acting in good faith (having due regard to the experience and relationship with the Company and the Initiating Holder(s) of the managing underwriter) (the "Underwriter"). Each of the parties agrees and acknowledges that any of Bear Stearns, Citigroup Global Markets, Deutsche Bank, JPMorgan, Lehman Brothers and Merrill Lynch shall, subject to the execution of customary underwriting agreements on commercially reasonable terms therewith, be deemed to satisfy the requirements of the immediately preceding sentence to serve as a managing Underwriter or a member of an underwriting syndicate.

(b) Distribution by Underwriters. The managing Underwriter selected for any offering shall enter into an agreement (containing customary indemnification provisions and representations and warranties) with the Company and the Holders whereby the Holders shall direct the underwriters to take reasonable steps to ensure a wide distribution of the underwritten shares in accordance with customary practices and that after giving effect to any such sale, no purchaser (together with its Affiliates) would Beneficially Own four and nine-tenths percent (4.9%) or more of the outstanding Shares of the Company as of such time.

SECTION 2.3 Incidental or "Piggy-Back" Registration Rights.

SECTION 2.3.1 Demand and Company Registrations.

(a) Demand Registrations.

(i) Within ten (10) days after receipt of a request for a Demand Registration, the Company shall give written notice (the "Notice") of such request to all the Holders (other than the Initiating Holder(s)). Each of the Holders other than the Initiating Holder(s) shall, subject to the other provisions of this Section 2.3, upon receipt of written request therefor within ten (10) days after the Notice is given (the "Election Period"), have the right to include in such Demand Registration the number of Registrable Securities registrable by such Holder pursuant to Section 2.2.1 of this Agreement as of the time such Notice is made (the "Demand Piggyback Shares").

(ii) Registration of the Demand Piggyback Shares requested to be registered by any Holder shall be subject to the following conditions: (A) in respect of a registration relating to any Underwritten Public Offering, (x) compliance with the "cutback" provisions contained in Section 2.3.2, (y) acceptance by such Holder of the timing and terms and conditions of the subject Underwritten Public Offering (as evidenced by each such Holder and, if applicable, any other participating member of the Istithmar Group, becoming a party to the applicable underwriting agreement) and (z) the Underwriter being of the opinion that the sale of Shares by such Holder and, if applicable, any other participating member of the Istithmar Group, would not have a material and adverse effect on the market for the Shares and, if applicable, any other securities issued by the Company.

(iii) In the event that the Initiating Holder(s) requests the Company to withdraw a Demand Registration, Holders who shall have elected to register Demand Piggyback Shares as of the date of such withdrawal shall have the right, upon one (1) business day's prior written notice to the Company, to pursue such registration; provided, however, that the requirements of Section 2.2.1 shall otherwise be satisfied.

(iv) Subject to the foregoing and Section 2.3.2, (A) the Company shall include in such registration all Registrable Securities

that the Company has received written requests for inclusion therein within the Election Period and (B) thereafter, in the case of a Demand Registration, the Company may elect to include in such registration additional Shares issued by the Company. All requests made pursuant to this Section 2.3.1 shall specify the aggregate number of Registrable Securities to be registered. For the avoidance of doubt, no Person other than a Holder or the Company shall have the right to include Shares in any Demand Registration pursuant to Section 2.2.1 of this Agreement, and the Company shall not include Shares of any Person other than a Holder or the Company in any such Demand Registration.

(b) Company Registrations. If, at any time from time to time, the Company shall determine to register any of its Shares for sale in an Underwritten Public Offering for its own account (other than a registration relating to (i) a registration of an employee compensation plan or arrangement adopted in the ordinary course of business on Form S-8 (or any successor form) or any dividend reinvestment plan or (ii) a registration of securities on Form F-4 (or any successor form) including, without limitation, in connection with a proposed issuance in exchange for securities or assets of, or in connection with a merger or consolidation with another Person), the Company will promptly give to the Holders written notice thereof, and include in such registration (subject to Section 2.3.2) all the Registrable Securities specified in a written request made by any one or more of the Holders (the "Incidental Registration Piggyback Shares") within ten (10) days after such Holder's receipt of such written notice from the Company ("Incidental Registration"). The right of such Holder to have Registrable Securities included in a registration pursuant to this Section 2.3.1 shall be conditioned upon such Holder accepting the timing and terms and conditions of the subject Underwritten Public Offering (as evidenced by each such Holder and, if applicable, any participating member of the Istithmar Group, becoming a party to the applicable underwriting agreement).

