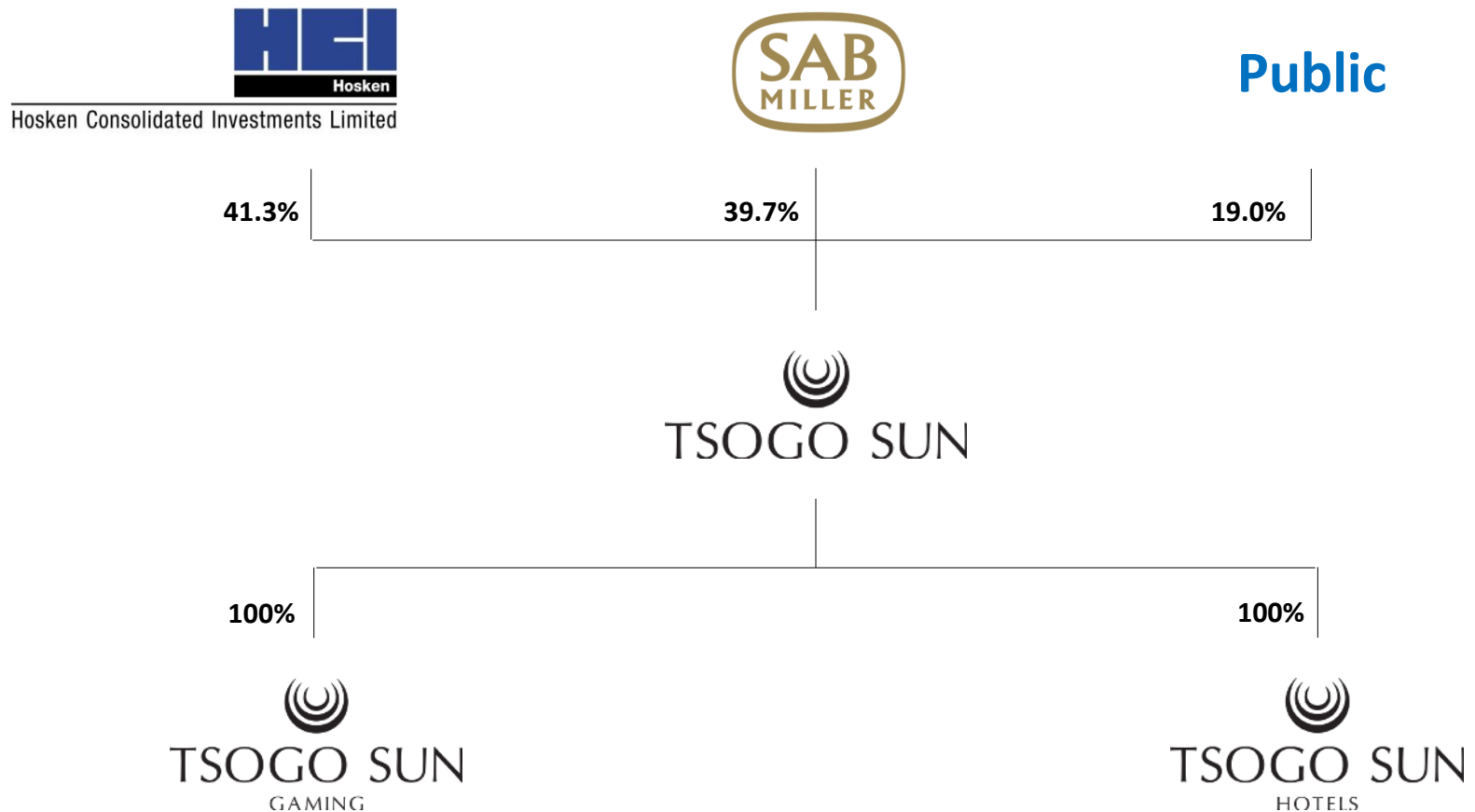



TSOGO SUN

Presentation to:
Analysts and Investors

May 2012

Group Structure



Gaming Portfolio



Gauteng

KZN

Western Cape

Mpumalanga

Eastern Cape

Free State



100%



90%



100%



100%



65%



100%



100%



100%



85%



100%



25%



100%



100%



70%

14 Casinos
6 Provinces

Hotel Portfolio



Deluxe

Premier

Economy/
Economy Plus

Budget

Timeshare &
Resorts

Offshore

BEVERLY HILLS

 Southern Sun

 Garden Court



 Southern Sun
RESORTS

 Southern Sun

PALAZZO



ALManzil
HOTEL

SANDTON SUN

54
ON BATH

 stayeasy

Oamardeen
HOTEL

Paradise Sun
proslin seychelles

 INTERCONTINENTAL
JOHANNESBURG SANDTON TOWERS

MAIA

 INTERCONTINENTAL
JOHANNESBURG O.R.TAMBO AIRPORT

94 Hotels
14,639 Rooms

Management and Board

- **TSH Board of Directors**

- **Executive Directors**

- Marcel von Aulock– Group CEO
 - Rob Huddy – Group CFO

- **Non-Executive Directors**

- Johnny Copelyn (Chairman)
 - Jabu Mabuza (Deputy Chairman)
 - Marcel Golding
 - Andre Van Der Veen
 - Elias Mphande
 - Meyer Kahn
 - Graham Mackay
 - Malcolm Wyman
 - Rex Tomlinson
 - Jabu Ngcobo
 - Yunis Shaik



Management and Board

■ Group Executive Committee

● Corporate

- Marcel von Aulock – Group CEO
- Rob Huddy – Group CFO
- Rob Collins – Chief Marketing Officer
- Vusi Dlamini – Group HR Director
- Laurelle Fick – Corporate Finance Manager
- Kevin Page – Group Development Director
- Henry Parrymore – Chief Information Officer
- Graham Tyrrell – Group Legal Director
- Wynand van Wyngaardt – Company Secretary

● Gaming

