

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 Group")

TSGO SUN COMMITS US\$100 MILLION TOWARDS THE GROUP'S HOTEL EXPANSION INTO AFRICA

In line with its growth strategy Tsogo Sun is pleased to announce the investment of US\$100 million (R900 million) into two exciting projects in Africa.

The first is a US\$30 million (R270 million) expansion of the Group's hotel in Mozambique, the Southern Sun Maputo. This will involve a complete refurbishment of the existing 158 room hotel, including the bedrooms and public areas as well as an expansion of the restaurant, the addition of 110 new hotel rooms as well as new conferencing facilities. The expansion takes advantage of the unique location of the hotel, extending along the beachfront on the Avenida de Marginal.

The Mozambican economy has shown encouraging signs of growth in recent years, and Tsogo Sun has benefitted from a strong trading performance at the Southern Sun Maputo. The Group has for some time been planning to utilise the additional land owned next to the hotel and believe that this exciting expansion programme will cement the Southern Sun Maputo as the destination hotel of choice in the city.

The second project is the acquisition of an approximate 75% stake in Ikoyi Hotels Limited, the holding company of the Southern Sun Ikoyi hotel in Lagos Nigeria ("the Acquisition"). This hotel has been managed by the Group for the original developers since opening in 2009. The Group's expected investment including loan funding is approximately US\$70 million (R630 million). The Acquisition is subject to several conditions precedent including regulatory approvals. Shareholders will be notified once these have been fulfilled and the Acquisition becomes effective. The Acquisition is not a categorised transaction in terms of the Listings Requirements of the JSE Limited.

The Southern Sun Ikoyi hotel is centrally located with convenient access to prime business nodes in Lagos and comprises 195 guest rooms and suites, a restaurant, business centre as well as meeting room facilities. The hotel also has additional land available for future expansion. This Acquisition will cement the Group's presence within the fast growing and progressive Nigerian economy as well as provide a base from which to expand its operations within the country.

The investments totalling US\$100 million will be funded through a combination of existing offshore cash and new US\$-based borrowing facilities.

Tsogo Sun operates hotels in seven African countries including South Africa, Mozambique, Zambia, Tanzania, Kenya, Nigeria and the Seychelles

Fourways
24 April 2013

Sponsor
Deutsche Securities (SA) Proprietary Limited

Investment Bank for the Acquisition
The Standard Bank of South Africa Limited and Stanbic IBTC Capital Limited