

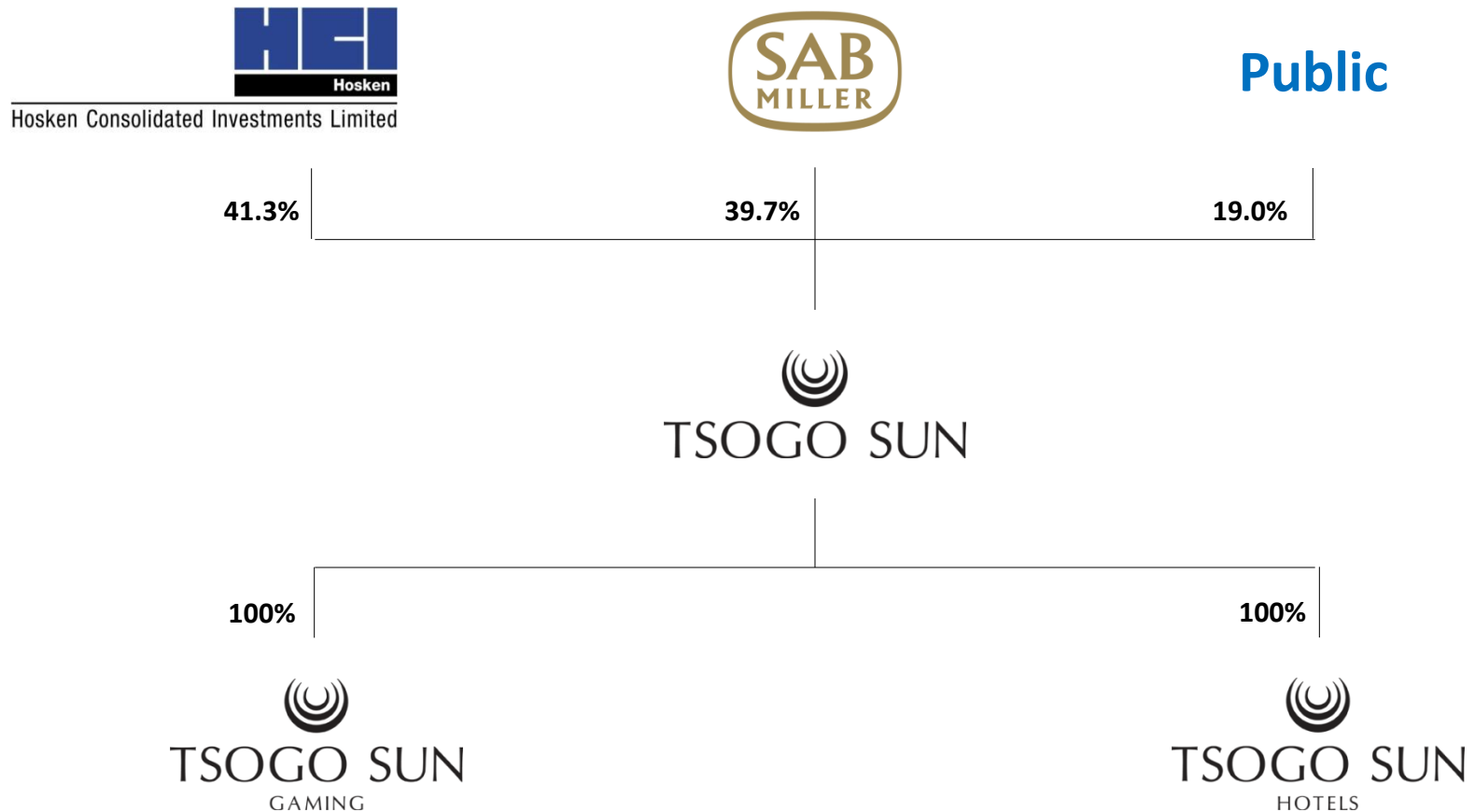



TSOGO SUN

Presentation to:
Analysts and Investors

November 2012

Group Structure



Gaming Portfolio

Gauteng

KZN

Western Cape

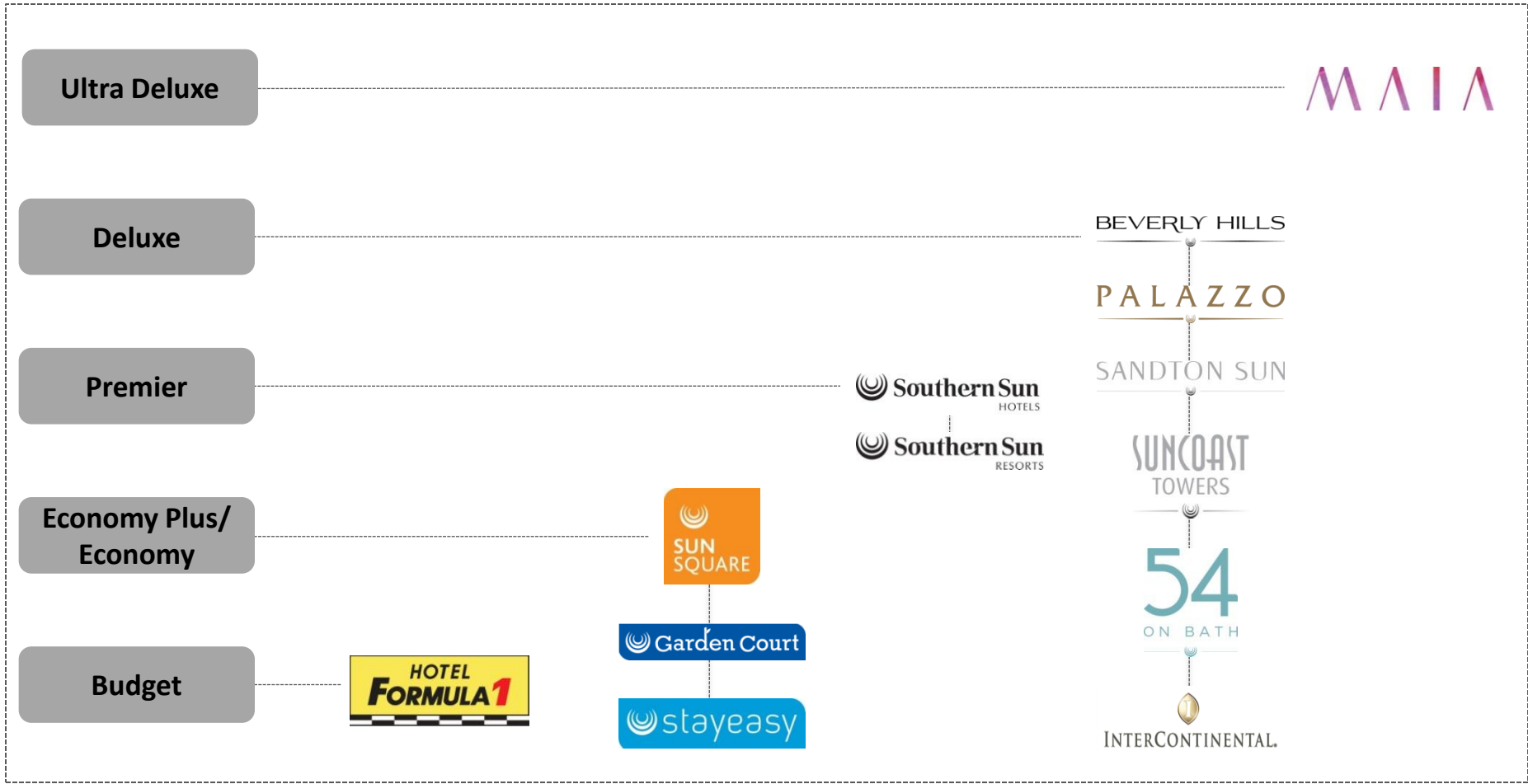
Mpumalanga

Eastern Cape

Free State



Hotel Portfolio



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
 - 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

● Hotels

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



Segmental Analysis

Group – Revenue and Ebitdar (Rm)

	H1 F'13	H1 F'12	% Change
Revenue			
Gaming	3 718	3 439	8
Hotels SA	910	779	17
Hotels Offshore	179	153	17
Corporate (intra-group-elimination)	(17)	(15)	*
Total Group	4 790	4 356	10
EBITDAR			
Gaming	1 494	1 338	12
Hotels SA	272	214	27
Hotels Offshore	46	43	7
Corporate	4	4	*
Forex gains	13	20	*
Total Group	1 829	1 619	13

