

# SUN INTERNATIONAL QUARTERLY TRADING UPDATE

14 May 2009

Business Update for the Quarter and Nine months to 31 March 2009

## Trading

Trading conditions for the quarter continued to deteriorate with overall revenue growth of 6% over last year, and a decline of 1% if revenue from the new Monticello casino is excluded.

	Quarter to 31 March			Nine months to 31 March		
	2009	Change	2008	2009	Change	2008
	Rm	%	Rm	Rm	%	Rm
Revenue	1 995	6	1 887	6 017	6	5 684
Casino	1 541	7	1 440	4 615	6	4 371
Rooms	238	(2)	243	711	7	664
Food, beverage and other	216	6	204	691	6	649
EBITDA	648	(8)	704	2 015	(4)	2 093
EBITDA margin (%)	32,5		37,3	33,5		36,8

With regard to the major casino operations, Carnival City and Sibaya performed satisfactorily in the current economic conditions, with revenue growth of 8% and 1% respectively. GrandWest and Boardwalk continue to be impacted by declining local economic conditions with revenues 12% and 11% below last year, respectively.

In the hotel and resorts operations, revenues at Sun City were in line with the previous year, while revenues at Table Bay and Zambia declined 3% on last year. The average room occupancy for the quarter at 71% was 7 percentage points down on the previous year.

The overall EBITDA margin of 32,5% was 4,8 percentage points lower than the comparative quarter last year, mainly due to current revenue levels and a loss incurred by Monticello in the quarter. Excluding Monticello, the EBITDA margin would have been 35,2% for the quarter.

Monticello achieved revenues in the quarter of R132 million, a 36% growth on the opening quarter. Sign ups to the MVG customer loyalty programme continue to accelerate and promotional activity has been increased to create additional awareness of the casino offering. April 2009 revenue at R51 million showed further improvement being 16% higher than the average monthly revenue achieved during the quarter under review. The EBITDA loss for the quarter of R8 million was significantly lower than the opening quarter loss of R23 million.

## Developments

The Lesotho Sun is undergoing a major refurbishment of the casino, rooms, conference centre and other public areas including the lobby, bars and restaurants. The project is anticipated to be completed in November 2009 at a total estimated cost of R140 million.

## Eastern Cape casino licences

The Wild Coast Sun's casino licence application was approved and a new licence will be granted for a further period of ten years by the Eastern Cape Gambling and Betting Board (ECGGB) on acceptance of the licence conditions. The group has not been able to agree certain of these conditions with the ECGGB in the 30 day period allowed. The ECGGB has advised the Wild Coast Sun to expect a written notification of the appointment of a statutory tribunal which will review the licence award.

The Boardwalk's casino licence in Zone 1 of the Eastern Cape expires in October 2010. A bid for a new fifteen year casino licence was submitted on 30 January 2009 which includes plans for a five star hotel and conference centre, expanded gaming facilities and covered parking at an estimated cost of R1 billion. The announcement of the preferred bidder is expected in August 2009.

**Chile**

The construction of the retail and entertainment components and the 155 room hotel at the Monticello casino is progressing well, with the retail and entertainment components scheduled for completion in August 2009 and the hotel expected to open in October 2009. The overall projected capital expenditure will marginally exceed the projected US\$236 million.

**Nigeria**

The process of acquiring the group's 49,5% interest in the company which owns and operates the Federal Palace Hotel and the Federal Palace Towers Hotel on Victoria Island, Lagos is well underway. The US\$24 million project which will include the construction of a temporary casino in the Federal Palace Hotel and minor upgrades to the existing Federal Palace Towers Hotel will commence shortly.

**Outlook**

Trading at the group's gaming operations for the remainder of the year is expected to remain subdued, whilst the local and global economic conditions will continue to negatively impact the hotels and resorts.

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Sun International Limited – Business Update for the Quarter and Nine months to 31 March 2009

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