

A woman in a flowing red dress stands on a sandy beach, her back to the camera. The dress is long and sheer, with a high slit revealing her leg. She is barefoot, and her feet are in the sand. The background shows the ocean with waves and a sunset sky with orange and blue clouds.

TSOGO SUN HOLDINGS ANALYSTS & FUND MANAGERS PRESENTATION

NOVEMBER 2016

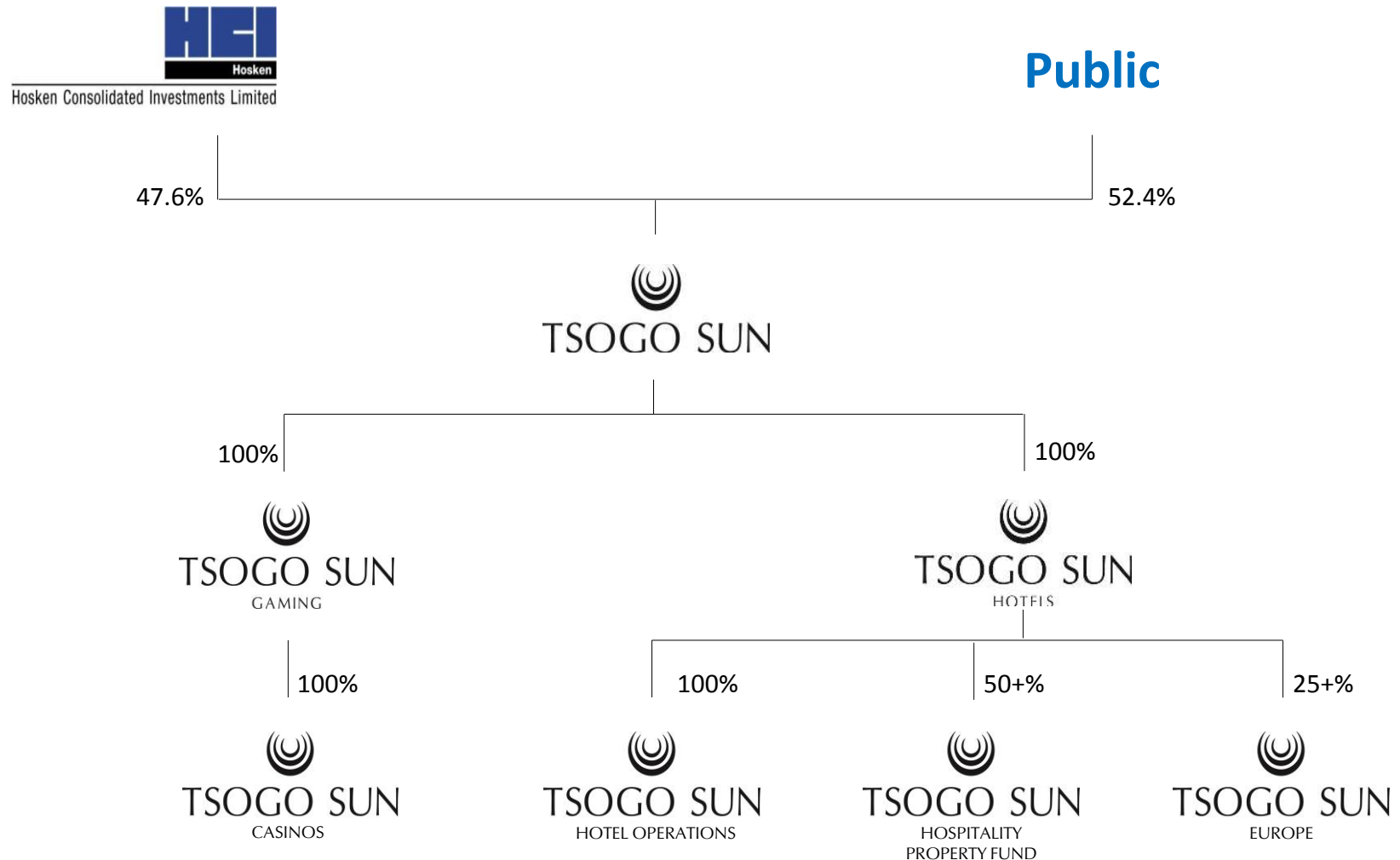
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GROUP STRUCTURE



MANAGEMENT AND BOARD



■ TSH Board of Directors

● Executive Directors

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

● Non-Executive Directors

- Johnny Copelyn – Chairman
- Marcel Golding
- Mac Gani – Audit & Risk and Social & Ethics Chairman
- Busi Mabuza – Lead Independent
- Elias Mphande
- Jabu Ngcobo
- Yunis Shaik – RemCo Chairman

MANAGEMENT AND BOARD

▪ **Group Executive Committee**

• **Corporate**

- Marcel von Aulock – Group CEO
- Rob Huddy – Group CFO
- Noeleen Bruton – Marketing Director
- Vusi Dlamini – Group HR Director
- Laurelle McDonald – Corporate Finance and Treasury Manager
- Zibusiso Kganyago – Development Director Gaming
- Kevin Page – Group Development Director
- Henry Parrymore – Chief Information Officer
- Graham Tyrrell – Group Legal Director and Company Secretary

• **Gaming**

- Jacques Booysen – MD Gaming
- Greg Lunga – FD Gaming

• **Hotels**

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

TSOGO SUN GAMING



GAMING PORTFOLIO

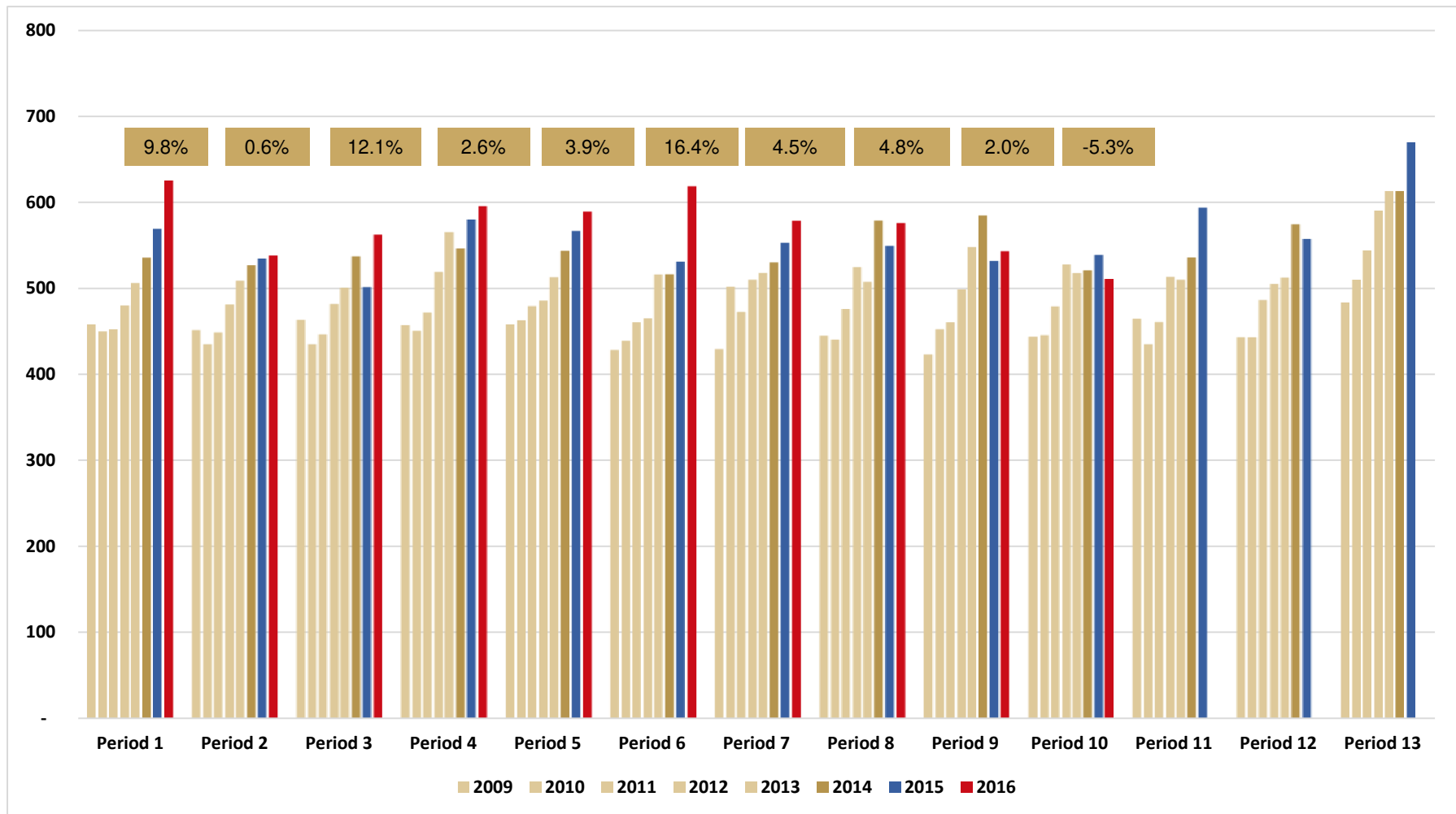
Gauteng	KZN	Western Cape	Mpumalanga	Eastern Cape	Free State
100%	100%	100%	100%	65%	100%
					
100%	100%	100%	100%	25%	
					
100%	98%/100%	70%/100%			
					

GAMING WIN (Rm)

	H1 F'17	H1 F'16	% Change
Gaming win	3 679	3 562	3
Tables	938	836	12
Slots	2 741	2 726	1
Drop/hold % – tables	21.7	21.6	0.1pp
Handle/win % – slots	5.0	5.0	-
	H1 F'17	H1 F'16	% Change
Gauteng	1 978	1 893	4
KwaZulu-Natal	1 005	976	3
Mpumalanga	288	285	1
Western Cape	233	223	4
Other	175	185	(5)
	3 679	3 562	3



