

SUI

Sun International Limited – Business Update for the Quarter and Nine Months to 31 March 2008

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 and nine months to 31 March 2008

Trading

The performance of the group's casinos reflected the difficult conditions that are affecting consumer spending in South Africa. Overall revenue growth for the quarter was 7% over last year despite Easter falling in this quarter as against the final quarter last year. Casino revenues were 6% ahead of last year with the better performances coming from GrandWest and Sibaya which achieved growths of 9% and 12% respectively whilst Carnival City and Boardwalk reflected declines in revenue compared to last year of 3% and 4% respectively.

Encouraging rooms revenue growth of 15% was achieved for the quarter and the average room occupancy of the group's hotels and resorts for the quarter at 78% was 3 percentage points up on last year.

The slow growth in casino revenues and the decline in GrandWest's margin as a result of the enlarged casino floor, resulted in a minor decline in the overall group EBITDA margin and consequently EBITDA growth of 6% was marginally behind the revenue growth of 7%.

		Quarter to 31 March			Nine months to 31 March	
	2008	Change	2007		2008	2007
	(Rm)	(%)	(Rm)		(Rm)	(Rm)
Revenue	1 887	7	1 762		5 684	5 141
Casino	1 440	6	1 358		4 371	3 951
Rooms	243	15	212		664	598
Food and beverage and other	204	6	192		649	592
EBITDA	704	6	662		2 093	1 879
EBITDA margin (%)	37,3		37,6		36,8	36,6

Developments

The 98 room Golden Valley Lodge at the Golden Valley Casino in Worcester opened successfully in March 2008.

The Carnival City Multi-level parkade construction is on schedule for completion during June 2008.

The second phase of the R260 million refurbishment at the Sun City Main Hotel commenced in February 2008 with completion anticipated in November 2008.

Wild Coast Sun casino licence

As previously reported, the Wild Coast Sun's casino licence expires on 31 August 2009. The group has submitted its application for a new casino licence which includes a R340 million upgrade and enhancement to the resort. The award of the licence to the successful bidder is currently scheduled for October 2008.

Chile

Construction of the casino project located south of Santiago in Chile is progressing according to plan with the casino component on schedule to open to the public in October 2008. The retail and entertainment components remain scheduled for completion at the end of calendar 2008 and the hotel is due to open in May 2009.

The group is awaiting the approval of its partners by the country's gaming regulator.

Nigeria

The group is currently managing the Federal Palace Towers hotel on Victoria Island and is nearing completion of the furnishing of the recently renovated 150-room Federal Palace Hotel which is anticipated to open early June 2008. The final terms of the gaming licence are being considered by the Nigerian authorities whereupon the licence is planned to be issued and the refurbishment of the 230-room Federal Palace Towers hotel and the construction of the new casino can commence.

Outlook

Trading conditions at the group's casinos in South Africa for the remainder of the year are expected to remain difficult as a result of the pressures on disposable income, however this will be offset to some extent by stronger rooms revenue growth.

8 May 2008