SECTION 2.3.2 Cutback. (a) If the lead managing Underwriter of an offering covered by Section 2.3.1(a) of this Agreement shall advise the Company on or before the date five (5) days prior to the date then scheduled for such offering that, in its view, the amount of Shares requested to be included in such registration exceeds the amount which can be sold in such offering without having a material and adverse effect on the market for the Shares and, if applicable, any other securities issued by the Company, then the Company will include in such registration:

first, any Registrable Securities requested to be registered by any Holders, allocated, if necessary, pro rata among such Holders on the basis of the number of the Shares proposed to be registered at the time; and

second, any Shares proposed to be registered by the Company.

(b) If the lead managing Underwriter of an offering covered by Section 2.3.1(b) of this Agreement shall advise the Company on or before the

date five (5) days prior to the date then scheduled for such offering that, in its view, the amount of Shares requested to be included in such registration exceeds the amount which can be sold in such offering without having a material and adverse effect on the market for the Shares and, if applicable, any other securities issued by the Company, then the Company will include in such registration:

first, any Shares proposed to be registered by the Company;

second, any 2001 Agreement Registrable Securities requested to be registered by any 2001 Agreement Holder; and

third, any Registrable Securities requested to be registered by any Holders, allocated, if necessary, pro rata among such Holders on the basis of the number of the Shares proposed to be registered at the time.

SECTION 2.3.3 Right of Termination. The Company shall have the right to terminate or withdraw any registration initiated by it under Section 2.3.1(b) prior to the effectiveness of such registration whether or not the Holders have elected to include Registrable Securities in such registration. In the event that the Company provides the Holders who shall have elected to participate in such Company registration, notice of its intention to withdraw or terminate such registration, the Holders who shall have elected to register Shares pursuant to the Incidental Registration, shall have the right, upon one (1) business day's prior written notice to the Company, to pursue such registration as a Demand Registration; provided, however, that (a) the requirements of Section 2.2.1 shall otherwise be satisfied and (b) this right shall be subject to the rights of the 2001 Agreement Holders under Section 5.3.3 of the 2001 Agreement.

SECTION 2.4 Provisions Applicable to Demand and Piggy-Back Registrations.

SECTION 2.4.1 Expenses. The Company shall pay all Registration Expenses (as defined in Section 2.6 hereof) incurred in connection with any registration pursuant to Section 2.2 or 2.3, unless such registration fails to become effective as a result of the fault of one or more Holders or any member of the Istithmar Group, in which case the Company will not be required to pay the Registration Expenses incurred with respect to the offering of such Holder's or Holders' Registrable Securities, in which case such Registration Expenses shall be paid by the Holder or the member of the Istithmar Group at fault.

SECTION 2.4.2 Holdback Agreements. (a) Each Holder agrees not to effect any sale or distribution of any Registrable Securities, including a sale pursuant to Rule 144 under the Securities Act, during the twenty (20) days prior to and ninety (90) day period beginning on the effective date of any Demand Registration or Incidental Registration (except as part of such registration), if and to the extent requested by the Company or any Holder participating in the offering, in the case of a non-Underwritten Public Offering, or if and to the extent requested by the Underwriter, in the case of an Underwritten Public Offering.

(b) Restrictions on Public Sale by the Company. The Company agrees not to file any registration statement with respect to any of its Equity Securities (except pursuant to registrations on Form F-4 or S-8 or any successor thereto or registrations of the sale of debt securities that are Convertible Securities), during the period beginning on the effective date of any registration statement in which the Holders of Registrable Securities are participating and ending on the earlier of (i) ninety (90) days after the effective date of such registration statement and (ii) the number of days agreed upon by the managing Underwriter of such registered offering which included such Registrable Securities and the Company.

SECTION 2.5 Registration Procedures.