GAUTENG GAMING TAX REVENUES



■ Percentage growth on prior year

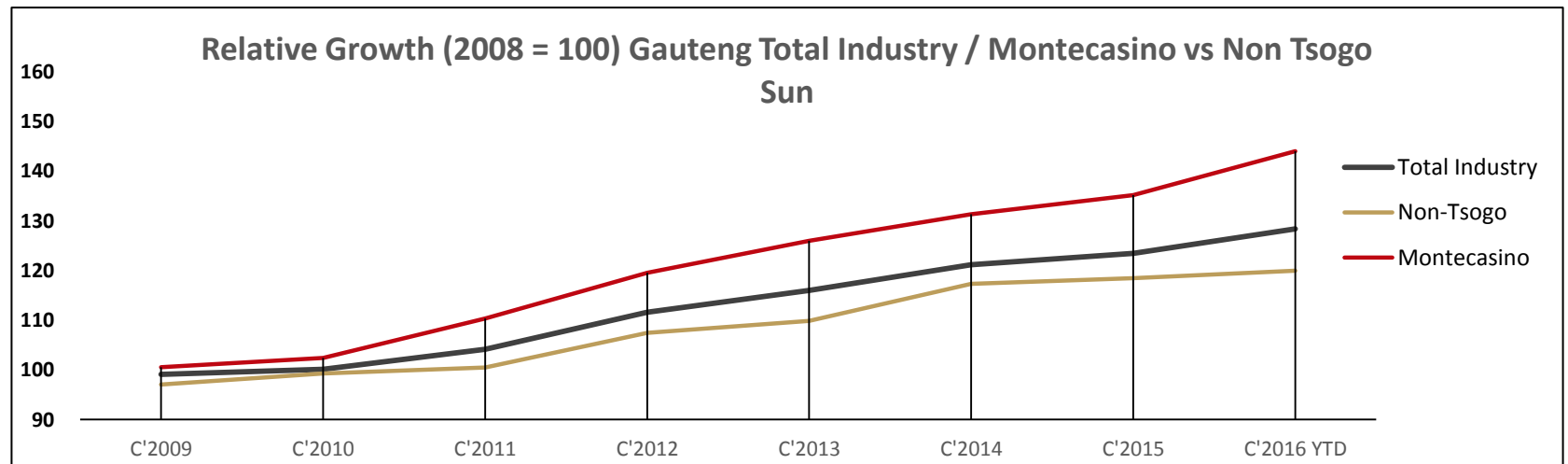
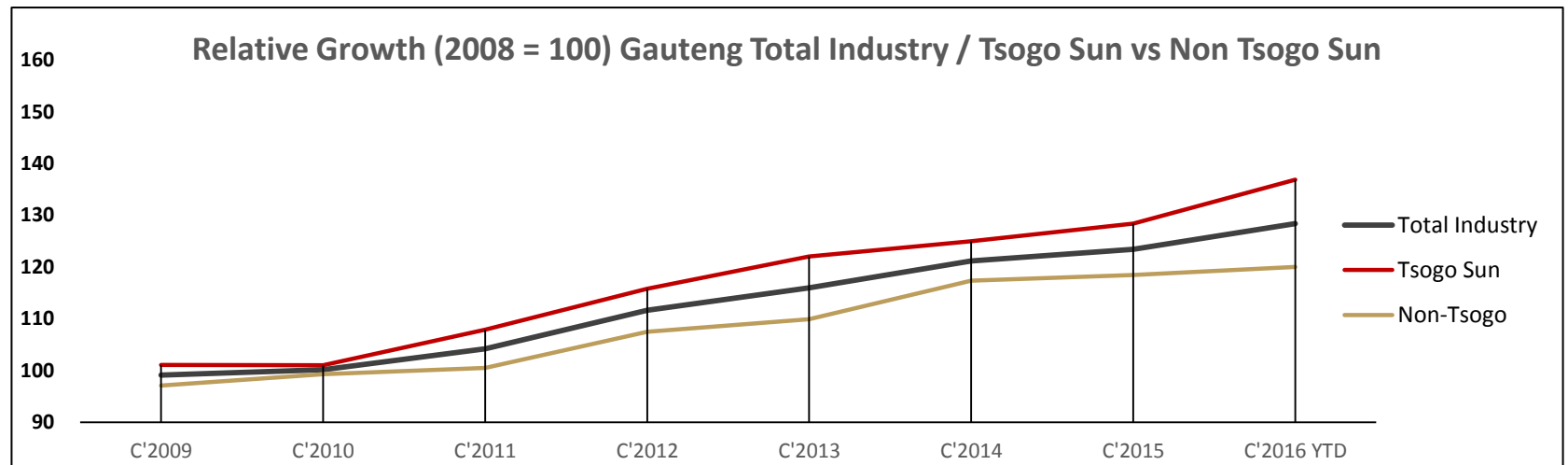
GAUTENG GAMING TAX REVENUES

Growth in Gaming Win (%)

	Gauteng	Montecasino	Gold Reef City	Silverstar
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	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	4.1	7.8	8.8	0.5
2012	7.2	8.0	7.5	4.2
2013	3.9	5.6	4.7	6.5
2014	4.5	4.6	(1.7)	4.2
2015	2.0	2.5	1.1	5.3
3 months to September 2016	1.5	1.2	13.6	-
6 months to September 2016	3.8	3.9	12.0	(1.9)

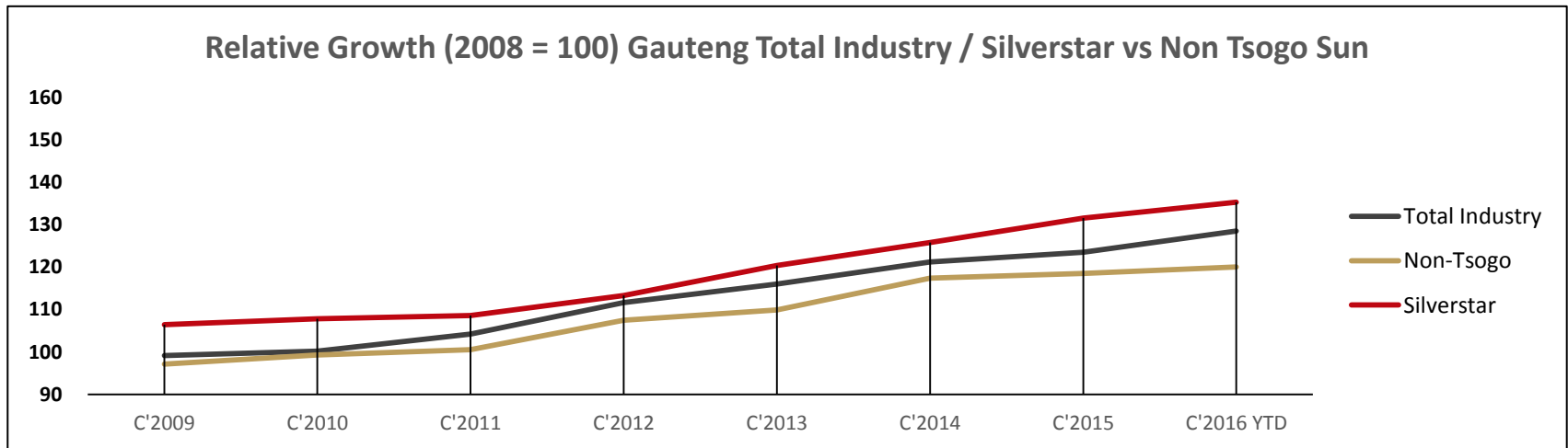
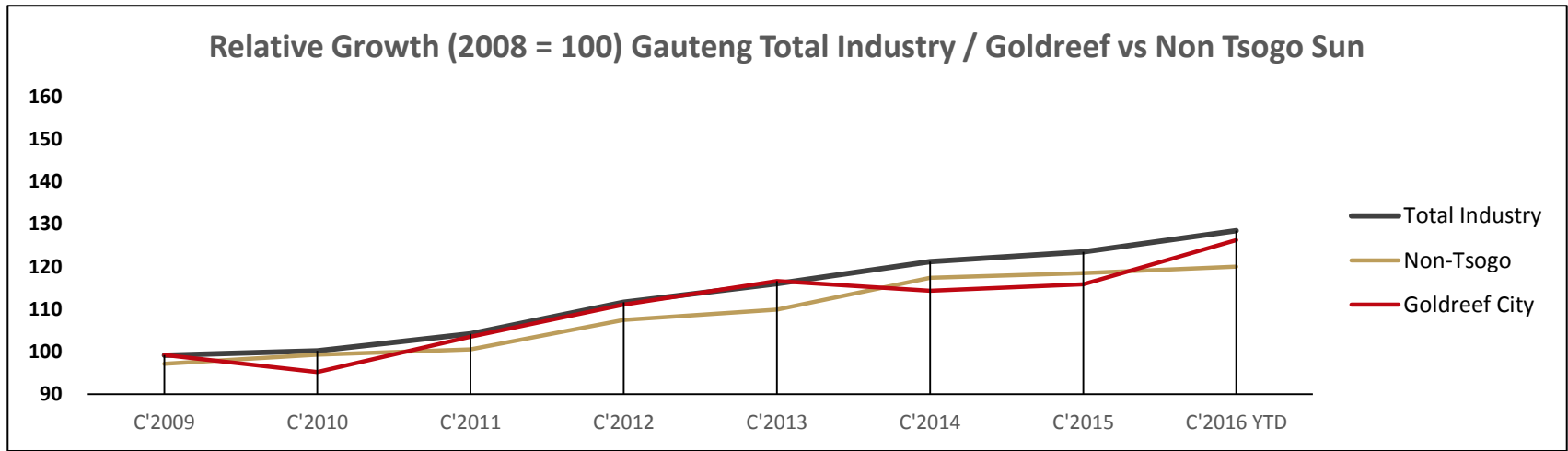
Note: Gaming stats differ to accounting due to timing and IFRS