Tsogo Sun Segmental (Rm)

	Income			Ebitdar			Ebitdar Margin	
	H1 F'13	H1 F'12	% change	H1 F'13	H1 F'12	% change	H1 F'13	H1 F'12
Montecasino	1 109	1 029	8	495	427	16	44.6	41.5
Suncoast	688	627	10	324	292	11	47.1	46.6
Gold Reef City	597	558	7	231	210	10	38.7	37.6
Silverstar	292	275	6	113	98	15	38.8	35.6
The Ridge	193	172	12	91	79	15	47.4	45.9
Emnotweni	157	142	11	71	62	15	45.1	43.7
Golden Horse	151	138	9	74	68	9	48.9	49.3
Hemingways	145	139	4	59	57	4	40.9	41.0
Garden Route	76	71	7	31	31	-	41.2	43.7
Goldfields	67	64	5	30	29	3	44.8	45.3
Blackrock	66	59	12	25	22	14	37.7	37.3
Caledon	62	59	5	14	16	(13)	22.6	27.1
Mykonos	62	57	9	26	23	13	42.2	40.4
Other gaming operations	53	49	8	(90)	(76)	(18)		
Total gaming operations	3 718	3 439	8	1 494	1 338	12	40.2	38.9
South African hotels division ⁽¹⁾	910	779	17	272	214	27	29.9	27.5
Offshore hotels division	179	153	17	59	63	(6)	33.0	41.2
<i>Pre-foreign exchange</i>				46	43	7	25.7	28.1
<i>Foreign exchange</i>				13	20	*		
Corporate	(17)	(15)	*	4	4	*		
Group	4 790	4 356	10	1 829	1 619	13	38.2	37.2

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

⁽¹⁾ Includes R19m (H1 F'12 : R15m) inter-group management fees



Key Strategic Issues

Gaming

Key Strategic Issues - Gaming

■ Montecasino

- Entertainment offerings continuously improved including tenant refurbishment
- Bok town, Teatro and events attracting strong footfall
- Efficient flow-through



■ Gold Reef City

- Integration of casino complex and Theme Park in progress
- Theme Park turnaround
- Cost efficiency



■ Silverstar

- Need improved offering for the target market
- Redesign and re-launch planned with spend of R450m including additional positions
- F&B, event space, cinemas, bowling etc.
- Margin improvement through cost efficiencies



Key Strategic Issues - Gaming

■ Suncoast

- Additional 120 slots and 14 tables approved
- 120 slots (96 during period) and 6 tables installed, balance on council approval of interior building plans
- Large scale expansion required in medium term



■ Hemingways

- New investment of R400m
 - Expand hotel by 41 rooms
 - New Pavilion conference and banquet area
 - New and expanded casino floor
- R203m spent by end September 2012
- Will be completed in F'13



Key Strategic Issues - Gaming

■ Emnotweni

- Expansion programme with spend of R200m
 - Casino refurbishment including additional positions
 - Conference and events area
 - Additional parking

■ Other Units

- Good Ebitdar growth at The Ridge, Emnotweni, Golden Horse, Blackrock and Mykonos
- Western Cape still under pressure
- Centralisation of certain functions



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	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
3 months to September 2012	10.7	10.2	7.7	9.0
6 months to September 2012	6.8	7.2	6.1	5.0

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

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	10.8	9.2
3 months to September 2012	13.7	15.3	9.1	19.7
6 months to September 2012	11.7	12.4	9.7	10.5

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

Other Gaming Tax Revenues

Growth in Gaming win (%)	Province	Unit	Unit	Unit
	Mpumalanga	Ridge	Emnotweni	
3 months to September 2012	13.3	14.1	12.5	
6 months to September 2012	9.7	10.9	10.1	
	Western Cape	Caledon	Mykonos	Garden Route
3 months to September 2012	9.4	9.2	9.1	14.1
6 months to September 2012	7.7	5.3	10.2	5.2
	Eastern Cape	Hemingways	Queens	
3 months to September 2012	12.8	9.5	21.3	
6 months to September 2012	11.3	6.6	15.0	
	Free State	Gold Fields		
3 months to September 2012	11.2	1.2		
6 months to September 2012	9.9	3.5		

