TSOGO SUN HOLDINGS ANALYSTS & FUND MANAGERS PRESENTATION

November 2017

TSOGO SUN

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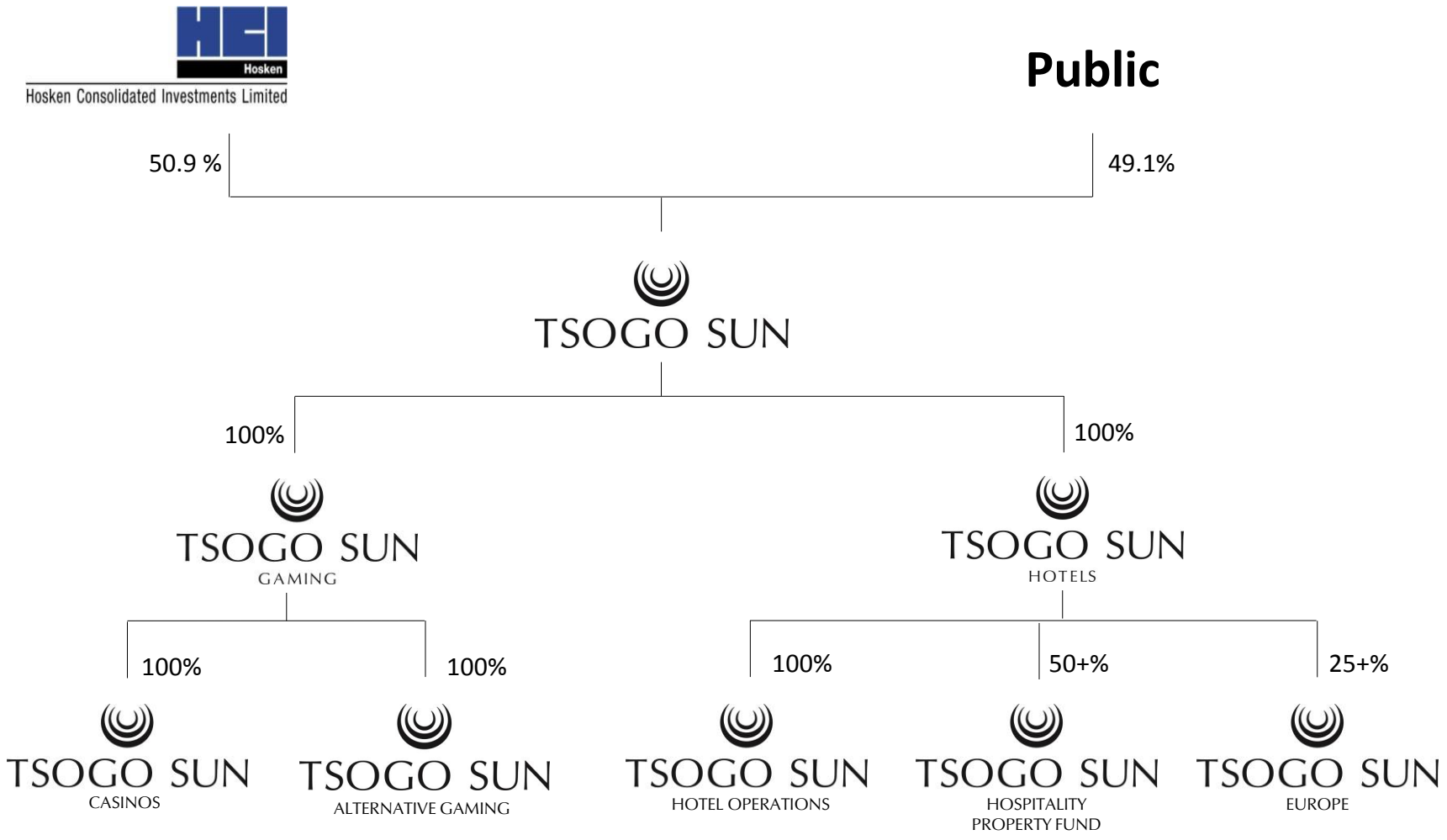
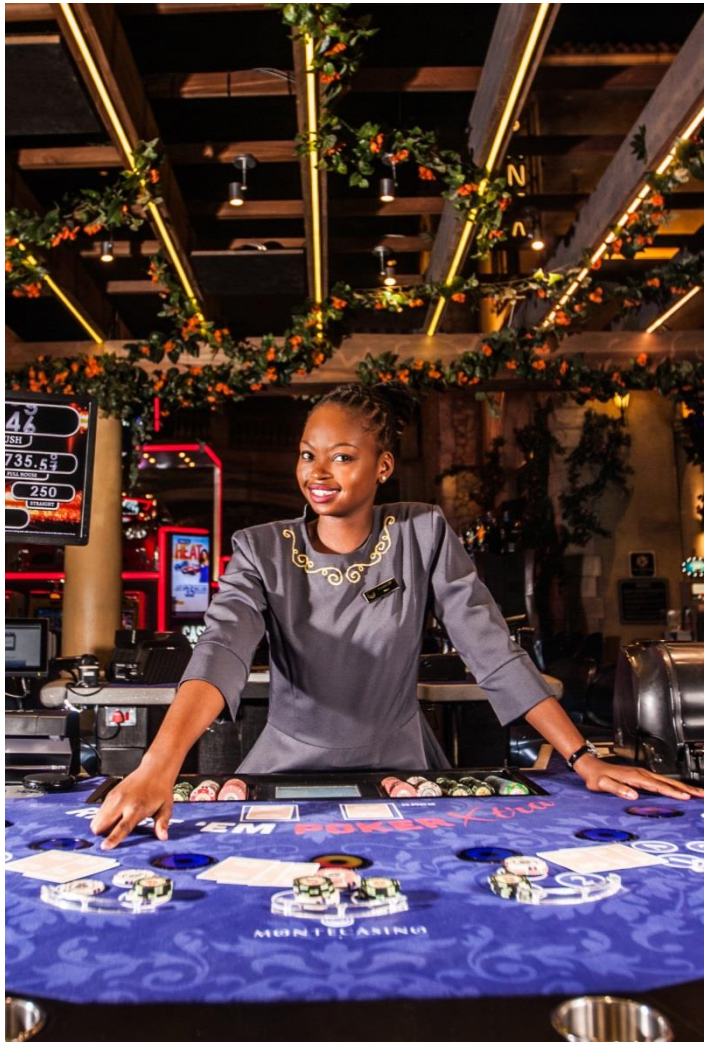
GROUP STRUCTURE