In connection with any registration statement filed pursuant to this Agreement, the Company will, as expeditiously as possible:

(a) in connection with a request pursuant to this Agreement, prepare and file with the Commission, after receipt of a request to file a registration statement with respect to Registrable Securities, a registration statement on any form for which the Company then qualifies (or which counsel for the Company shall deem appropriate) and which form shall be available for the sale of such Registrable Securities in accordance with the intended method of distribution thereof, shall comply in all material respects with the Securities Act and/or the Securities Exchange Act, as the case may be and, if the offering is an Underwritten Public Offering, shall be reasonably satisfactory to the managing Underwriter or Underwriters, and use its commercially reasonable efforts to cause such registration statement to become effective; provided, however, that before filing a registration statement or prospectus or any amendments or supplements thereto, the Company shall (i) furnish to the counsel selected by the Initiating Holder(s), if any, copies of all such documents proposed to be filed, and (ii) notify such counsel and each participating Holder of any stop order issued or threatened by the Commission and take all reasonable actions required to prevent the entry of such stop order or to remove it if entered;

(b) in connection with a registration pursuant to this Agreement, (i) prepare and file with the Commission such amendments and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to keep such registration statement effective for a period of not more than one hundred twenty (120) days (or such shorter period that will terminate when all Registrable Securities covered by such registration statement have been disposed of) and (ii) cause each registration filed with the Commission, as amended or supplemented, to comply with the provisions of the Securities Act, the Securities Exchange Act and the rules and regulations thereunder applicable to it with respect to the disposition of all Shares covered by each registration statement during the applicable period specified herein in accordance with the intended method or methods of distribution;

(c) furnish to each participating Holder, without charge, such number of copies of the registration statement, each amendment and supplement

thereto (in each case including all exhibits thereto), the prospectus included in such registration statement (including each preliminary prospectus) and such other documents as each seller may reasonably request in order to facilitate the disposition of the Registrable Securities owned by such Holder;

(d) use commercially reasonable efforts to register or qualify such Registrable Securities under such other securities or "blue sky" laws of such jurisdictions as any participating Holder or Underwriter reasonably requests in writing and do any and all other acts and things that may be reasonably necessary or advisable to register or qualify for sale in such jurisdictions the Registrable Securities owned by such Holder; provided, however, that the Company shall not be required to (i) qualify generally to do business in any jurisdiction where it is not then so qualified, (ii) subject itself to taxation in any such jurisdiction, (iii) consent to general service of process in any such jurisdiction or (iv) provide any undertaking required by such other securities or "blue sky" laws or make any change in its charter documents that the Board of Directors of the Company (including a majority of the Company's Independent Directors) determines in good faith to be contrary to the best interest of the Company and its shareholders;

(e) use commercially reasonable efforts to cause the Registrable Securities covered by such registration statement to be registered with or approved by such other governmental agencies or authorities as may be necessary by virtue of the business and operations of the Company to enable the participating Holder(s) or the Underwriters, if any, to consummate the disposition of such Registrable Securities;

(f) notify each participating Holder at any time when a prospectus relating thereto is required to be delivered under the Securities Act of the happening of any event as a result of which the prospectus included in such registration statement contains an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and prepare and file with the Commission as soon thereafter as practicable, after consultation with the Initiating Holder(s), a supplement or amendment to such prospectus so that, as thereafter delivered to the purchasers of such Registrable Securities, such prospectus will not contain an untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(g) enter into customary agreements (including an underwriting agreement in customary form, if the offering is an Underwritten Public Offering) (which shall include customary (i) indemnification and contribution provisions and representations and warranties and (ii) conditions precedent including the provision of comfort letters and legal opinion to the underwriters) and take such other actions as are reasonably required in order to expedite or facilitate the disposition of such Registrable Securities;

(h) otherwise use commercially reasonable efforts to comply with all applicable rules and regulations of the Commission;

(i) use commercially reasonable efforts to cause all Registrable Securities covered by the registration statement to be listed on each securities exchange or market, if any, on which similar securities issued by the Company are then listed, provided that the applicable listing requirements are satisfied;

(j) subject to the payment of the incremental costs by the Initiating Holder(s) in accordance with Section 2.2.1(c), make available to its security holders an earnings statement covering at least 12 months which shall satisfy the provisions of Sections 11(a) of the Securities Act and Rule 158 thereunder;