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



Key Strategic Issues

Hotels

Hotels – Portfolio Philosophy



- Ideally own all components
 - Tsogo Sun Hotels strategic advantage in scale
 - More capital intensive but allows substantially higher return on effort
 - Retains control of the assets providing extended tenure and resilience
- Lease building on long term basis if Tsogo can't own – but lose growth of property value
- In SA only manage if strategically important and no option to own or lease
- Offshore – management contracts are a low risk option to enter new markets
- Not a franchisor of our own brands but will operate hotels as franchisee where necessary

Owned and Managed

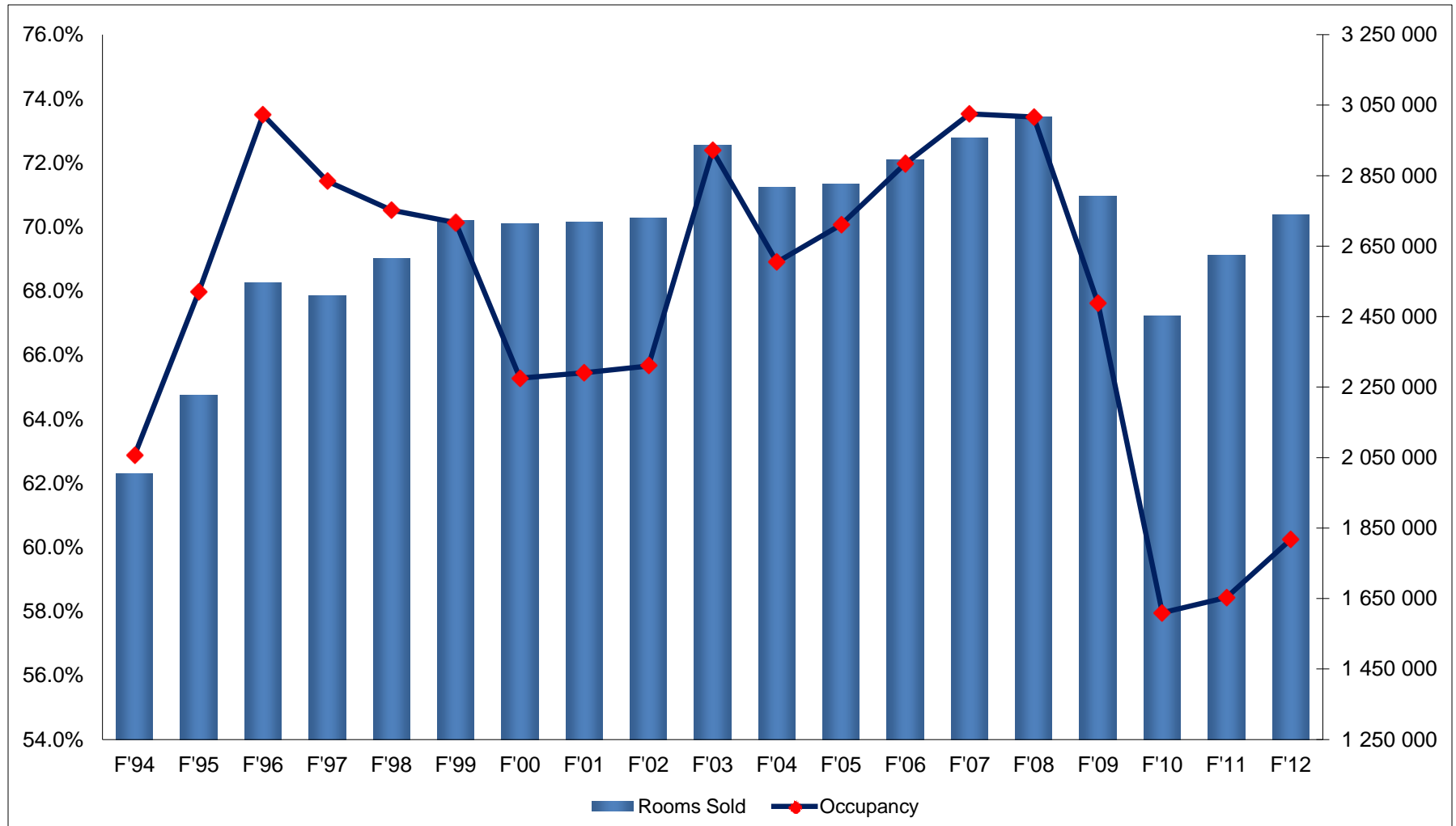
	Hotels	Rooms	Owned	Managed
Deluxe	6	1 113	410	703
Premier	20	4 153	3 475	678
Economy/Economy Plus	29	5 110	3 814	1 296
Budget (F1)	23	1 690	1 690	-
Timeshare & Resorts	7	1 161	307	854
South Africa	85	13 227	9 696	3 531
Offshore	8	1 072	746	326
Total revenue	93	14 299	10 442	3 857