MANAGEMENT AND BOARD



- **TSH Board of Directors**
  - **Executive Directors**
    - Jacques Booysen – 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**
    - Jacques Booysen – Group CEO
    - Rob Huddy – Group CFO
    - Noeleen Bruton – Marketing Director
    - Vusi Dlamini – Group HR Director
    - Laurelle McDonald – Corporate Finance and Treasury Manager
    - Zibusiso Kganyago – Group Development Director
    - Kevin Page – Innovation Director
    - Henry Parrymore – Chief Information Officer
    - Graham Tyrrell – Group Legal Director and Company Secretary
  - **Gaming**
    - Glenn Joseph – COO Gaming
    - Greg Lunga – FD Gaming
  - **Hotels**
    - Ravi Nadasen – COO Hotels SA
    - Richard Weilers - COO & MD Offshore
    - Jaco Boshoff – FD Hotels

FINANCIAL OVERVIEW

FINANCIAL OVERVIEW – SEGMENTAL (Rm)

	Income			Ebitdar[1]			Ebitdar Margin %	
	H1 F'18	H1 F'17	% Change	H1 F'18	H1 F'17	% Change	H1 F'18	H1 F'17
Montecasino	1 265	1 337	(5)	524	593	(12)	41.4	44.4
Suncoast	821	839	(2)	357	385	(7)	43.5	45.9
Gold Reef City	734	714	3	262	265	(1)	35.7	37.1
Silverstar	336	360	(7)	96	119	(19)	28.7	33.1
Emnotweni	196	194	1	69	73	(5)	35.4	37.8
Golden Horse	192	193	(1)	82	87	(5)	42.8	44.8
The Ridge	188	192	(2)	69	76	(9)	36.8	39.4
Hemingways	151	150	1	43	47	(8)	28.3	31.0
Garden Route	106	102	4	41	42	(4)	38.5	41.6
The Caledon	86	82	5	22	23	(4)	25.6	27.6
Mykonos	85	76	12	39	32	22	46.1	42.6
Blackrock	78	86	(9)	27	33	(20)	33.9	38.7
Goldfields	67	67	-	19	21	(10)	28.2	31.4
Other gaming operations	105	95	11	(61)	(81)	25	*	*
Total gaming operations	4 410	4 487	(2)	1 589	1 715	(7)	36.0	38.2
South African hotels division[2]	1 721	1 498	15	550	455	21	32.0	30.4
Offshore hotels division	279	337	(17)	48	25	92	17.2	7.4
Pre-foreign exchange				*46*	*82*	*(44)*	16.5	24.3
Foreign exchange gains/(losses)				*2*	*(57)*	*	*	*
Corporate[2]	(25)	(28)	11	11	7	57	*	*
Group	**6 385**	**6 294**	**1**	**2 198**	**2 202**	**-**	**34.4**	**35.0**