(k) cooperate and assist in any filings required to be made with the New York Stock Exchange, including in order for the Registrable Securities to be admitted to listing on the New York Stock Exchange;

(l) subject to the delivery of confidentiality agreements satisfactory to the Company, make available for inspection by representatives of any Underwriters participating in any disposition pursuant to a registration statement (including any "qualified independent underwriter" that is required to be retained in accordance with the rules and regulations of the New York Stock Exchange) and any counsel or accountant retained thereby, all financial and other records, pertinent corporate documents and properties of the Company reasonably requested by any such Persons, and cause the respective officers, directors, employees, and any other agents of the Company to supply all information reasonably requested by any such Underwriter or counsel or accountant in connection with a registration statement, and make such representatives of the Company available for discussion of such documents as shall be reasonably requested by the Underwriters or their counsel or accountant upon prior reasonable prior written notice to the Company;

(m) use commercially reasonable efforts to obtain the withdrawal of any order suspending the effectiveness of a registration statement;

(n) notify each participating Holder (i) when a registration statement has become effective and when any post-effective amendments and supplements thereto become effective, (ii) of any request by the Commission or any state securities authority for post-effective amendments and supplements to a registration statement and prospectus or for additional information after the registration statement has become effective, (iii) of the issuance by the Commission or any state securities authority of any stop order suspending the effectiveness of a registration statement or the initiation of any proceedings for that purpose, (iv) in the case of a registration, if, between the effective date of a registration statement and the closing of any sale of Registrable Securities, the representations and warranties of the Company contained in any underwriting agreement, securities sales agreement or other similar agreement, if any, relating to the offering cease to be true and correct in all material respects; and

(o) in connection with an Underwritten Public Offering in excess of two million (2,000,000) Shares, use commercially reasonable efforts to commence a road show (and make commercially reasonable efforts to make Howard B. Kerzner or his successor available to participate in such road show) upon notice from the managing Underwriter that, in the opinion of such Underwriter, such selling efforts are advisable.

The Company may require each participating Holder and each participating member of the Istithmar Group as to which any registration is being effected to furnish to the Company such information regarding the distribution of such securities and other matters as may be required to be included in the registration statement.

Each Holder agrees that, upon receipt of any notice from the Company of the happening of any event of the kind described in paragraph (f) of this Section 2.5, such Holder shall forthwith discontinue disposition of Registrable Securities pursuant to the registration statement covering such Registrable Securities until such Holder's receipt of the copies of the supplemented or amended prospectus contemplated by paragraph (f) of this Section 2.5 and, if so directed by the Company, such Holder shall deliver to the Company all copies, other than permanent file copies then in such Holder's possession or copies delivered to prospective purchasers, of the prospectus covering such Registrable Securities current at the time of receipt of such notice. If the Company shall give any such notice, notwithstanding anything to the contrary contained herein, the Company shall extend the period during which such registration statement shall be maintained effective pursuant to this Agreement (including the period referred to in paragraph (b) of this Section 2.5) by the number of days during the period from and including the date of the giving of such notice pursuant to paragraph (f) of this Section 2.5 to and including the date when each participating Holder covered by such registration statement shall have received the copies of the supplemented or amended prospectus contemplated by paragraph (f) of this Section 2.5.

SECTION 2.6 Registration Expenses. The Company shall pay all expenses incident to its performance of or compliance with the registration of Registrable Securities to be sold in accordance with this Agreement; provided, however, that the Company shall not pay the costs and expenses of any Holder and each participating member of the Istithmar Group relating to underwriters' commissions and discounts and fees payable to the Commission relating to Registrable Securities to be sold by such Holder and each participating member of the Istithmar Group, brokerage fees, transfer taxes or the fees or expenses of any counsel, accountants or other representatives retained by such Holders and each participating member of the Istithmar Group, individually or in the aggregate. All of the expenses described in this Section 2.6 that are to be paid by the Company are herein called the "Registration Expenses".

SECTION 2.7 Indemnification; Contribution.