Owned includes leased hotels and associates

Associates are equity accounted
not consolidated - Maia

Owned Stats	H1 F'13	H1 F'12
Occupancy (%)	63.6	59.5
Average rate (R)	759	786
Rooms available ('000)	1 878	1 662
Rooms sold ('000)	1 195	989
Rooms revenue	908	777

SA System-wide Rooms Sold Annual History



Key Strategic Issues : Hotels – South Africa

- Transient Corporate and Group & Convention business remains weak
- Good growth in Government and Leisure segments
- Occupancy improvement of 3.7pp for the half year
 - Occupancy growth particularly strong at 5.2pp for 1st quarter due to market improvement from July in the prior year
- For owned properties the increase in occupancy and decline in average rate is impacted by the inclusion of Formula 1
- Group trading at substantial RevPar premiums to the market in 3, 4 and 5 star sectors
 - Better product and guest experience
 - Better distribution
 - Better sales and marketing
- Strong growth in earnings requires strong recovery in the Corporate and Group & Convention segments



Key Strategic Issues : Hotels – South Africa

- **Distressed assets present an opportunity**
 - 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
 - Occupancy improved to 66.1% for the F'13 half year from 62.1% in comparative period
 - Integrated into the business
 - Southern Sun Hyde Park
 - Acquired property (transfer outstanding) and business for R130m on 1 September 2012
 - 54 on Bath
 - Refurbishment completed and opened 8 August 2012
 - Garden Court Mossel Bay
 - Acquired property and business for R20m on 8 August 2012



Key Strategic Issues : Hotels – Offshore



- Africa hotels strong in US\$ (occupancies H1'13 : 73.0%, H1'12 : 71.6%)
- Currency positive impact to trading due to Rand weakness against US\$ and Euro exchange rates
- Forex gain for H1 F'13 R13m (H1 F'12 R20m) on cash and monetary items denominated in US\$ and Euro
- Management contracts for 2 hotels in Dubai cancelled, with termination compensation received
- Looking for expansion in the territories we already operate in





Financial Overview

Group – Income Statement (Rm)

	H1 F'13 Actual	H1 F'12 Actual	% Change
Group income	4 790	4 356	10
Gaming win	3 186	2 963	8
Revenue			
Rooms	908	777	17
F&B	403	341	18
Other	293	275	7
Ebitdar	1 829	1 619	13
Gaming	1 494	1 338	12
Hotels – SA	272	214	27
– Offshore ⁽¹⁾	46	43	7
Forex	13	20	*
Corporate	4	4	*
Ebitdar margin (%)	38.2	37.2	1pp

⁽¹⁾ Pre-forex

Group – Income Statement (Rm)

	H1 F'13 Actual	H1 F'12 Actual	% Change
Ebitdar	1 829	1 619	13
LTI costs	(64)	(33)	*
Rentals	(94)	(95)	1
Depreciation & amortisation	(332)	(321)	(3)
Exceptional items	1	4	*
Net finance costs	(213)	(209)	(2)
Associates and JVs	(1)	3	*
Tax — normal	(325)	(283)	(15)
— STC	-	(67)	*
Non-controlling interests	(58)	(65)	11
Attributable earnings	743	553	34
Adjustments	3	(3)	*
Adjusted earnings	746	550	36