- Jacques Booysen – MD Gaming
- Greg Lunga – FD Gaming
- Thabo Mosololi – Operations Director Gaming

● Hotels

- Graham Wood – MD Hotels
- Richard Weilers – COO and MD Offshore
- Jaco Boshoff – FD Hotels

Accounting Issues

■ Accounting

- Current period results represent 12 months consolidated merge co
- Prior period results represent 12 months Tsogo with 11 months GRR equity accounted and 1 month consolidated
 - Deal closed on 24 February 2011
- Exchange ratio 81% (TIH and SABSA) / 19% (Other GRR)
 - 888m shares issued = 906m weighted number of shares used for prior period EPS
 - 1097m shares in issue at 31 March 2012 = used for current period EPS
- Dividend
 - F'11 – No dividend declared during merger proceedings
 - F'12 – Full dividend in respect of F'11 of 50c paid in June 2011
 - F'12 – Interim in respect of F'12 of 20c paid in December 2011
 - F'12 – Final dividend in respect of F'12 of 40 cents to be paid 11 June 2012
 - STC charge for year ended 31 March 2012 R82m
 - STC charge for year ended 31 March 2011 R12m





Segmental Analysis

Group – Revenue and EBITDAR (Rm)

	F'12	F'11	% Change
Revenue			
Gaming	7 113	4 630	54
Hotels SA	1 625	1 617	-
Hotels Offshore	324	271	20
Corporate (intra-group-elimination)	(31)	(31)	-
Total Group	9 031	6 487	39
GRR (management accounts)	-	2 133	*
Total Group adjusted	9 031	8 620	5
EBITDAR			
Gaming	2 886	1 833	57
Hotels SA	512	560	(9)
Hotels Offshore	88	75	17
Corporate	2	16	*
Forex gains/(losses)	13	(7)	*
Total Group	3 501	2 477	41
GRR (management accounts)	-	784	*
Total Group adjusted	3 501	3 261	7

Tsogo Sun Segmental (Rm)