SECTION 2.7.1 Indemnification by the Company. The Company agrees to indemnify to the fullest extent permitted by law, in the case of any registration statement filed pursuant to this Agreement, each participating

Holder and each participating member of the Istithmar Group covered by such registration statement, each other Person who participates as an underwriter in the offering or sale of such securities, and each Person, if any, who controls such participating Holder or any such underwriter within the meaning of the Securities Act (each an "Indemnified Party" and collectively, the "Indemnified Parties") against any and all losses, claims, damages or liabilities to which such Indemnified Party may become subject under the Securities Act or otherwise, insofar as such losses, claims, damages or liabilities arise out of or are based upon any untrue statement or alleged untrue statement of any material fact or any omission or alleged omission of a material fact to be stated in any registration statement under which such securities were registered under the Securities Act, prospectus or preliminary prospectus filed by the Company or any amendment thereof or supplement thereto or necessary to make the statements therein (in the case of a prospectus in light of the circumstances under which they were made) not misleading, or any violation by the Company of the Securities Act or any rule or regulation thereunder applicable to the Company; provided, however, that the Company shall not be liable to the extent that any loss, claim, or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in such registration statement, any such preliminary prospectus, final prospectus, summary prospectus, amendment or supplement in reliance upon and in conformity with written information furnished to the Company by or on behalf of such Indemnified Party expressly for use in the Registration Statement; provided, further, that the Company shall not be liable to any participating Holder or to any participating member of the Istithmar Group (or to any Person who acts as an underwriter in such sale or who controls such seller) to the extent that any loss, claim, or liability arises out of an untrue statement, alleged untrue statement, omission, or alleged omission made in any preliminary prospectus if either (a) (i) such participating Holder failed to send or deliver a copy of the prospectus with or prior to written confirmation of the sale by such participating Holder to the Person asserting the claim, (ii) the prospectus would have corrected such untrue statement, alleged untrue statement, omission or alleged omission and (iii) the Company has furnished such Holder a sufficient number of copies of same in accordance with Section 2.5(c); or (b) (x) such untrue statement, alleged untrue statement, omission or alleged omission is corrected in an amendment or supplement to the prospectus and (y) having been furnished by or on behalf of the Company with copies of the prospectus as so amended or supplemented, such participating Holder fails to deliver such prospectus as so amended or supplemented, with or prior to the written confirmation of the sale by such participating Holder to the Person asserting the claim.

SECTION 2.7.2 Indemnification by Holders. In connection with any registration statement in which a Holder or any member of the Istithmar Group is participating, each such Holder shall furnish to the Company in writing such information with respect to such Holder and any member of the Istithmar Group as is required to be included in such registration statement pursuant to the rules and regulations under the Securities Act and each such Holder agrees to indemnify, to the fullest extent permitted by law, the Company, its officers, directors and agents and each Person, if any, who controls the Company (within the meaning of the Securities Act) against any and all losses, claims, damages,

and liabilities resulting from any untrue or alleged untrue statement of a material fact or any omission or alleged omission of a material fact required to be stated in any registration statement, prospectus or preliminary prospectus filed by the Company or any amendment thereof or supplement thereto or necessary to make the statements therein (in the case of a prospectus, in light of the circumstances under which they were made) not misleading, but only to the extent that such untrue or alleged untrue statement or omission or alleged omission was made in reliance upon and conforms with written information concerning such Holder furnished by such Holder to the Company expressly for use in any such prospectus or preliminary prospectus; provided, however, that the liability of such Holder shall not exceed the net proceeds received by such Holder and the participating member of the Istithmar Group from the sale of its Registrable Securities. Each Holder also shall indemnify any underwriters of the Registrable Securities, their officers and directors and each Person who controls such underwriters (within the meaning of the Securities Act) to the same extent as provided above with respect to the indemnification of the Company (but only to the extent that any untrue statement or omission or alleged omission was made in reliance upon and conforms with written information concerning such Holder furnished by such Holder to such underwriter expressly for use in such prospectus or preliminary prospectus); provided, however, that the indemnification of such Holder shall be limited to the net proceeds received by such Holder and the participating members of the Istithmar Group from the sale of its Registrable Securities.