Adjusted HEPS (Rm)

	H1 F'13	H1 F'12	% change
Attributable earnings	743	553	34
Capital asset disposal profits	(1)	(3)	
Impairment of SSME goodwill	16	-	
Impairment of Emnotweni arena (PPE)	9	-	
Headline earnings	767	550	39
Pre-opening expenses	4	-	
SSME termination fees	(28)	-	
CBS loan impairment reversal	(1)	-	
Impairment of loans (Masa/Queens)	4	-	
Adjusted earnings	746	550	36
Weighted number of shares in issue (m)	1 097	1 097	-
Headline EPS (cents)	69.9	50.1	40
Adjusted HEPS (cents)	68.0	50.1	36

Note : STC impact year-on-year for the period ended 30 September 2012 is 6.1 cents per share

Group Cash Flow (Rm)

	H1 F'13	H1 F'12
Ebitdar per income statement	1 829	1 619
Rentals	(94)	(95)
Ebitda	1 735	1 524
Move in working capital adjusted for non-cash items	-	(8)
Dividends income from associates	3	5
Cash generated from operations	1 738	1 521
Interest paid (net)	(214)	(222)
Taxation – normal	(411)	(301)
– STC	(2)	(55)
Maintenance capex	(317)	(195)
Free cash flow	794	748
Ordinary dividends paid	(439)	(548)
Non-controlling interests dividends	(22)	(36)
Disposal proceeds	3	8
Investment activities (net)	(294)	(47)
Share scheme loans	1	(1)
Net cash (deficit)/surplus	43	124
Currency	16	28
Move in Net IBD	59	152
Opening net IBD	(4 184)	(4 154)
Accrued interest	(1)	(13)
Closing net IBD	(4 126)	(4 015)

Investment Activities

	H1 F'13	H1 F'12
Acquisitions		
Millennium contingency settlement	(58)	(24)
Expansion Capex	(228)	(25)
Hemingways bid/expansion	(105)	(14)
Suncoast expansion	(12)	-
Silverstar redevelopment	(5)	-
Garden Route hotel acquisition	(20)	-
SS Hyde Park	(65)	-
Sun Cuisine	(7)	-
54 on Bath	(14)	-
SE Pretoria	-	(11)
Other net investments	(8)	2
Investment activities	(294)	(47)
Maintenance Capex	(317)	(195)
Total investment spend	(611)	(242)

Interest Bearing Debt (Rm)

	H1 F'13	H1 F'12
Non-controlling interests funding	33	99
Preference funding	-	1 000
External debt (amortising and bullet)	5 218	3 900
Gross IBD	5 251	4 999
Cash on hand	(1 125)	(984)
Net IBD	4 126	4 015

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

Dividend of R263m (24c per share) declared November 2012, to be paid December 2012

Cost of debt — pre tax	9.5%	9.7%
— post tax	7.2%	7.5%

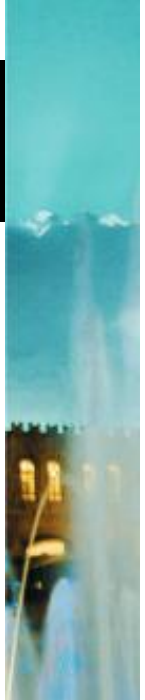


Strategic Priorities

Strategic Priorities

- **Sustainability**

- Beneficiaries
 - Current shareholding and CSI programs are effective
- Financial stability
 - Strong cash flow, low gearing and adequate facilities
 - Own most of our assets
- 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
- Human resources
 - Adequate resources and skills