GAUTENG GAMING TAX REVENUES



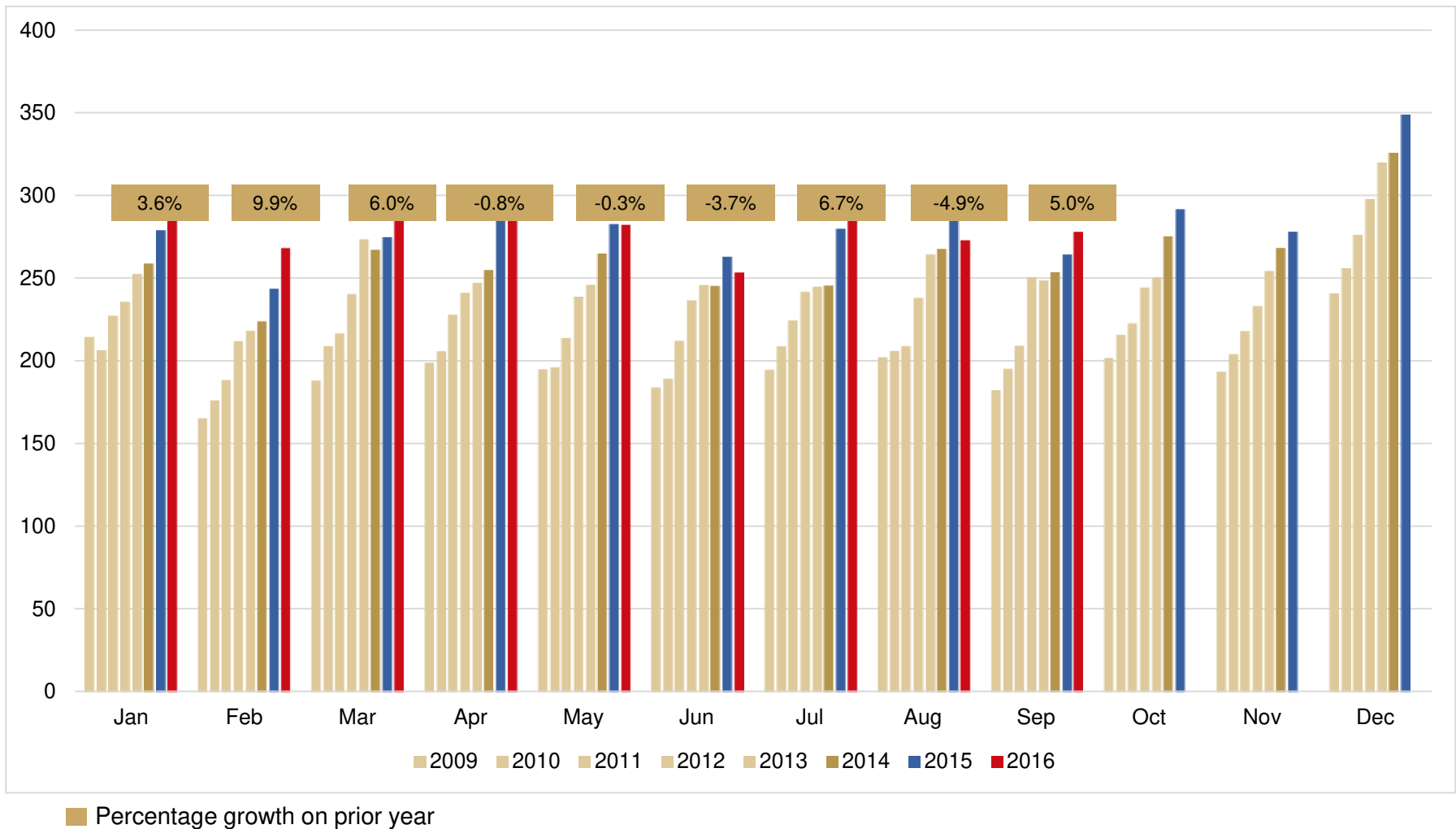
Note : YTD C'2016 to 25/09/2016

GAUTENG GAMING TAX REVENUES



Note : YTD C'2016 to 25/09/2016

KZN GAMING TAX REVENUES



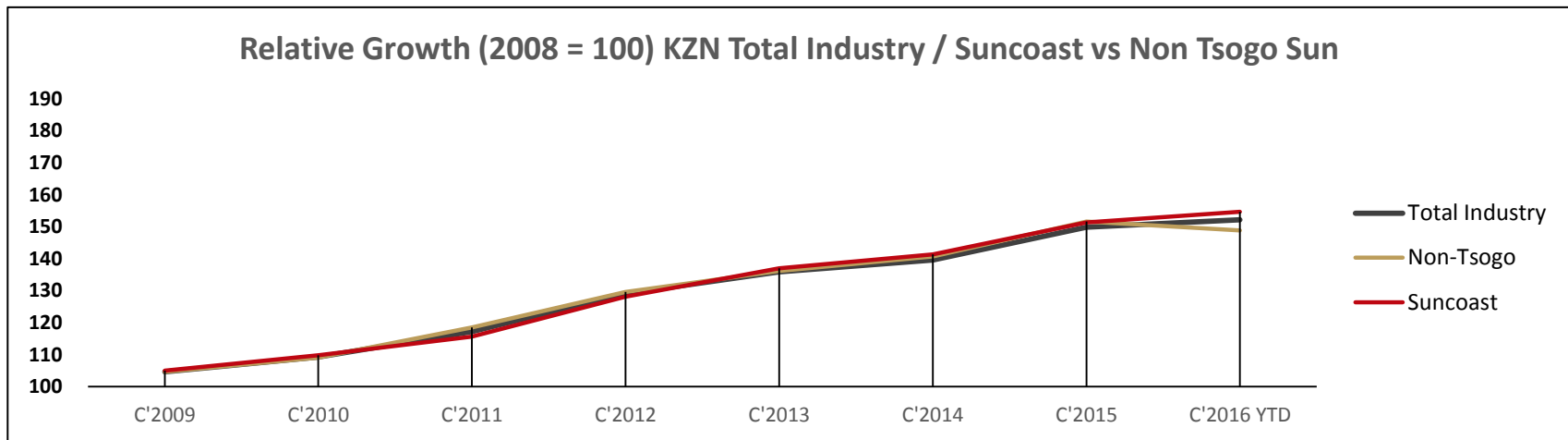
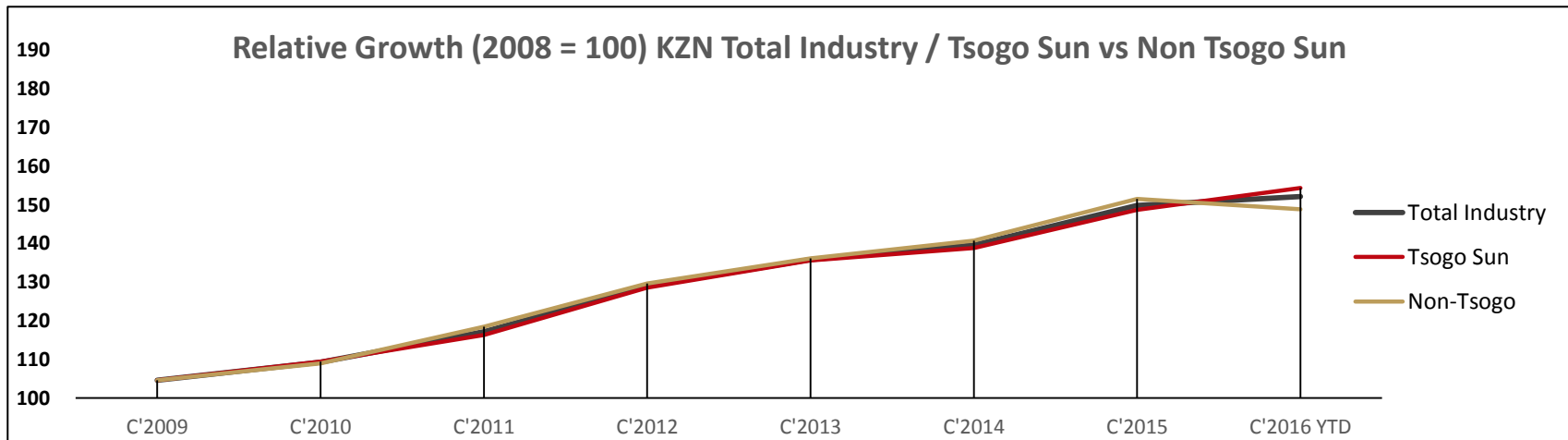
KZN GAMING TAX REVENUES

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	7.3	5.3	9.2	10.8
2012	10.0	10.8	8.9	11.6
2013	5.3	6.9	(1.6)	7.3
2014	2.8	3.2	(1.6)	2.7
2015	7.9	6.9	6.8	8.3
3 months to September 2016	2.2	2.7	16.3	1.7
6 months to September 2016	0.3	0.9	11.8	0.9