SECTION 2.7.3 Contribution. If the indemnification provided for in this Section 2.7 is unavailable to any Indemnified Party hereunder in respect of any losses, claims, damages, liabilities or expenses referred to herein, then the indemnifying party, to the extent such indemnification is unavailable, in lieu of indemnifying such Indemnified Party, shall contribute to the amount paid or payable by such Indemnified Party as a result of such losses, claims, damages, liabilities or expenses in such proportion as is appropriate to reflect the relative fault of the indemnifying party (and, if the indemnifying party is a Holder, aggregated with the relative fault of the participating members of the Istithmar Group) and Indemnified Parties in connection with the actions that resulted in such losses, claims, damages, liabilities or expenses. The relative fault of such indemnifying party or, if applicable, any participating members of the Istithmar Group and Indemnified Parties shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact, has been made by, or relates to information supplied by, such indemnifying party or, if applicable, any participating member of the Istithmar Group or Indemnified Parties, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such action.

The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 2.7.3 were determined by pro rata allocation or by any other method of allocation that does not take account of the equitable considerations referred to in the immediately preceding paragraph. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from

any Person.

SECTION 2.8 Reporting Company Covenant. The Company covenants and agrees that it shall use commercially reasonable efforts to satisfy the listing requirements of the New York Stock Exchange; provided, however, that the foregoing covenant shall terminate upon the consummation of any Business Combination.

ARTICLE III

MISCELLANEOUS

SECTION 3.1 Interpretation; Certain Definitions. When a reference is made in this Agreement to a Section or Subsection, such reference shall be to a Section or Subsection of, this Agreement unless otherwise indicated. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Whenever the words "include", "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation". The words "hereof", "herein", "hereto", "hereby" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. The term "or" is not exclusive. The word "extent" in the phrase "to the extent" shall mean the degree to which a subject or other thing extends, and such phrase shall not mean simply "if". The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms. Any agreement or instrument defined or referred to herein or in any agreement or instrument that is referred to herein means such agreement or instrument as from time to time amended, modified or supplemented. References to a Person are also to its permitted successors and assigns.

SECTION 3.2 Adjustments. References to numbers of Shares and to sums of money contained herein shall be adjusted to account for any reclassification, exchange, combination, substitution, combination, stock split or reverse stock split of the Shares, including in connection with any merger or otherwise.

SECTION 3.3 Notices. All notices, requests and other communications to any party hereunder shall be in writing and shall be deemed given (i) when delivered, if delivered in person, (ii) when sent by facsimile (provided the fax is promptly confirmed by telephone confirmation thereof), (iii) when sent by email (provided the email is promptly confirmed by telephone confirmation thereof) and (iv) two business days following sending by overnight delivery by an internationally recognized overnight courier, in each case, to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 3.3):

if to the Company, to:

Kerzner International Limited

P.O. Box N-4777
Nassau, The Bahamas
Attention: General Counsel
Facsimile: (242) 363-4581
Email: Richard.Levine@kerzner.com

with a copy to:

Cravath, Swaine & Moore LLP
Worldwide Plaza
825 Eighth Avenue
New York, NY 10019
United States of America
Attention: Philip A. Gelston, Esq.
Facsimile: (212) 474-3700
Email: PGelston@cravath.com

if to Istithmar, to its Authorized Representative:

Istithmar PJSC
Emirates Towers, Level 47
Sheikh Zayed Road
PO Box 17000
Dubai, United Arab Emirates
Attention: Chief Executive Officer
Facsimile: +971 4 390 3818
Email: info@istithmar.ae

with a copy to:

Cleary, Gottlieb, Steen & Hamilton
One Liberty Plaza
New York, New York 10006
Attention: Daniel S. Sternberg, Esq.
Facsimile: (212) 225-3999
Email: DSternberg@cgsh.com

SECTION 3.4 Amendments; No Waivers. (a) No provision of this Agreement may be amended or waived unless such amendment or waiver is in writing and signed by each of the Company and Istithmar, and, in the case of a waiver, by the party against whom the waiver is to be effective; provided that no such amendment or waiver shall be effective against the Company without the prior approval of a majority of the Company's Independent Directors.

(b) No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

SECTION 3.5 Successors and Assigns. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors. Except as expressly provided herein, no party may assign, delegate or otherwise transfer any of its rights or obligations under this Agreement.

SECTION 3.6 Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of New York applicable to agreements made and to be performed entirely within such State and, to the extent applicable, the federal securities laws of the United States.

