

Tsogo Sun Holdings Limited
Incorporated in the Republic of South Africa
(Registration number 1989/002108/06)
Share code: TSH
ISIN: ZAE000156238
("Tsogo Sun" or "the Company" or "the Tsogo Sun Group")

ACQUISITION OF AN ADDITIONAL EFFECTIVE INTEREST IN HOTEL FORMULA 1 (PTY) LTD AND RELATED PROPERTY COMPANIES ("HOTEL FORMULA 1")

Shareholders are advised that on 7 December 2011 Southern Sun Hotels (Pty) Ltd ("Southern Sun"), a wholly-owned subsidiary of Tsogo Sun, reached agreement with Accor Group ("Accor") to acquire an additional 52,6% interest in Hotel Formula 1 ("the transaction"), bringing the Tsogo Sun Group's effective shareholding in Hotel Formula 1 to 100%. The purchase price of R300 million comprises R264 million attributable to the equity value of Hotel Formula 1 and R36 million relating to the acquisition of a loan between Accor and Hotel Formula 1. The transaction is subject to regulatory approvals including, inter alia, the Competition Authorities and the South African Reserve Bank.

The Hotel Formula 1 business has been at the forefront of the budget accommodation market in South Africa since its formation in 1991, as a joint venture between Accor and Southern Sun. Hotel Formula 1 owns 20 hotels across the country with some 1 474 rooms, in addition to managing 3 hotels already wholly owned by Southern Sun. For the year ended 31 December 2010, which benefitted from the 2010 FIFA World Cup, Hotel Formula 1 reported Income of R125.7 million and Earnings before interest depreciation amortisation and rental charges ("Ebitdar") of R66.7 million. The hotels will continue to operate under the Hotel Formula 1 brand in terms of an exclusive trademark license agreement entered into between the parties.

This acquisition is consistent with the stated growth strategy of the Tsogo Sun Group to continue to invest in its core gaming and hotel operations, both locally and abroad.

Johannesburg
8 December 2011

Sponsor
Deutsche Securities (SA) (Proprietary) Limited