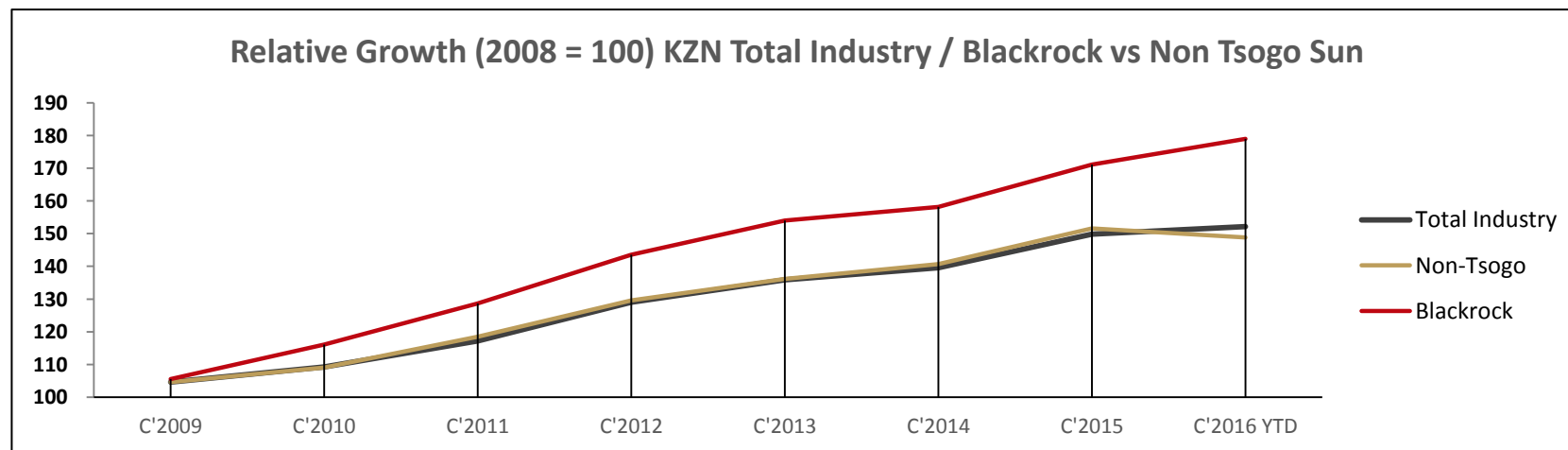
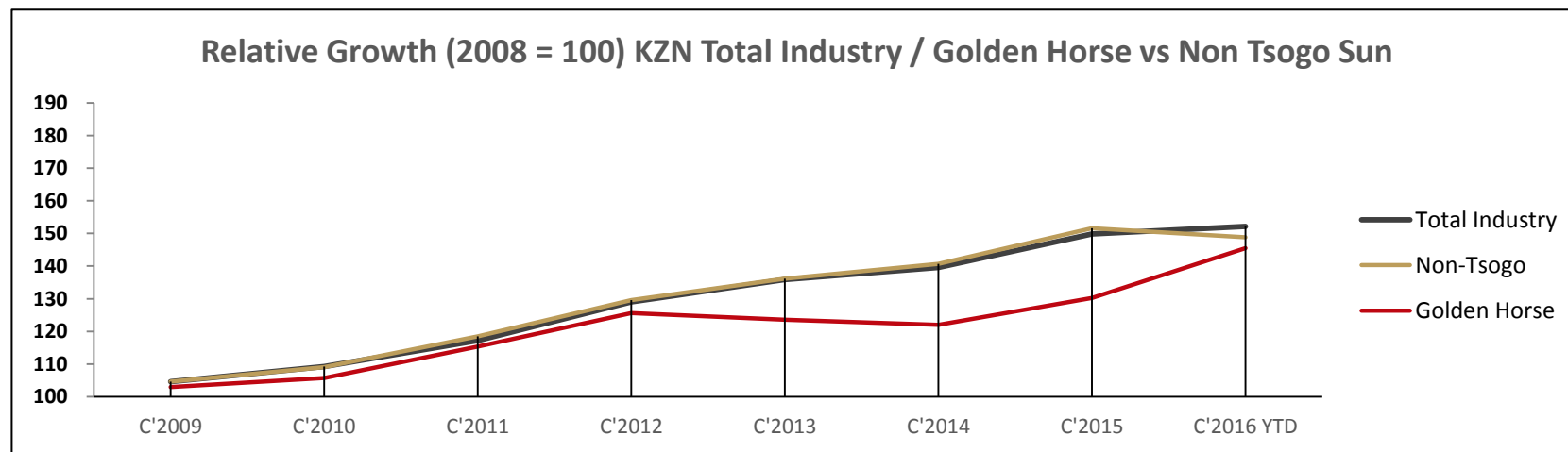
Note: Gaming stats differ to accounting due to timing and IFRS

KZN GAMING TAX REVENUES



Note : YTD C'2016 to September 2016

KZN GAMING TAX REVENUES



Note : YTD C'2016 to September 2016

OTHER GAMING TAX REVENUES

Growth in Gaming Win (%)

	Province	Unit	Unit	Unit
	Mpumalanga	Ridge	Emnotweni	
3 months to September 2016	3.0	5.4	(1.0)	
6 months to September 2016	2.6	(1.6)	4.0	
	Western Cape	Caledon	Mykonos	Garden Route
3 months to September 2016	2.2	3.0	9.2	3.5
6 months to September 2016	0.8	3.3	5.9	6.0
	Eastern Cape	Hemingways	Queens	
3 months to September 2016	(1.8)	(8.0)	(15.4)	
6 months to September 2016	(0.5)	(7.3)	(14.4)	
	Free State	Goldfields		
3 months to September 2016	(0.5)	0.6		
6 months to September 2016	-	(4.0)		

Note: Gaming stats differ to accounting due to timing and IFRS

GAMING DATABASE DEMOGRAPHICS

Gender	Members		Spend	
	Male	Female	Male	Female
Black	57%	43%	63%	37%
Platinum	49%	51%	48%	52%
Gold	49%	51%	48%	52%
Total	50%	50%	59%	41%

Affiliation	Members	Spend
African	26%	20%
Asian/Indian	36%	39%
White	38%	41%

GAMING DATABASE DEMOGRAPHICS

Slots Players Age	2011		2016	
	Members	Spend	Members	Spend
18 – 34	24%	8%	24%	8%
35 – 54	44%	55%	42%	51%
55+	32%	37%	34%	41%

Tables Players Age

18 – 34	30%	18%	31%	20%
35 – 54	53%	65%	51%	64%
55+	17%	17%	18%	16%

GAMING – REGULATORY MATTERS

- B-BBEE condition of licence
- National gambling policy
- Regulation regarding the maximum number of casino licences nationally
- Gauteng gaming taxes



GAMING – COMPLETED PROJECTS

- **Casino refurbishments during the past 5 years**

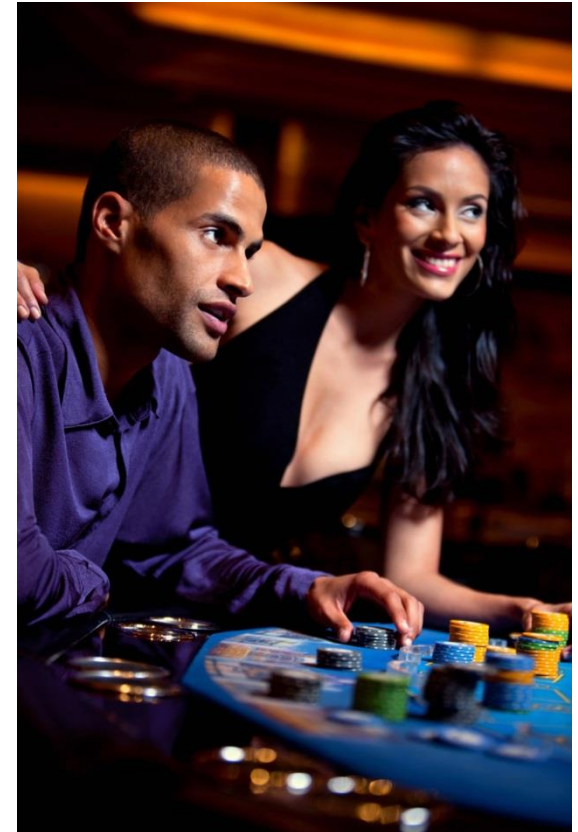
• Hemingways	R400m
• Emnotweni	R210m
• Silverstar	R560m
• Gold Reef City	R483m
• Golden Horse	R44m
• Mykonos	R16m
• Montecasino	R123m

- Gaming equipment continually refreshed with slot machine average age of 5 years
- All Casino Management Systems are up to date

GAMING – FUTURE OPPORTUNITIES

▪ Gaming positions licenced but not currently displayed

	Slots	Tables
• Montecasino	401	6
• Gold Reef City	170	4
• Suncoast	750	13
• Silverstar	75	-
• The Ridge	58	2
• Golden Horse	-	1
• Hemingways	43	-
• Emnotweni	75	2
• Mykonos	-	3
• Caledon	52	1
	1 624	32



GAMING – FUTURE OPPORTUNITIES

■ SunWest and Worcester Casinos

- Approval of the acquisition of the 20% interest by the WCGRB remains pending
- Purchase price was to be paid over 18 months to August 2018
- Balance owing to Sun International at 30 September 2016 of R413m settled at a discounted amount of R393m during October



GAMING – FUTURE OPPORTUNITIES

▪ Western Cape Metropole

- Sun International launched court action to set aside the decision of the Western Cape Government to allow relocation of an outlying casino to the metropole
- The group launched court action to compel the Western Cape Government to allow the relocation
- Settlement negotiations are ongoing and legal proceedings have been stayed until intended legislation is published



GAMING – FUTURE OPPORTUNITIES

■ Suncoast expansion

- Additional casino space 5 000 sqm including new Privé
- Destination retail and additional restaurants lettable area of approximately 20 000sqm
- Multi-storey parkade
- Expansion cost estimated at R2.1bn (including R100m CSI)
- Detailed planning focused on minimising the disruption during the development
- All approvals received
- Construction commenced 7 November 2016





Piazza View – New Retail



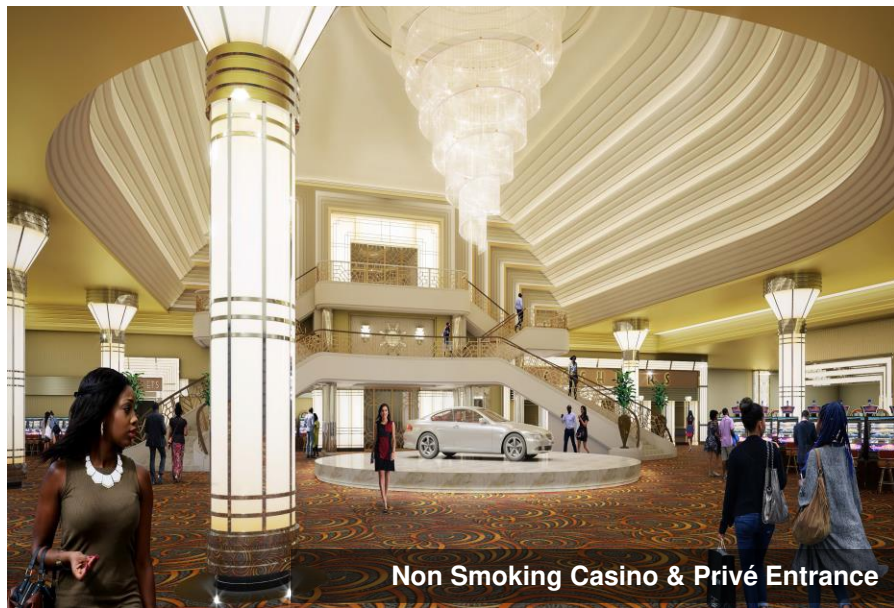
Promenade View 3 – Casino & Retail



Fast Food Court



Walkway



Non Smoking Casino & Privé Entrance



Smoking Casino



Privé Gaming



Privé Bar

GAMING – FUTURE OPPORTUNITIES

■ Monte Circle and Monte Place

- Building A completed in November 2015 (Tsogo Sun commitment R29m)
- Construction of building B commenced in October 2015 (Tsogo Sun commitment R23m)
- Additional phases will be rolled out as tenanting proceeds



GAMING – FUTURE OPPORTUNITIES

■ **Mykonos Casino**

- Negotiations are underway for the acquisition of the West Coast Leisure minority interests (29.6%) for R190m in the form of a share buy-back
- The land adjacent to the casino will be acquired for R30m



■ **Blackrock Minorities**

- Agreement has been reached with the Tsogo Sun Newcastle Employee Share Trust for the acquisition of 1.92% of the shares for R5m
- Subject to approval of the KZN Gambling Board



TSOGO SUN HOTELS





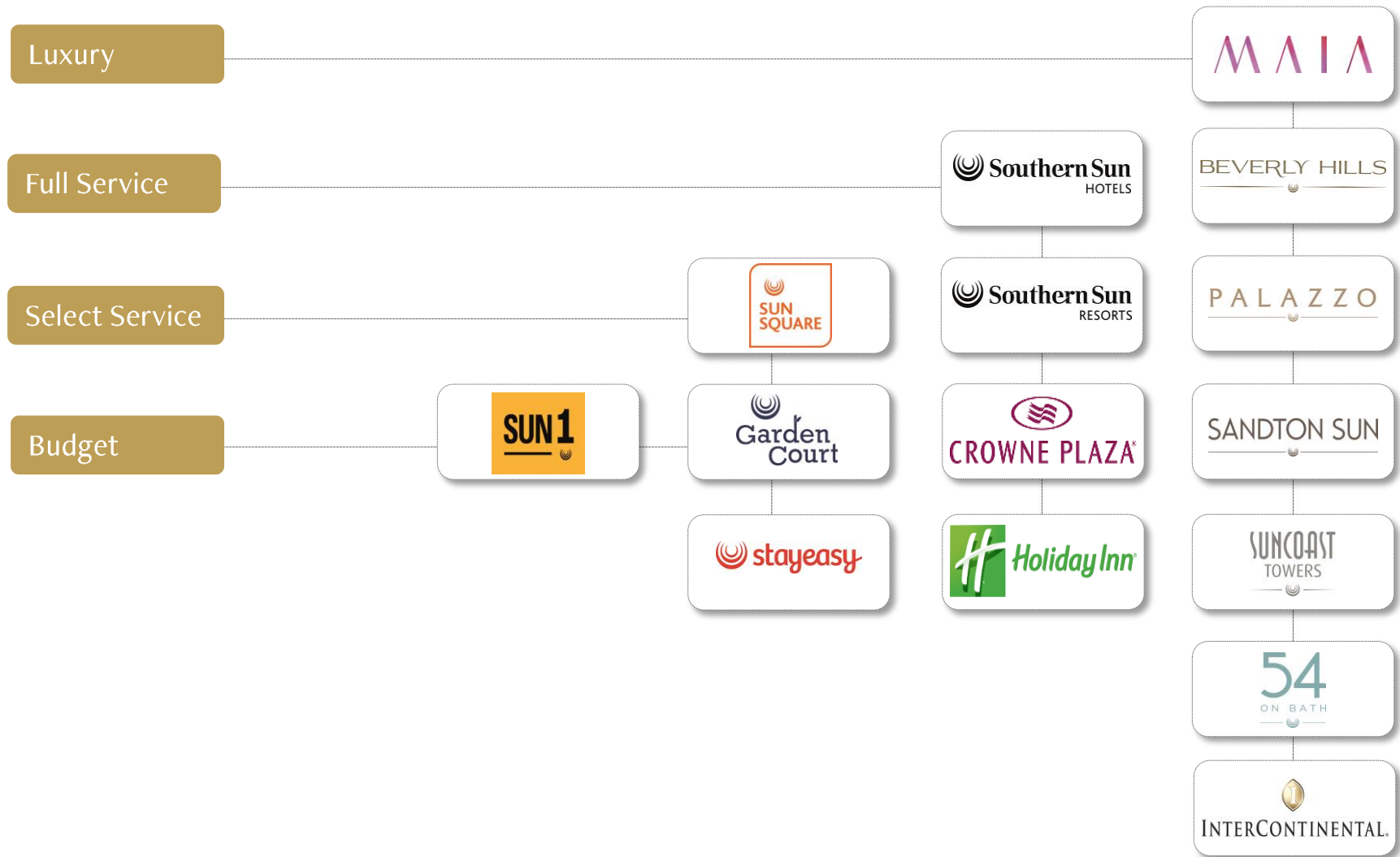
HOTELS – PORTFOLIO PHILOSOPHY



- Ideally own all components
 - Strategic advantage in scale in South Africa
 - More capital intensive but allows substantially higher return on effort
 - Retains control of the assets providing extended tenure and resilience
 - Splitting business into OpCo and PropCo through a REIT structure but will retain control of the REIT with variable leases between REIT and OpCo
- Lease building on long term basis if Tsogo Sun can't own – but lose growth of property value
- In SA only manage if strategically important and no option to own or lease
- Management contracts are a low risk option to enter new offshore markets
- Not a franchisor of our own brands but will operate hotels as franchisee where necessary



GROUP OPERATED HOTEL PORTFOLIO



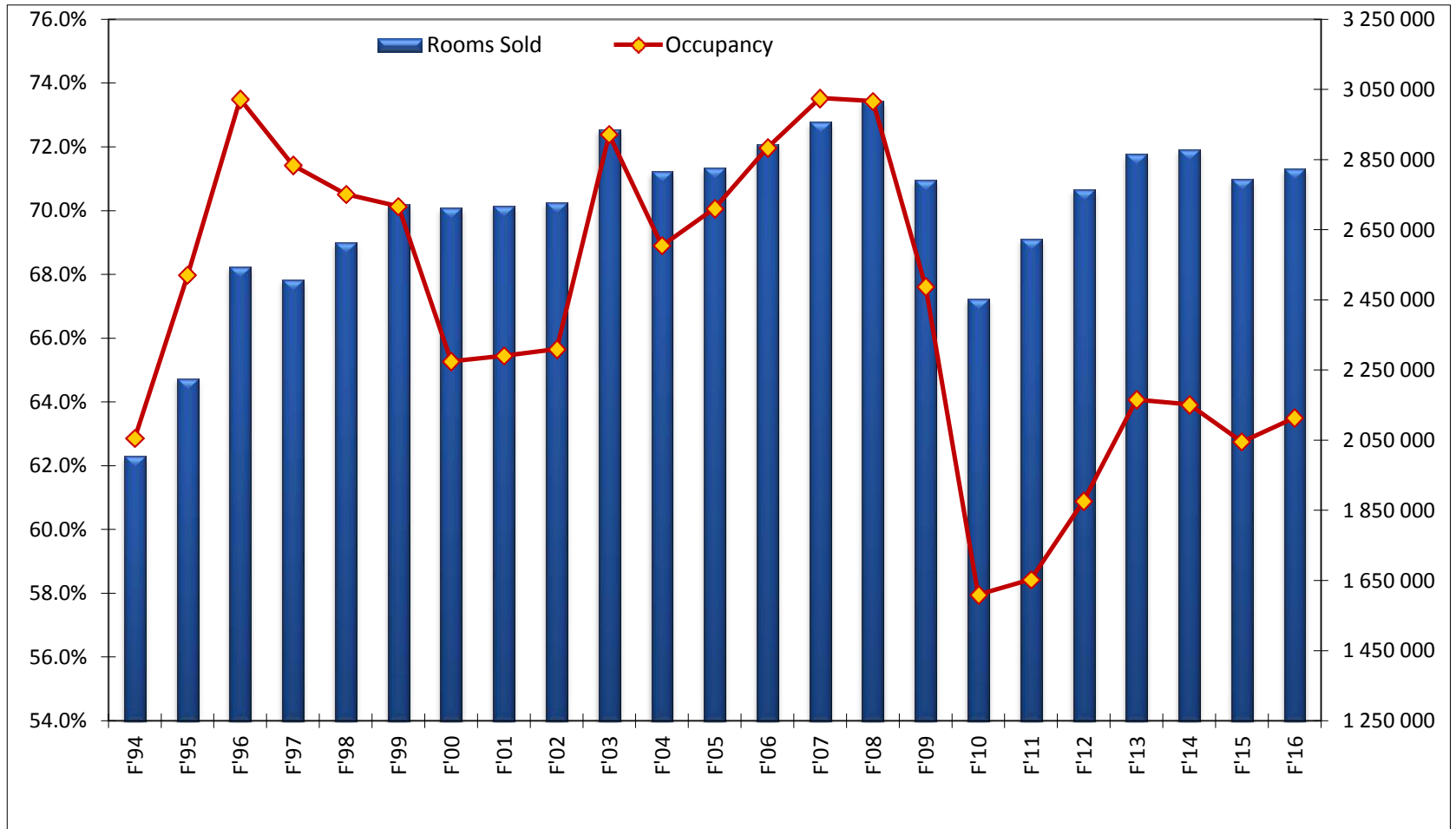
GROUP OPERATED HOTELS PORTFOLIO AND STATISTICS

	Hotels	Rooms	Owned	Managed	
Luxury	6	1 113	410	703	
Full Service	23	5 015	5 015	-	Owned includes leased hotels and associates
Select Service	26	4 777	3 930	847	
Budget	22	1 661	1 661	-	Portfolio as at 30 September 2016
Timeshare & Resorts	7	1 161	307	854	
					Excludes Redefine BDL portfolio
South Africa	84	13 727	11 323	2 404	
Offshore	9	1 535	1 052	483	
Total	93	15 262	12 375	2 887	

Owned Stats – (SA and Offshore)	H1 F'17	H1 F'16	% Change
Occupancy (%)	61.7	61.4	0.3pp
Average room rate (R)	1 041	985	6
RevPar (R)	642	605	6
Rooms available ('000)	2 259	2 132	6
Rooms sold ('000)	1 393	1 309	6
Rooms revenue (Rm)	1 450	1 290	12

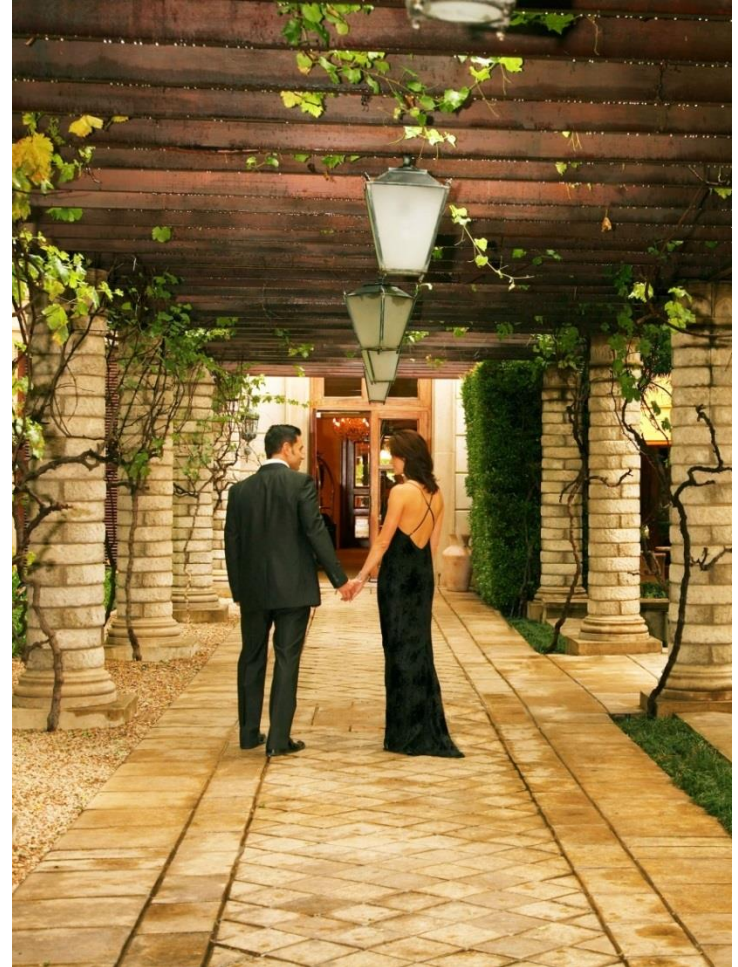
GROUP OPERATED HOTELS TRADING HISTORY

SA System-Wide Rooms Sold



SOUTH AFRICAN HOTELS

- Occupancy increased 0.5pp to 62.9% on the prior period
- Average room rate growth of 7% on the prior period
- The majority of the portfolio has been refurbished and is in very good condition



SOUTH AFRICAN HOTELS – FUTURE OPPORTUNITIES

▪ **Liberty Phase 2**

- Acquisition of the Garden Court Umhlanga and StayEasy Pietermaritzburg for R310m
 - Effective date of the transaction
1 October 2016



▪ **Cullinan**

- Agreement reached with Liberty to acquire their 40% shareholding in Cullinan and all debt owing to Liberty for R1.03bn
- Payment scheduled for 30 November 2016



OFFSHORE HOTELS

- Offshore hotels trading remains under pressure with occupancies down 3.4pp on the prior period to 54.6%
 - Remains impacted by security concerns and weaker market attributable to the negative impact of commodity prices
 - Currency negatively impact on trading due to Rand strength against US\$ and Euro exchange rates
- Forex loss for H1 F'17 R57m (H1 F'16 R6m) on cash and monetary items
- Expansion in the territories we already operate in:
 - Management agreement for a 193 key room hotel in Tete Mozambique . Trading to commence during December 2016
 - Management agreement for a 150 key Southern Sun in Accra, Ghana concluded



OFFSHORE HOTELS – FUTURE OPPORTUNITIES

▪ StayEasy Maputo

- Capital cost US\$16m
- 50 year land lease on a shopping development with Game, Woolworths, F&B etc – at zero cost
- 125 rooms
- Expected opening F'19
- Subject to Mozambique Central Bank approval of funding

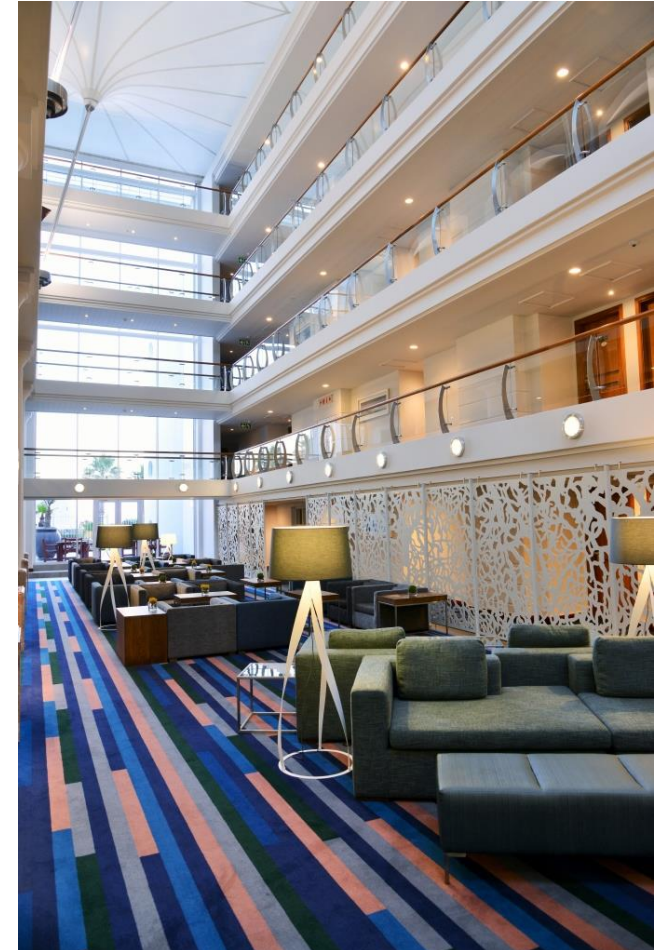




INVESTMENT PROGRAMME – CURRENT STATUS

■ Hospitality Property Fund

- 55% of the HPF B-linked units acquired for R252m in August 2015
- Reconstitution of the capital structure into a single class of share completed in October 2016
- Tsogo Sun acquired a controlling stake (50.6%) through the injection of hotel assets into HPF with the effective date of the transaction 1 September 2016
- Bulk up the fund targeting R12bn to R15bn in assets
 - Pipeline of Tsogo Sun operated hotels
 - Opportunities to acquire additional 3rd party managed hotels
 - Opportunities to expand/develop new properties



INVESTMENT PROGRAMME – CURRENT STATUS

▪ Hospitality Property Fund Portfolio

	Hotels	Rooms
Tsogo Sun managed (including Holiday Inn and Crowne Plaza)	12	2 598
Marriott (including Westin and Protea)	7	1 253
Radisson Blu	2	397
Other	4	1 165
	25	5 413





Westin



Westin



Arabella African Pride



Arabella African Pride



Mount Grace African Pride



Mount Grace African Pride



Radisson Blu Foreshore



Radisson Blu Foreshore



Radisson Blu Gautrain



Radisson Blu Gautrain



Birchwood Conference Centre



Birchwood Conference Centre



REDEFINE BDL

- Private Company
- TSH owns 25% plus board and committee representation
- Manages \pm 50 hotels in the UK
- Manages under multi brands including Crowne Plaza, Holiday Inn, Holiday Inn Express, Best Western, Westin, Hilton, Marriott, Aloft



INTERNATIONAL HOTEL PROPERTIES

- TSH owns 25% plus board and committee representation
- Listed on JSE and Luxembourg
- Currently has GBP90m (R1.7bn) in hotel assets
 - 4 Travel Lodges – leased to Travel Lodge
 - 3 Holiday Inn Express hotels (Dunstable, South Hampton, Reading)
 - Hampton by Hilton Gatwick
- Hotels are managed by Redefine BDL
- Opportunities to expand these operations significantly
 - Will require capital
 - Potential move from the JSE AltX to the main board
- Potential to create IHP REIT through leasing structure between IHP and Redefine BDL



A woman with dark curly hair, wearing a blue and white striped one-piece swimsuit, is lying on a lounge chair by a swimming pool. She is smiling and looking towards the camera, with her hands behind her head. The lounge chair has a white and grey striped cushion. A yellow towel is rolled up on the chair next to her. In the foreground, there are two blue plastic bowls on the pool deck. One bowl contains a glass of orange juice and a bottle of water. The pool is in the background, with a blue tiled edge and a metal handrail. There are trees and a clear blue sky in the background.

FINANCIAL OVERVIEW

GROUP SEGMENTAL (Rm)

	Income			Ebitdar ⁽¹⁾			Ebitdar Margin %	
	H1 F'17	H1 F'16	% Change	H1 F'17	H1 F'16	% Change	H1 F'17	H1 F'16
Montecasino	1 337	1 315	2	593	579	3	44.4	44.0
Suncoast	839	827	1	385	374	3	45.9	45.2
Gold Reef City	714	638	12	265	229	16	37.1	36.0
Silverstar	360	363	(1)	119	125	(5)	33.1	34.5
Emnotweni	194	184	5	73	71	4	37.8	38.3
Golden Horse	193	173	12	87	73	19	44.8	42.0
The Ridge	192	194	(1)	76	78	(3)	39.4	40.0
Hemingways	150	155	(3)	47	55	(15)	31.0	35.4
Garden Route	102	97	5	42	38	11	41.6	39.7
Blackrock	86	83	4	33	31	7	38.7	37.6
The Caledon	82	79	5	23	20	15	27.6	25.1
Mykonos	76	73	4	32	31	3	42.6	42.8
Goldfields	67	68	(2)	21	23	(10)	31.4	33.9
Other gaming operations	95	61	57	(81)	(111)	27	*	*
Total gaming operations	4 487	4 310	4	1 715	1 616	6	38.2	37.5
South African hotels division ⁽²⁾	1 498	1 230	22	455	349	30	30.4	28.4
Offshore hotels division	337	337	-	25	92	(73)	7.4	27.3
<i>Pre-foreign exchange</i>				82	98	(16)	24.3	29.1
<i>Foreign exchange losses</i>				(57)	(6)	*	*	*
Corporate ^{(2) (3)}	(28)	(26)	*	7	8	*	*	*
Group	6 294	5 851	8	2 202	2 065	7	35.0	35.3

Note: ⁽¹⁾ All casino units are reported pre-internal gaming management fees

⁽²⁾ Includes R28million (F16: R26million) intergroup management fees. SA Hotels division also includes HPF w.e.f. 1 September 2016

⁽³⁾ Includes the treasury and management function of the group

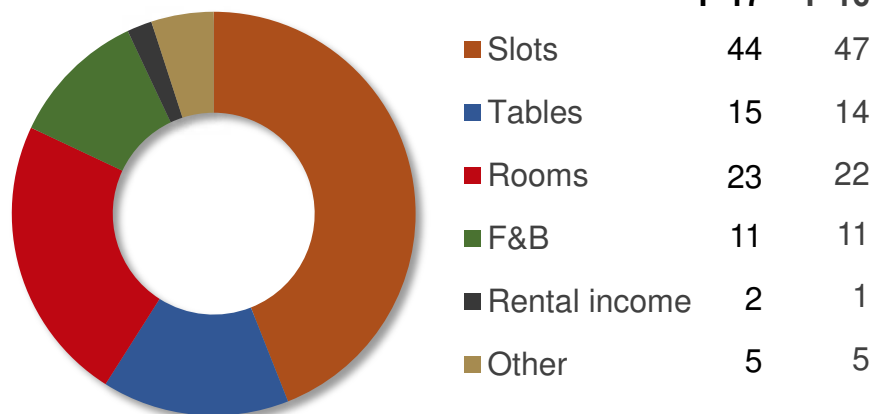
GROUP – INCOME STATEMENT (Rm)

	H1 F'17	H1 F'16 ⁽¹⁾	% Change
Income	6 294	5 851	8
Net gaming win	3 679	3 562	3
Revenue			
Rooms	1 450	1 290	12
F&B	686	640	7
Rental income	104	65	60
Other	375	294	27
Ebitdar	2 202	2 065	7
LTI (expense)/credit	(98)	41	*
Property rentals	(134)	(106)	(26)
Amortisation & depreciation	(421)	(409)	(3)
Exceptional items	32	(27)	*
Net finance costs	(500)	(424)	(18)
Associates and JVs	24	7	*
Taxation	(236)	(324)	27
Non-controlling interests	6	(5)	*
Attributable earnings	875	818	7
Adjustments	(33)	24	*
Adjusted earnings	842	842	-

⁽¹⁾ Restated for change in accounting policy. Decreases Attributable earnings by R8 million with no impact on Adjusted earnings

GROUP – INCOME STATEMENT

Group Income by Nature %



Total Hotel Ebitdar

	H1 F'17	H1 F'16
Hotels SA	455	349
Core business	391	349
Majormatic	35	-
HPF	29 ⁽¹⁾	-
Hotels Gaming	92	92
Hotels Offshore ⁽²⁾	82	98
Ebitdar	629	539
% of Group Ebitdar	29%	26%

Notes:

(1) Includes 1 month of HPF 3rd party operated hotels

(2) Pre-forex

GROUP ADJUSTED HEPS (Rm)

	H1 F'17	H1 F'16 ⁽¹⁾	% change
Attributable earnings	875	818	7
Capital asset disposal losses	2	-	
Impairment of capital assets	1	2	
Fair value of HPF shares on acquisition	(46)	-	
Gain on bargain purchase price (HPF)	(13)	-	
Headline earnings	819	820	-
Pre-opening expenses	-	10	
Impairment of loans, net of recovery	2	2	
Transaction costs	18	9	
Cullinan option fair value adjustment	1	1	
Interest rate swap fair value adjustment	2	-	
Adjusted headline earnings	842	842	-
Weighted number of shares in issue (m)	957	957	
Headline EPS (cents)	85.6	85.7	
Adjusted HEPS (cents)	88.0	88.0	-
Adjusted HEPS (cents) – pre LTI expense	95.3	84.8	12

⁽¹⁾ Restated for change in accounting policy. Decreases EPS by 0.8c but does not impact HEPS or Adjusted HEPS

GROUP CASH FLOW (Rm)

	H1 F'17	H1 F'16
Ebitdar per income statement	2 202	2 065
Property rentals	(134)	(106)
Ebitda	2 068	1 959
Working capital adjusted for non-cash and exceptional items	(65)	70
Dividend income from associates	62	5
Cash generated from operations	2 065	2 034
Interest paid (net)	(485)	(394)
Taxation paid	(334)	(357)
Operating equipment purchased	(20)	(20)
Maintenance capex	(585)	(556)
Free cash flow	641	707
Ordinary dividends paid	(779)	(579)
Non-controlling interests' dividends	(9)	-
Disposal proceeds	2	24
Investment activities	(704)	(468)
Share scheme loans	5	6
Net cash deficit	(844)	(310)
Currency	(4)	14
Move in Net IBD	(848)	(296)
Opening net IBD	(9 248)	(9 211)
Acquired with acquisitions	(1 536)	-
Accrued interest, prepaid borrowing costs and IBD currency	103	(113)
Closing net IBD	(11 529)	(9 620)

INVESTMENT ACTIVITIES (Rm)

	H1 F'17	F'16	F'15
Investment activities	704	962	2 045
SunWest and Worcester	480	-	-
Gold Reef City redevelopment	23	256	142
Silverstar redevelopment	2	28	321
Suncoast expansion	62	47	141
Emnotweni expansion	-	2	18
Monte Circle and Monte Place	9	27	6
Acquisition of Liberty hotels	-	-	762
SunSquare and SE Cape Town FF&E	30	-	-
Cape Town land	79	-	-
Sun 1 expansions	18	20	16
GC Polokwane land and buildings	-	-	80
Majomatic/Extrabold acquisition	-	15	-
Hospitality Property Fund B-linked units	-	252	-
SS Maputo expansion	1	15	207
Acquisition of International Hotel Group	-	315	-
Acquisition of Redefine BDL	-	-	145
Acquisition of Garden Route minorities	-	-	51
Acquisition of One Monte minorities	-	-	144
Other	-	(15)	12
Maintenance capex	585	969	749
Gaming system changes	-	49	97
Hotel major refurbishments	100	255	212
Casino major refurbishments	65	56	-
Other maintenance capex	420	609	440
Total investment spend	1 289	1 931	2 794

INTEREST BEARING DEBT (Rm)

	H1 F'17	H1 F'16
External debt (US\$ based)	1 133	836
External debt (Rand based)	9 231	9 286
External debt HPF (Rand based)	1 725	-
Bank overdrafts	1 789	2 449
Prepaid borrowing costs	(37)	(40)
Gross IBD	13 841	12 531
Cash on hand	(2 312)	(2 911)
Net IBD	11 529	9 620

Dividend of R647m (67c per share) declared May 2016, paid June 2016

Dividend of R328m (34c per share) declared November 2016, to be paid December 2016

Cost of debt — pre tax	9.8%	9.0%
— post tax	7.4%	6.5%

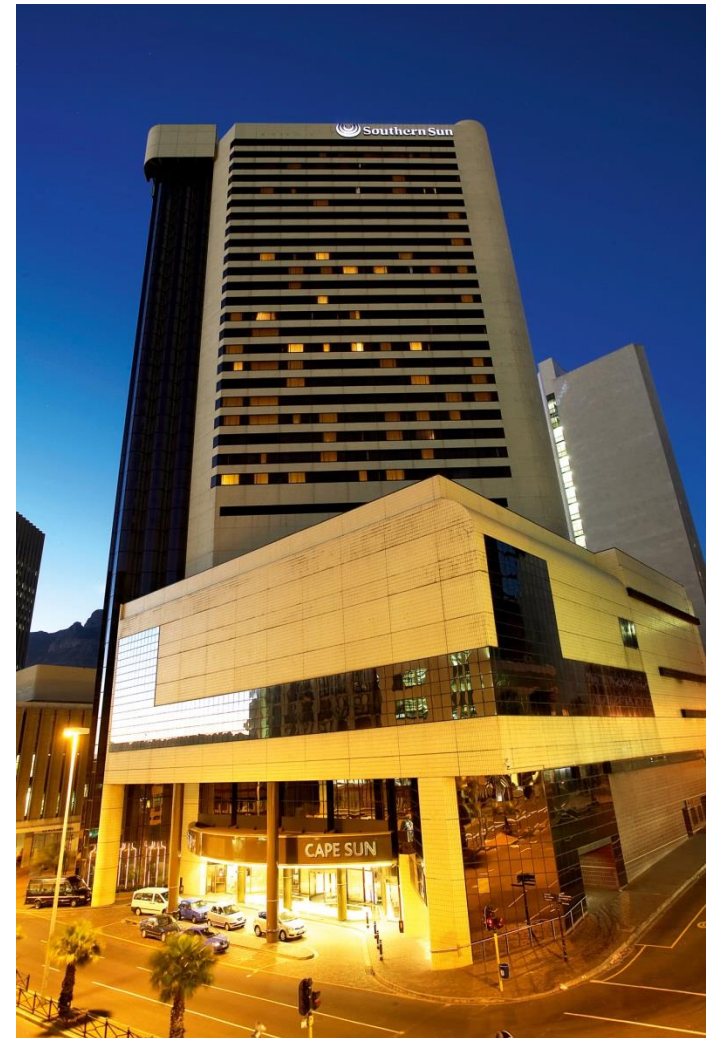
STRATEGIC PRIORITIES



STRATEGIC PRIORITIES

■ Sustainability

- Beneficiaries
 - Union based ownership is a positive
 - Corporate Social Investment programmes are impactful and meaningful
 - Enterprise Development programmes are excellent
- Financial stability
 - Strong cash flow, judicious use of gearing and adequate facilities
 - Own most of our assets



STRATEGIC PRIORITIES

▪ Sustainability (cont)

- Product relevance
 - Adequate maintenance capex provided
 - Strong development skills in-house
 - Proactive marketing of products and brands
- Regulatory compliance
 - Day to day compliance excellent
 - High awareness of potential regulatory risks




STRATEGIC PRIORITIES

■ Sustainability (cont)

- Human resources
 - Invest heavily in training and skills
 - Policy of “fairness” in remuneration and benefits, industrial relations and staff interactions
 - Engaged workforce

■ Empowerment

- Level 2 under the new codes
- 3rd most empowered on the JSE



Generic Tourism Sector Code B-BBEE Verification Certificate

Tsogo Sun Holdings Limited
Including Subsidiaries listed in Annexure "A" of certificate

Registration Number: 1989/002108/06
Address: Palazzo Towers East, Montecasino Boulevard, Fourways, 2055

Level Two Contributor				
Scorecard Information	Actual Score	Target Score	Analysis	Results
Ownership	27.00	37.00	≥ 51% Black Ownership	Yes
Management Control	19.04	19.00	Black Ownership Percentage	61.80%
Skills Development	15.94	20.00	≥ 35% Black Women Ownership	Yes
Enterprise and Supplier Development	35.28	40.00	Black Female Ownership Percentage	33.25%
Socio-Economic Development	8.00	5.00	Modified Flow Through Principle Applied	No
Total Score	95.26	111.00	51% Black Owned Designated Group Supplier	No
Empowering Supplier	Yes	VAT Number	4530178195	
Recognised Procurement Recognition Level	125.00%	Issue Date	09 June 2016	
Discounting Principle Applicable	No	Expiry Date	08 June 2017	
Recorded Procurement Recognition Level	125.00%	Re-issue Date	N/A	

For EMPOWERDEX Northern Regions (Pty) Ltd

2016-06-09
Date

This verification certificate and the verification report are based on information provided to Empowerdex and represent an independent opinion based on the verification and analysis completed by Empowerdex. The calculation of the scores has been determined in accordance with the Department of Trade and Industry's Tourism Sector Code on Broad Based Black Economic Empowerment as Gazetted on 20 November 2015.

Empowerdex Northern Regions (Pty) Ltd, Reg. 2008/004631/07
Directors: R Gilpin, J Odendaal, L Rathsoma, J Brebnor

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BBEE Verification Agency
BVA 101

AD1614

C e r t i f i c a t e

STRATEGIC PRIORITIES

■ Growth

- Organic
 - Significant focus on getting more out of our existing businesses
 - Continued cost focus
 - Focus on systems of financial and operational control
- Inorganic
 - New projects
 - Ability to execute complicated, regulated transactions



FUTURE PROSPECTS



FUTURE PROSPECTS

▪ Group

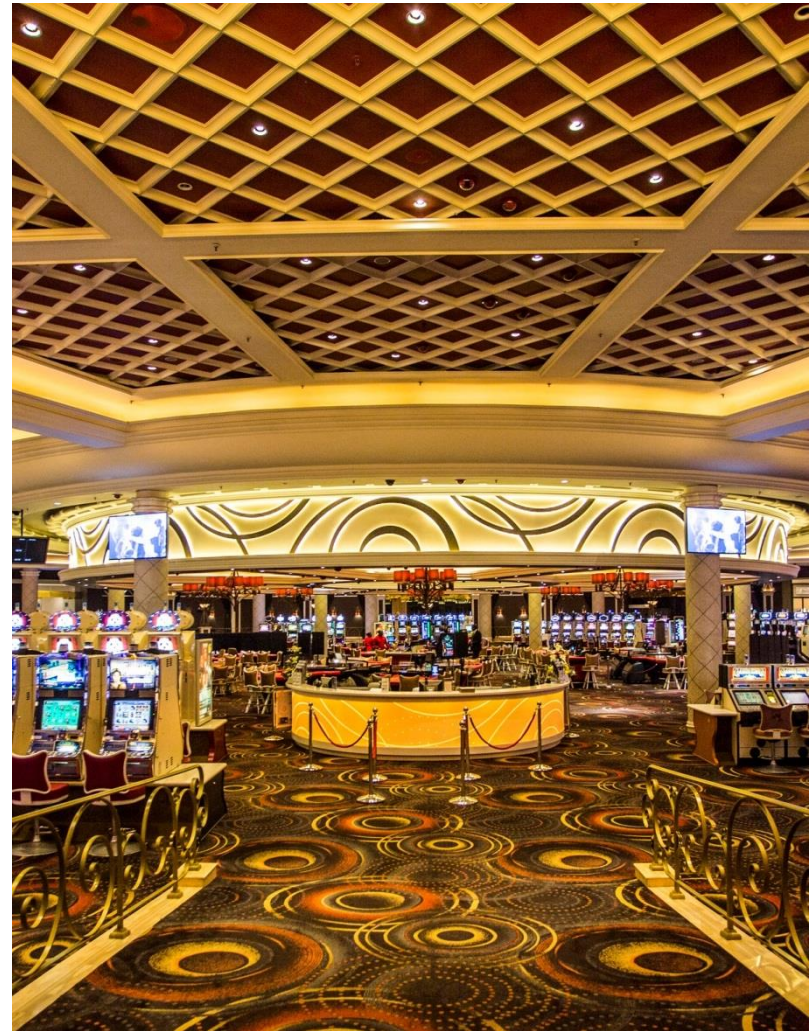
- Strong cash generation
- Growth opportunities still being pursued but debt levels higher
- Upside potential from any economic recovery is significant
- Focus on costs remains to protect margins
- REIT structure aims to unlock third business segment for the group and enhance shareholder value



FUTURE PROSPECTS

■ Gaming

- Gaming win growth – medium term outlook uncertain
 - Need consumers to get wealthier and, more importantly, feel wealthier
 - Regulatory issues remain a threat
- Western Cape metropole
- Mpumalanga fourth casino licence
- Complete development activity
 - Suncoast is a key project



FUTURE PROSPECTS

■ Hotels

- Occupancy and rate still under pressure until transient Corporate demand recovers
 - Government austerity likely to continue to affect volumes – but is in the base
- Focus on customer satisfaction, brand awareness, distribution through channels and Web and enhancement of Best Available Rate yielding
- Opportunistic in SA – land bank, acquire leases, new builds and acquisitions
 - Unlock the value in the HPF transaction
- Continued pursuit of offshore expansion
 - Focus on the territories we already operate in Africa and Middle East
 - Asset acquisition in UK and Europe through International Hotel Group



A photograph of three people walking on a wet, cobblestone street at night. On the left, a woman in a white top with a black bow and a long black skirt walks towards the camera. In the center, a woman in a purple lace dress and a large necklace walks alongside her. On the right, a man in a dark suit and bow tie walks with them, gesturing with his hands. The background features a restaurant with a sign that says 'THE MET GRILL', a fountain, and a large illuminated screen showing a person in a red outfit. The overall atmosphere is festive and elegant.

THANK YOU

 TSOGO SUN