SECTION 3.7 Jurisdiction. (a) Each party inter se irrevocably submits to the exclusive jurisdiction of (a) the Supreme Court of the State of New York, New York County, and (b) the United States District Court for the Southern District of New York, solely for the purposes of any suit, action or other proceeding arising out of this Agreement or any transaction contemplated hereby or thereby. Each party agrees to commence any such action, suit or proceeding either in the United States District Court for the Southern District of New York or if such suit, action or other proceeding may not be brought in such court for jurisdictional reasons, in the Supreme Court of the State of New York, New York County. Each of the parties hereto further irrevocably consents, and shall cause each of its Affiliates to irrevocably consent, to the service of process in any such action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, return receipt requested, to such party at its address as provided for notices hereunder. Each party irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement or the transactions contemplated hereby and thereby in (i) the Supreme Court of the State of New York, New York County, or (ii) the United States District Court for the Southern District of New York, and hereby and thereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

(b) Istithmar confirms that (i) it is not a party to any agreement with the United States of America relating in any way to the immunity of Istithmar from jurisdiction of courts, suit, execution upon a judgment, attachment prior to judgment or in aid of execution upon a judgment or any other legal process and (ii) it is, under the law of Dubai, subject to civil and commercial law with respect to its obligations under this Agreement and has agreed not to assert the defense of immunity, on the grounds of sovereignty or otherwise, in respect of any suit, action or proceeding arising out of or relating to claims under this or the consummation of the transactions contemplated hereby or thereby.

SECTION 3.8 Counterparts; Effectiveness. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signature thereto and hereto were upon the same instrument. This Agreement shall become effective when each party hereto shall have received counterparts hereof signed by the other party hereto.

SECTION 3.9 Specific Performance. The parties hereto (and any Person who agrees to be bound hereby pursuant to the terms hereof) acknowledge and agree, and shall cause each of its Affiliates to agree, that their respective remedies at law for a breach or threatened breach of any of the provisions of this Agreement would be inadequate and, in recognition of that fact, agree that, in the event of a breach or threatened breach by any party (or any of such Persons) of the provisions of this Agreement, in addition to any remedies at law, they shall, respectively, without posting any bond, be entitled to obtain equitable relief in the form of specific performance, a temporary restraining order, a temporary or permanent injunction or any other equitable remedy which may then be available.

SECTION 3.10 No Third Party Beneficiaries. Nothing contained in this Agreement, express or implied, is intended to or shall confer upon anyone other than the parties hereto (and their permitted successors and assigns) any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

SECTION 3.11 Termination. The provisions of this Agreement shall terminate as to any Holder upon the date such Holder no longer Beneficially Owns any Registrable Securities.

SECTION 3.12 Severability. If any provision of this Agreement or the application of any provision hereof to any party hereto or set of circumstances is held invalid, the remainder of this Agreement and the application of such provision to the other parties hereto or sets of circumstances shall not be affected, unless the provisions held invalid shall substantially impair the benefits of the remaining portions of this Agreement.

SECTION 3.13 Entire Agreement; 2001 Agreement. This Agreement, the Company Purchase Agreement, the Governance Agreement, and the Letter Agreement contain the entire agreement and understanding among the parties hereto with respect to the subject matter hereof and supersede all prior agreements and understandings relating to such subject matter. Notwithstanding any provision herein to the contrary, this Agreement shall not require the Company to take any action or refrain from taking any action if the taking of such action or refraining from taking such action will result in a breach of the 2001 Agreement.

[Signature pages follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

KERZNER INTERNATIONAL LIMITED

By: /s/ Howard B. Kerzner

Name: Howard B. Kerzner
Title: Chief Executive Officer

ISTITHMAR PJSC

By: /s/ Sultan A. Bin Sulayem

Name: Sultan A. Bin Sulayem
Title: Chairman

Kerzner International Limited
P.O. Box N-4777
Nassau, The Bahamas

August 10, 2004

Caledonia Investments PLC
Cayzer House
30 Buckingham Gate
London SW1E 6NN
England

Cement Merchants SA
P.O. Box 777
Jonaboda 4
FL-9497 Triesenberg
Principality of Liechtenstein