Strategic Priorities

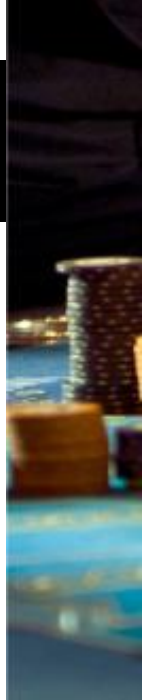
- **Growth**

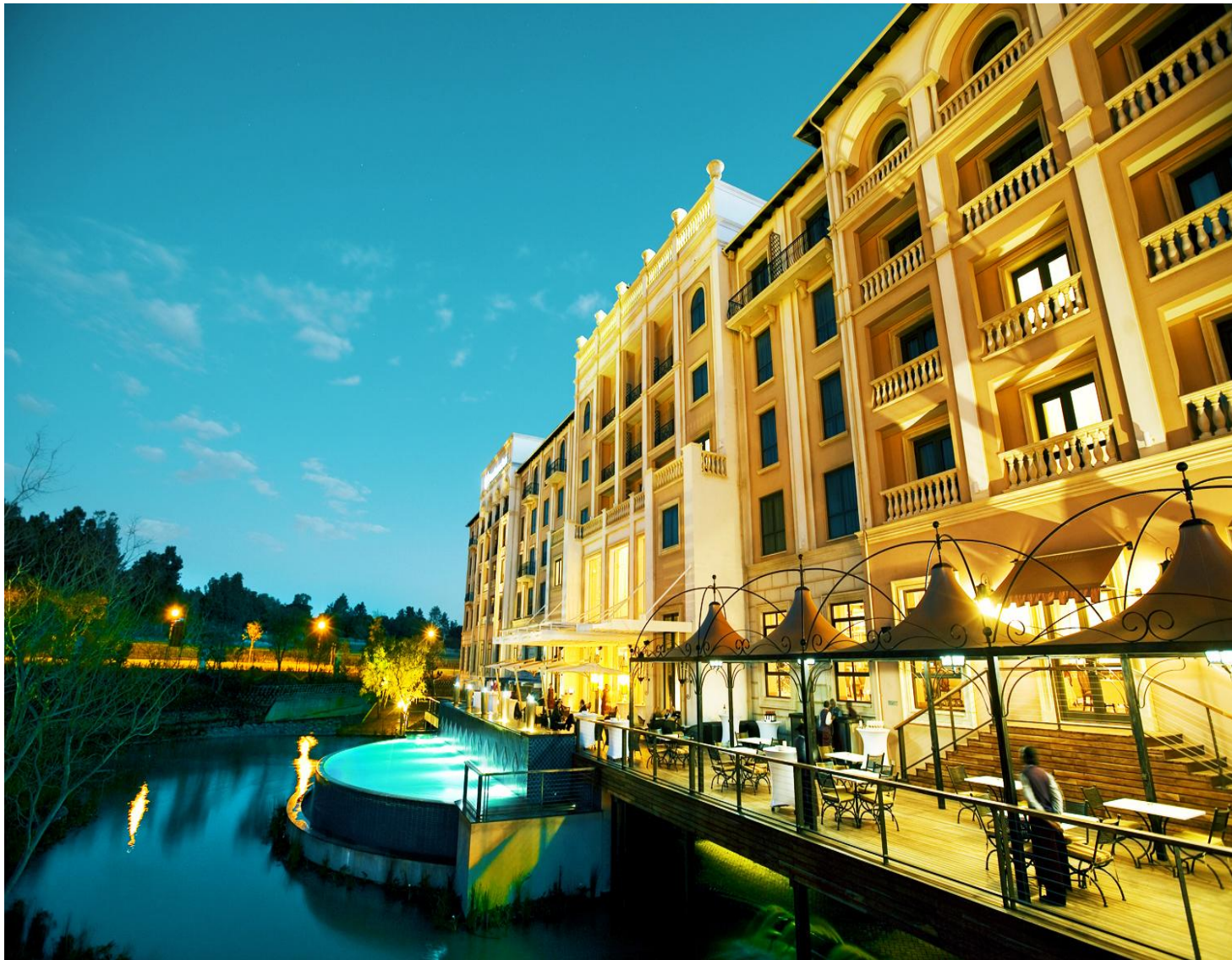
- Organic

- Significant focus on getting more out of our existing businesses
 - Continued cost focus
 - CRM/BI focus

- Inorganic

- New projects





**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
 - Emnotweni
 - Suncoast
 - Gold Reef City Theme Park
- Western Cape metropole
- DAV
 - R400m for remaining 10% in Suncoast. Process underway

Future Prospects

▪ 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
 - Focus on the territories we already operate in






TSOGO SUN

Thank you