	Income		EBITDAR		EBITDAR Margin	
	F'12	F'11	F'12	F'11	F'12	F'11
Montecasino	2 107	1 964	901	790	42.8	40.2
Suncoast	1 313	1 261	634	607	48.3	48.1
Gold Reef City	1 162	87	462	14	39.8	16.1
Silverstar	557	51	207	14	37.2	27.5
The Ridge	357	332	171	160	47.9	48.2
Emnotweni	292	268	130	114	44.5	42.5
Golden Horse	287	23	144	9	50.2	39.1
Hemingways	285	269	122	116	42.8	43.1
Garden Route	155	12	70	4	45.2	33.3
Goldfields	131	11	59	4	45.0	36.4
Blackrock	123	108	48	38	39.0	35.2
Caledon	123	120	36	34	29.3	28.3
Mykonos	120	9	52	2	43.3	22.2
Other gaming operations	101	115	(150)	(73)		
Total gaming operations	7 113	4 630	2 886	1 833	40.6	39.6
South African hotels division ⁽¹⁾	1 625	1 617	512	560	31.5	34.6
Offshore hotels division	324	271	101	68	31.2	24.9
<i>Pre-foreign exchange</i>			88	75	27.2	27.6
<i>Foreign exchange</i>			13	(7)		
Corporate	(31)	(31)	2	16		
Group	9 031	6 487	3 501	2 477	38.8	38.2

Note: All casino units are reported pre-internal gaming management fees

⁽¹⁾ Includes R31m (2011 : R31m) inter-group management fees

Tsogo Sun Segmental Adjusted ⁽¹⁾ (Rm)

	Income Adjusted		EBITDAR Adjusted		EBITDAR Margin Adjusted	
	F'12	F'11	F'12	F'11	F'12	F'11
Montecasino	2 107	1 964	901	790	42.8	40.2
Suncoast	1 313	1 261	634	607	48.3	48.1
Gold Reef City	1 162	1 083	462	362	39.8	33.4
Silverstar	557	597	207	204	37.2	34.2
The Ridge	357	332	171	160	47.9	48.2
Emnotweni	292	268	130	114	44.5	42.5
Golden Horse	287	260	144	123	50.2	47.3
Hemingways	285	269	122	116	42.8	43.1
Garden Route	155	150	70	66	45.2	44.0
Goldfields	131	123	59	54	45.0	43.9
Blackrock	123	108	48	38	39.0	35.2
Caledon	123	120	36	34	29.3	28.3
Mykonos	120	119	52	51	43.3	42.9
Other gaming operations	101	109	(150)	(102)	*	*
Total gaming operations	7 113	6 763	2 886	2 617	40.6	38.7
South African hotels division ⁽²⁾	1 625	1 617	512	560	31.5	34.6
Offshore hotels division	324	271	101	68	31.2	24.9
<i>Pre-foreign exchange</i>			88	75	27.2	27.6
<i>Foreign exchange</i>			13	(7)		
Corporate	(31)	(31)	2	16	*	*
Group	9 031	8 620	3 501	3 261	38.8	37.8

Note: All casino units are reported pre-internal gaming management fees

⁽¹⁾ Adjusted reflects GRR for a full 12 months in F'11

⁽²⁾ Includes R31m (2011 : R31m) inter-group management fees



Key Strategic Issues

Gaming

Gauteng Gaming Tax Revenues

Growth in Gaming win (%)	Gauteng	Monte-casino	Gold Reef City	Silver-star
Calendar years				
2000 Monte vs Sundome	25.0	(4.9)		
2001 Other casinos opened	5.8	20.9		
2002	13.9	16.5		
2003	11.0	9.6		
2004	18.9	15.5		
2005	11.1	13.2		
2006	14.9	14.5		
2007	13.1	12.6		
2008 Silverstar opened	7.8	(6.8)	(1.0)	*
2009	(0.9)	0.5	(1.3)	7.4
2010	1.1	2.0	(3.6)	0.6
2011	2.3	5.7	0.4	1.6
12 months to March 2012	5.5	8.4	11.3	(1.1)
6 months to September 2011	3.3	7.3	8.4	(1.8)
6 months to March 2012	7.7	9.4	14.2	(0.3)