Istithmar PJSC
Emirates Towers, Level 47
Sheikh Zayed Road
PO Box 17000
Dubai, United Arab Emirates

World Leisure Group Limited
c/o Trident Trust Company Limited
PO Box 146, Road Town
Tortola, British Virgin Islands

Letter Agreement

Ladies and Gentlemen:

Reference is made to (a) the Stock Purchase Agreement dated as of July 15, 2004, between Kerzner International Limited (the "Company") and Istithmar PJSC ("Istithmar"), (b) the Stock Purchase Agreements dated as of July 15, 2004 (the "Secondary Purchase Agreements"), between certain selling shareholders and Istithmar, (c) the Corporate Governance Agreement dated August 10, 2004 (the "Governance Agreement") between the Company and Istithmar (d) the Registration Rights Agreement dated August 10, 2004 (the "Istithmar Registration Rights Agreement"), between the Company and Istithmar and (e) the Registration Rights and Governance Agreement dated as of July 3, 2001 (as in effect on the date hereof, the "2001 Agreement"), among the Company, Caledonia Investments PLC ("Caledonia"), Cement Merchants SA ("CMS"), World Leisure Group Limited ("WLG") and certain other parties. Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to such terms in the 2001 Agreement.

Pursuant to this letter agreement and in connection with the foregoing, in exchange for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

(a) Istithmar shall, and if applicable, shall cause each of its Controlled Affiliates to, (i) vote all Shares it Beneficially Owns at any Shareholders Meeting or in any Written Consent with respect to such Shares, in favor of any nominee to the Board of Directors of the Company designated by WLG,

Caledonia or CMS in accordance with Section 3.4 of the 2001 Agreement and (ii) take all other actions reasonably requested by each of WLG, Caledonia and CMS to cause each of their respective nominees to be appointed to the Board of Directors of the Company in accordance with Section 3.4 of the 2001 Agreement and to give effect to the provisions of this letter;

(b) Each of Caledonia, CMS and WLG shall, and in the case of WLG, CMS and Caledonia, if applicable, shall cause each of its Controlled Affiliates to, (i) vote all Shares it Beneficially Owns (including any Proxy Shares) at any Shareholders Meeting or in any Written Consent with respect to such Shares, in favor of any nominee to the Board of Directors of the Company designated by Istithmar in accordance with Section 3.2 of the Governance Agreement, and (ii) take all other actions reasonably requested by Istithmar to cause such nominee to be appointed to the Board of Directors of the Company and to give effect to the provisions of Article III of the Governance Agreement and this letter;

(c) Caledonia agrees that the consummation of the purchase and sale of Shares pursuant to the Secondary Purchase Agreement to which it is a party shall constitute the sale of 1,300,000 "Caledonia Tag Shares" for purposes of Section 5.3.2(b) of the 2001 Agreement;

(d) CMS agrees that the consummation of the purchase and sale of Shares pursuant to the Secondary Purchase Agreement to which it is a party shall constitute the sale of 200,000 "CMS Tag Shares" for purposes of Section 5.3.2(b) of the 2001 Agreement; and

(e) Each of the Company, Caledonia, CMS and WLG acknowledges and agrees that the Purchaser is a "Permitted Transferee" and a "Holder" of the Shares acquired pursuant to the Secondary Purchase Agreements and that such Shares constitute "Registrable Securities" for purposes of the 2001 Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this letter agreement to be duly executed by their respective authorized officers as of the day and year first above written.

Very truly yours,

KERZNER INTERNATIONAL LIMITED,

By /s/ Howard B. Kerzner

Name: Howard B. Kerzner
Title: Chief Executive Officer

Accepted and agreed to as of
the date first above written:

CALEDONIA INVESTMENTS PLC,

By /s/ Peter N. Buckley

Name: Peter N. Buckley
Title: Chairman

CEMENT MERCHANTS SA,

By /s/ Gerhard Meier

Name: Gerhard Meier
Title: Director

ISTITHMAR PJSC,

By /s/ Sultan A. Bin Sulayem

Name: Sultan A. Bin Sulayem
Title: Chairman

WORLD LEISURE GROUP LIMITED,

By /s/ Solomon Kerzner

Name: Solomon Kerzner
Title: