

Gold Reef Resorts Limited
(Incorporated in the Republic of South Africa)
Registration number 1989/002108/06
Share Code: GDF
ISIN: ZAE 000028338
("Gold Reef" or "the Company" or "the Group")

TRADING UPDATE FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2010 ("the period")

		Unaudited for the nine months ended 30 September 2010	Unaudited for the nine months ended 30 September 2009
	% change		
Revenue (Rm)	(1,1)	1 625,0	1 642,9
EBITDAR (Rm)	(13,2)	549,6	633,4
EBITDAR adjusted for non-recurring items (Rm)	(9,3)	561,8	619,4
EBITDAR margin (%)	(4,7)	33,8	38,5
EBITDAR margin adjusted for non- recurring items (%)	(3,1)	34,6	37,7
EBITDAR per share (cents)	(13,7)	199,0	230,5
EBITDAR per share adjusted for non- recurring items(cents)	(9,8)	203,4	225,4
Earnings per share (cents)	(26,8)	63,0	86,1
Headline earnings per share(cents)	(26,6)	63,1	86,0
Headline earnings per share adjusted for non-recurring items(cents)	(16,6)	67,5	81,0

TRADING

The difficult economic conditions and their negative impact on consumers' disposable income continued to impact on Gold Reef's performance for the nine months ended 30 September 2010. Revenue declined 1,1% to R1,6 billion compared to the same period last year. Earnings before interest, tax, depreciation, amortisation and rentals ("EBITDAR") decreased 13,2% to R549,6 million mainly as a result of the revenue shortfall, exacerbated by operational gearing in the business. Headline earnings per share ("HEPS") declined by 26,6% to 63,1 cents as a result of higher depreciation and amortisation costs following the Group's refurbishment programme.

Given the Company's focus on containing costs during the previous financial year, there has been limited scope for the Group to implement further significant initiatives during the current period. Despite this, total operating costs were well contained, increasing by only 5,4% from the prior comparative period. This includes non-recurring costs of R12,2 million relating to the proposed merger with Tsogo Sun Holdings (Proprietary) Limited. Had the effects of non-recurring items been excluded in both the current and prior periods, EBITDAR and HEPS would have declined by 9,3% and 16,6% respectively.

DEVELOPMENTS

The final phase of the refurbishment undertaken at Golden Horse Casino, being the hotel rooms and exterior, has been completed.

PROSPECTS

The difficult trading conditions are expected to persist for the rest of the financial year with consumer activity likely to remain relatively subdued.

Notwithstanding this, Gold Reef remains well positioned to benefit from an improvement in economic conditions and strengthening of consumer confidence when this occurs.

The financial information on which the above information is based has not been reviewed or reported on by the Company's auditors.

Johannesburg
29 October 2010

Sponsor
Deutsche Securities (SA) (Proprietary) Limited