KZN Gaming Tax Revenues

Growth in Gaming win (%)	KwaZulu-Natal	Suncoast	Golden Horse	Blackrock
Calendar years				
2004	24.5	37.3		
2005	24.7	22.5		
2006	16.2	15.1		
2007	19.6	15.6		
2008	6.9	8.3		
2009	4.6	5.0	1.4	5.5
2010	4.4	4.6	4.1	10.1
2011	5.2	5.4	3.0	6.4
12 months to March 2012	7.8	5.8	11.6	13.7
6 months to September 2011	8.0	5.1	12.7	11.4
6 months to March 2012	7.5	6.4	10.7	15.8

Other Gaming Tax Revenues

Growth in Gaming win (%)	Province	Unit	Unit	Unit
	Mpumalanga	Ridge	Emnotweni	
12 months to March 2012	9.3	7.5	8.8	
6 months to March 2012	10.3	8.4	11.0	
	Western Cape	Caledon	Mykonos	Garden Route
12 months to March 2012	6.7	7.6	2.5	5.0
6 months to March 2012	9.0	6.5	5.8	7.3
	Eastern Cape	Hemingways	Queens	
12 months to March 2012	5.3	7.2	7.4	
6 months to March 2012	10.1	10.1	9.3	
	Free State	Gold Fields		
12 months to March 2012	9.2	7.9		
6 months to March 2012	6.8	5.6		

Key Strategic Issues - Gaming

▪ Montecasino

- Satisfactory trading
- Good Privé support
- Bok town, Teatro and events attracting strong footfall
- Efficient flow-through

▪ Gold Reef City

- Stronger Privé
- Tables capacity issues addressed
- Theme Park turnaround
- Cost efficiency

▪ Silverstar

- Need improved design for the target market
- Redesign and re-launch planned with spend of R320m
- F&B, event space, cinemas, bowling etc.

▪ Suncoast

- Additional 120 slots and 14 tables approved
- 24 slots and 6 tables installed, balance on council approval of interior building plans
- Additional effective 30% acquired for R1bn from Johnnic in 2009
 - Potential Agterskot of up to R330m plus interest, with nil payable for F'10, R24m for F'11 and R58m for F'12
 - Remaining provision of R248m released to the Income Statement
- Additional 16.5% effective acquired for R510m in November 2011
- Large scale expansion required in medium term

Key Strategic Issues - Gaming

▪ Hemingways

- New licence issued April 2011, effective September 2011
- ONLY Eastern Cape licences expire
- Ownership diluted to 65%
- New investment R400m
 - Expand hotel by 41 rooms
 - New Pavilion conference and banquet area
 - New and expanded casino floor
- R86m spent by end March 2012
- Will be completed in F'13



Key Strategic Issues - Gaming

■ Other units

- Good EBITDAR growth at Emnotweni, Golden Horse, Goldfields and Blackrock
- Western Cape still under pressure
- Sandton Convention Centre reduced EBITDAR following SWC
- Centralisation of certain functions





Key Strategic Issues

Hotels

Hotels – Portfolio Philosophy



- Ideally own all components – Tsogo Sun Hotels strategic advantage in scale
- Lease building on long term basis if Tsogo can't own – but lose terminal value growth
- In SA only manage if strategically important and no option to own
- Offshore – management contracts are a low risk option to enter new markets
- Not a franchisor – control the brand

Owned and Managed

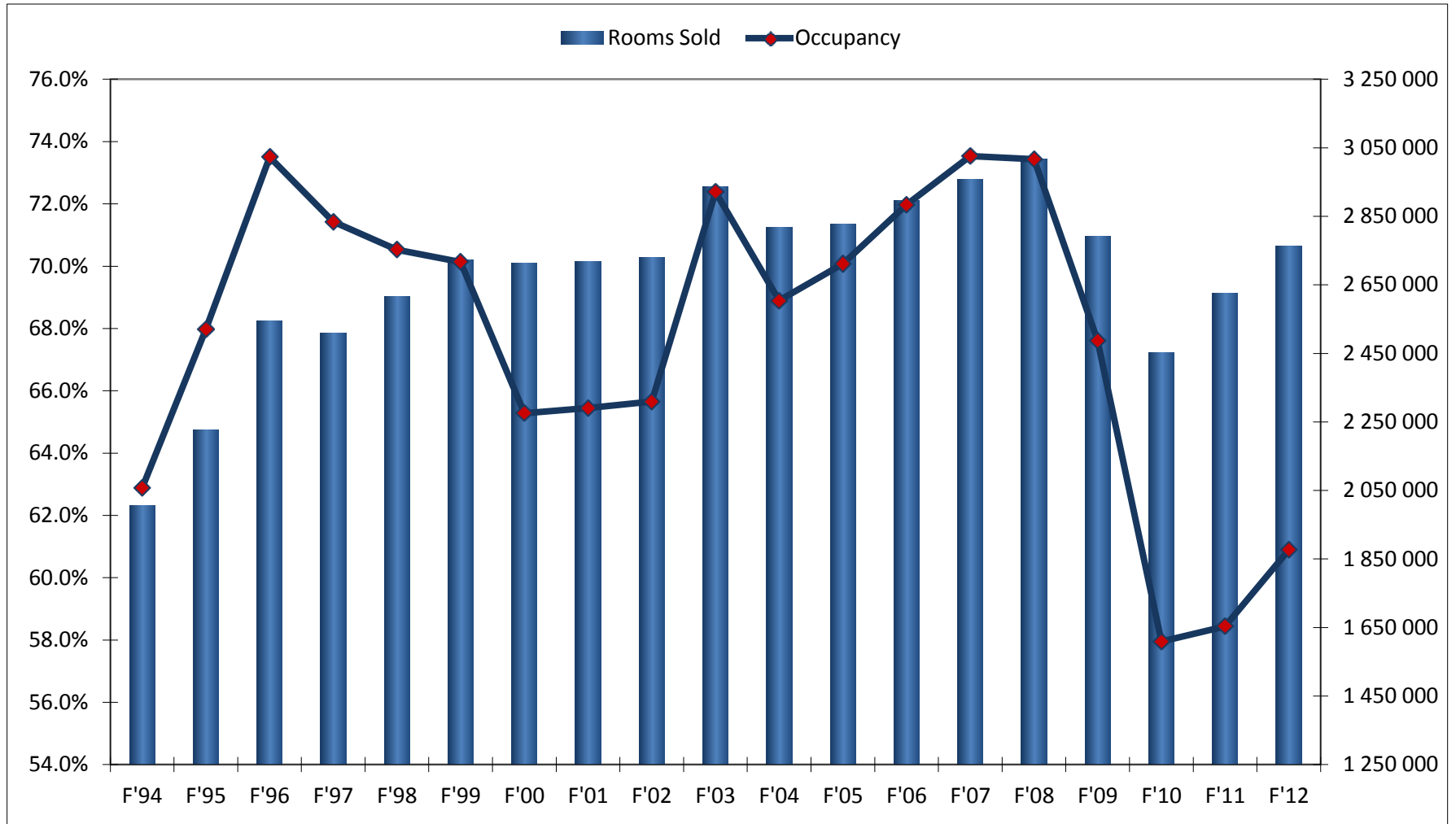
	Hotels	Rooms	Owned	Managed
Deluxe	6	1 113	410	703
Premier	19	4 058	3 380	678
Economy/Economy Plus	28	5 067	3 771	1 296
Budget (F1)	23	1 690	1 690	-
Timeshare & Resorts	8	1 256	402	854
South Africa	84	13 184	9 653	3 531
Offshore	10	1 455	746	709
Total revenue	94	14 639	10 399	4 240

Owned includes leased hotels, and associates

Associates are equity accounted
not consolidated - Maia

Owned Stats	F'12	F'11
Occupancy (%)	61.4	58.4
Average rate (R)	802	855
Room nights available ('000)	3 281	3 186
Room nights sold ('000)	2 014	1 860
Room revenue	1 615	1 591

SA System-wide Rooms Sold Annual History



Key Strategic Issues : Hotels – South Africa

- Corporate business remains weak
- Good growth in government and leisure segments
- Comparative to prior period affected by SWC in 2010.
 - Lower occupancy in 1st Quarter by 4.3pp
 - Increased occupancy in last 9 months by 4.7pp
 - Lower Average Room Rate
- Group trading at substantial RevPar premiums to the market in 3, 4 and 5 star sector
 - Better product and guest experience
 - Better distribution
 - Better sales and marketing
- Strong growth in earnings requires strong recovery in the Corporate and Group and Convention segments



Key Strategic Issues : Hotels – South Africa

- **Distressed assets present an opportunity**
 - 54 on Bath
 - Purchased R85m
 - Office component R30m (10% yield)
 - 73 Rooms
 - Principles when pursuing distressed assets
 - Must fit core group product
 - Must be a long-term viable business
 - Cheap relative to replacement cost is not good enough
 - Hotel Formula 1
 - R264m for 52.6% equity
 - R36m for shareholders' loans
 - F'12 EBITDAR R55m (9.9 x EV/EBITDAR)
 - Occupancy 61.5%
 - 20 Hotels acquired (1474 rooms)
 - Owned now totals 23 hotels (1690 rooms)

Key Strategic Issues : Hotels – Offshore



- Pursuit of management contracts continues – low risk entry to new markets



- Africa hotels strong in US\$ (occupancies F'12 : 72.2%, F'11 : 68.5%)



- Currency positive impact to trading in F'12, due to Rand weakness against US\$ and Euro exchange rates



- Forex gain F'12 R13m (F'11 loss R7m) on cash and monetary items denominated in US\$ and Euro



- Opened StayEasy Lusaka on 24 November 2011
 - Management contract
 - First economy hotel in Africa





Financial Overview

Group – Income Statement (Rm)

	F'12 Actual	F'11 Actual	F'11 Adjusted ⁽¹⁾	% Change on Adjusted
Group income	9 031	6 487	8 620	5
Gaming win	6 111	3 804	5 717	7
Revenue				
Rooms	1 615	1 591	1 626	(1)
F&B	752	677	755	-
Other	553	415	522	6
EBITDAR	3 501	2 477	3 261	7
Gaming	2 886	1 833	2 617	10
Hotels – SA	512	560	560	(9)
– Offshore	88	75	75	17
Forex	13	(7)	(7)	*
Corporate	2	16	16	*
EBITDAR margin (%)	38.8	38.2	37.8	1.0pp

Note: ⁽¹⁾ Adjusted reflects GRR based on management accounts for a full 12 months in F'11

Group – Income Statement (Rm)

	F'12 Actual	F'11 Actual	F'11 Adjusted ⁽¹⁾	% Change on Adjusted
EBITDAR	3 501	2 477	3 261	7
LTI costs	(55)	13	5	*
Rentals	(190)	(171)	(178)	(7)
Depreciation & amortisation	(623)	(447)	(641)	3
Exceptional items	385	(420)	(507)	*
Finance costs	(420)	(391)	(494)	15
Associates and JVs	10	79	12	(16)
Tax — normal	(679)	(419)	(545)	(25)
— STC	(82)	(12)	(28)	*
Non-controlling interests	(130)	(126)	(137)	5
Attributable earnings	1 717	583	748	*
Adjustments	(384)	400	473	*
Adjusted earnings	1 333	983	1 221	9

Note: ⁽¹⁾ Adjusted reflects GRR based on management accounts for a full 12 months in F'11

Adjusted HEPS (Rm)

	F'12	F'11	% Change
Attributable earnings	1 717	583	
Capital asset disposal profits	(2)	(5)	
FV adjustment of GRR	-	299	
FV adjustment of Formula 1	(179)	-	
Impairment of PPE (Grayston)	-	8	
Masa JV impairment	2	-	
Headline earnings	1 538	885	
Pre-opening costs	-	7	
Debt break costs (Associate)	-	(3)	
CBS loan impairment	-	3	
GRR transaction costs	-	83	
Lease termination costs (Grayston)	-	8	
Millennium contingency release	(248)	-	
Impairment of loans (MASA & Queens)	43	-	
Adjusted headline earnings	1 333	983	36
Weighted no. of shares in issue (m)	1 097	906	
Headline EPS (cents)	140.2	97.7	44
Adjusted headline EPS (cents)	121.5	108.5	12

Note : STC impact year-on-year for the period ended 31 March 2012 is 5.9 cents per share

Long Service Restatement

	Retained Income	Deferred Taxation	Minorities	Provisions
F'11 Opening	39	15	1	(55)
F'11 Income statement	23	9	1	(33)
F'11 Closing	62	24	2	(88)
F'12 Income Statement	12	5	1	(18)
F'12 Closing	74	29	3	(106)

- Long service awards were previously cash accounted
- Restated to account in terms of IAS 19 *Employee Benefits* based on an actuarial valuation
- Impact is 1.1 cents per share for F'12 and 2.6 cents per share for F'11

Group Cash Flow (Rm)

	F'12	F'11
Cash flow generated from operations	3 256	2 319
Move in working capital adjusted for non-cash items	144	3
Share scheme recovery (GRR)	-	53
Merger costs	-	(93)
Dividends received	5	56
Cash flow from operations	3 405	2 338
Interest paid (net)	(455)	(393)
Taxation – normal	(699)	(456)
– STC	(86)	(7)
Maintenance capex	(440)	(233)
Free cash flow	1 725	1 249
Ordinary dividends paid	(768)	-
Non-controlling interests dividends	(48)	(23)
Disposal proceeds	10	13
Investment activities (net)	(1 031)	(108)
Increase in share scheme loans	(1)	-
Net cash (deficit)/surplus	(113)	1 131
Currency	19	(6)
Move in Net IBD	(94)	1 125
Opening net IBD	(4 154)	(4 467)
Acquired with acquisitions	23	(812)
Accrued interest	41	-
Closing net IBD	(4 184)	(4 154)

Investment Activities

	F'12	F'11
Acquisitions		
Ripple Effect/Suncoast minority	(510)	-
Ripple Effect minority loan assumed on acq.	99	-
Formula 1	(300)	-
Millennium contingency part settlement	(24)	-
Expansion Capex	(299)	(99)
Hemingways bid/expansion	(84)	(13)
GC Milpark	(95)	-
SE Pretoria	(11)	-
20 St Georges – Cape Sun	(23)	-
54 on Bath (The Grace Rosebank)	(86)	-
The Pivot development	-	(86)
Other net investments	3	(9)
Investment activities	(1 031)	(108)
Maintenance Capex	(440)	(233)
Total investment spend	(1 471)	(341)

Interest Bearing Debt (Rm)

	F'12	F'11
Non-controlling interests funding	32	99
Preference funding	1 000	1 000
External debt (amortising and bullet)	4 595	4 011
Gross IBD	5 627	5 110
Cash on hand	(1 443)	(956)
Net IBD	4 184	4 154

Dividend of R549m (50c per share) declared May 2011, paid June 2011

Dividend of R220m (20c per share) declared November 2011, paid December 2011

Dividend of R439m (40c per share) declared May 2012, to be paid June 2012

Cost of debt — pre tax	9.5%	9.2%
— post tax	7.5%	7.2%



Future Prospects

 **TSOGO SUN**

Future Prospects

▪ Group

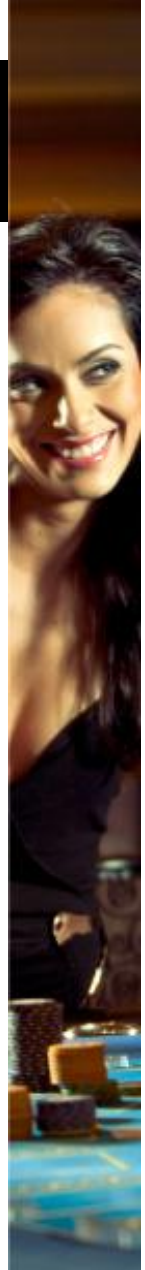
- Strong cash generation
- Growth opportunities still being pursued

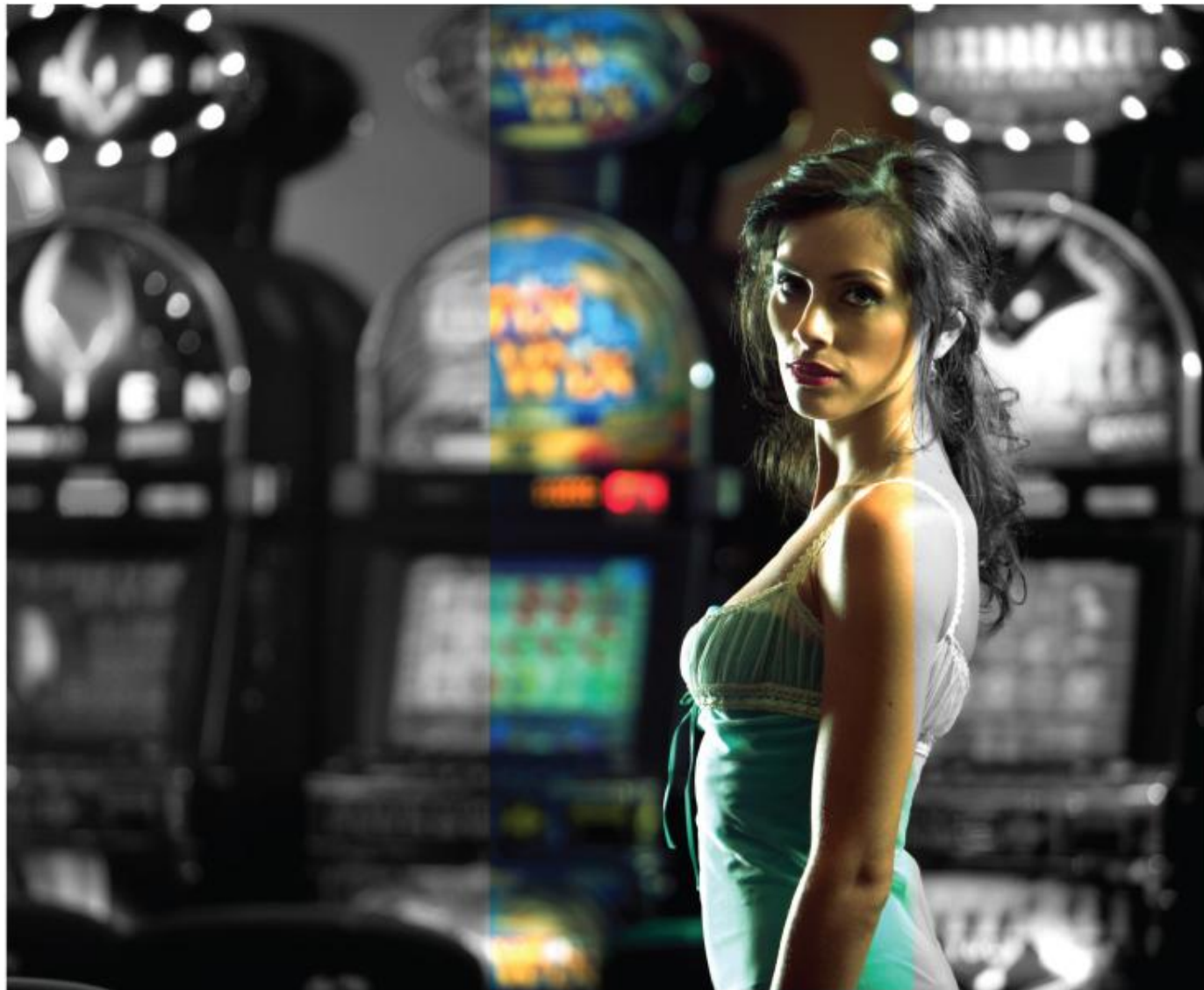
▪ Gaming

- Gaming win growth – medium term outlook positive
 - Need consumers to get wealthier and, more importantly, feel wealthier
 - Regulatory issues remain a threat
 - Tax – national/provincial
- Site developments
 - Hemingways
 - Silverstar
- Western Cape metropole

▪ Hotels

- Occupancy and rate still under pressure until corporate demand recovers
- Focus on customer satisfaction and brand awareness
- Opportunistic in SA – Land bank, acquire leases, new builds and acquisitions
- Continued pursuit of offshore expansion






TSOGO SUN

Thank you

