

SUI

Sun International Limited – Business Update for the Quarter to 30 September 2009

Sun International Limited

(Incorporated in the Republic of South Africa)

(Registration number 1967/007528/06)

Share code: SUI ISIN: ZAE000097580

Business Update for the Quarter to 30 September 2009

Trading

Revenue for the quarter at R1.9 billion was 4% ahead of last year. Gaming revenue and food, beverage and other revenue were 6% and 7% ahead of last year respectively, while rooms revenue was 12% down. Excluding Monticello, comparable revenue was 6% down on last year.

Comparable gaming revenue was 5% below last year. Sibaya achieved revenue growth of 2%, however, revenue at GrandWest, Carnival City and Boardwalk declined by 7%, 15% and 6%, respectively. Despite growth in Carnival City's slots handle and tables drop, a reduced win percentage resulted in a 2.3 percentage points decline in the Group's share of the Gauteng market to 19.7% versus the prior year.

Trading results at Monticello continue to strengthen encouragingly although results stated in Rands have been impacted by the Rand's recent strength. EBITDA for the quarter was R16 million compared to the previous quarter of R8 million.

Amongst the hotels and resorts, Sun City achieved revenue growth of 4% while the Table Bay and Zambian properties experienced 34% declines in revenue compared to last year due to declines in occupancies of 21 and 23 percentage points respectively. The average hotels and resorts room occupancy for the quarter at 69% was 8 percentage points below the previous year.

The overall EBITDA margin of 27.3% was 6.2 percentage points lower than the comparative quarter last year, mainly due to the contraction in revenue coupled with increased costs particularly energy and property costs and the higher gaming taxes in Chile. Excluding Monticello, the EBITDA margin was 29.3% for the quarter, 4.2 percentage points lower than last year.

	Quarter to 30 September		
	2009	Change	2008
	Rm	%	Rm
Revenue	1 942	4	1 861
Casino	1 536	6	1 444
Rooms	186	(12)	211
Food, beverage and other	220	7	206
EBITDA	530	(15)	623

EBITDA margin (%)	27.3		33.5
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Revenue for the month of October has shown some marginal improvement on the first quarter, comparable revenue was just 3% down on last year, casino revenue in line with last year and hospitality and other revenue down 14%. Monticello casino revenue in Rands was 168% above last year when the casino traded for 24 days.

Developments

South Africa

Following the award of the casino licence, the upgrade and expansion of the Wild Coast Sun has commenced, with the improvements to the casino to be completed by December 2009, followed by the rooms refurbishment commencing in January 2010, for completion by mid-2012.

The conditions attached to the licence for which the Boardwalk was named as the preferred bidder, are still to be issued and agreed with the Eastern Cape Gambling and Betting Board. It is anticipated that this R1 billion expansion project will commence during 2010 for completion in late 2011.

Lesotho

The major refurbishment of the Lesotho Sun hotel, casino and conference facility, commenced in May 2009 and will be completed shortly within the estimated cost of R140 million.

Nigeria

The process of acquiring the second tranche of the group's interest in the Nigerian company that owns and operates the Federal Palace hotel and Federal Palace Towers hotel is underway, which will result in the group owning a 49.5% interest in the company. This process is expected to be completed in January 2010. The US\$24 million development which includes a 200-slot and 8-table casino has commenced, with the casino expected to open in December 2009 and the Federal Palace Towers hotel reopening in the second half of 2010, following its minor refurbishment.

Chile

Construction of Monticello is nearing completion, with the retail and entertainment components having commenced trading during the last month and the 155-room hotel to open early December 2009.

Outlook

Trading is expected to remain subdued as there is little evidence to suggest an improvement in overall economic conditions in the foreseeable future. However, contributions from Monticello and Nigeria should assist in achieving growth in revenue. The above has not been reviewed or reported on by the company's auditors.

04 November 2009