Note: [1] All casino units are reported pre-internal gaming management fees

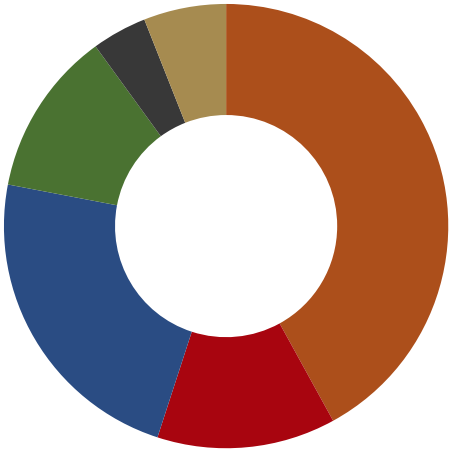
[2] Includes R25 million (H1 F'17: R28million) intergroup management fees. SA Hotels division also includes HPF w.e.f. 1 September 2016

FINANCIAL OVERVIEW – INCOME STATEMENT (Rm)

	H1 F'18	H1 F'17	% Change
Income	**6 385**	**6 294**	**1**
Net gaming win	3 564	3 679	(3)
Revenue			
Rooms	1 475	1 450	2
F&B	747	686	9
Rental income	221	104	*
Other	378	375	1
Ebitdar	**2 198**	**2 202**	**-**
LTI expense	49	(98)	*
Property rentals	(128)	(134)	5
Amortisation & depreciation	(441)	(421)	(5)
Exceptional items	(73)	32	*
Net finance costs	(571)	(500)	(14)
Associates and JVs	26	24	8
Taxation	28	(236)	*
Non-controlling interests	(78)	6	*
Attributable earnings	**1 010**	**875**	**15**
Adjustments	(256)	(33)	*
Adjusted earnings	**754**	**842**	**(10)**

FINANCIAL OVERVIEW – SUPPLEMENTARY INFO

Group Income by Nature %



	H1 F'18	H1 F'17
Slots	42	44
Tables	13	15
Rooms	23	23
F&B	12	11
Rental income	4	2
Other	6	5

Total Hotel Ebitdar (Rm)

	H1 F'18	H1 F'17
Hotels SA	550	455
Core business	403	426
Liberty Hotels	17	-
HPF	130[(1)]	29[(2)]
Hotels Gaming	83	92
Hotels Offshore	48	25
Ebitdar	**681**	**572**
% of Group Ebitdar	**31%**	**26%**

Notes:

(1) Includes 6 months of HPF 3rd party operated hotels
(2) Includes 1 month of HPF 3rd party operated hotels

FINANCIAL OVERVIEW – ADJUSTED HEPS (Rm)

	H1 F'18		H1 F'17		%
	Gross	Net	Gross	Net	change
Attributable earnings		**1 010**		**875**	**15**
PP&E disposal losses	5	4	2	2	
Impairment of PP&E and intangibles	1	-	1	1	
Fair value of HPF shares on acquisition	-	-	(46)	(46)	
Gain on bargain purchase price	-	-	(13)	(13)	
Associate headline adjustments (net)		(5)		-	
Headline earnings		**1 009**		**819**	**23**
Pre-opening expenses	21	15	-	-	
Impairment of loans, net of recovery	2	2	2	2	
Restructure costs	28	21	-	-	
Transaction costs	13	12	18	18	
Interest rate swap fair value adjustment	3	2	4	2	
Debt restructure costs	2	1	-	-	
Cullinan option fair value adjustment	-	-	2	1	
Derecognition of deferred tax	(307)	(307)		-	
Associate exceptional items (net)		(1)		-	
Adjusted headline earnings		**754**		**842**	**(10)**
Weighted number of shares in issue (m)		957		957	
Headline EPS (cents)		105.4		85.6	
Adjusted HEPS (cents)		**78.8**		**88.0**	

FINANCIAL OVERVIEW – GROUP CASH FLOW (Rm)

	H1 F'18	H1 F'17
Ebitdar (pre LTI) per income statement	**2 198**	**2 202**
Property rentals	(128)	(134)
Ebitda	**2 070**	**2 068**
Working capital adjusted for non-cash and exceptional items	(265)	(65)
Dividend income	54	62
Cash generated from operations	**1 859**	**2 065**
Interest paid (net)	(568)	(485)
Taxation paid	(301)	(334)
Operating equipment purchased	(31)	(20)
Maintenance capex	(407)	(585)
Free cash flow	**552**	**641**
Ordinary dividends paid	(676)	(779)
Non-controlling interests' dividends	(91)	(9)
Disposal proceeds	2	2
Investment activities	(531)	(704)
Share scheme loans	-	5
Cash proceeds from rights issue (HPF)	995	-
Net cash surplus/(deficit)	**251**	**(844)**
Currency	1	(4)
Move in Net IBD	**252**	**(848)**
Opening net IBD	(12 113)	(9 248)
Acquired with acquisitions	-	(1 536)
Accrued interest, prepaid borrowing costs and IBD currency	(11)	103
Closing net IBD	**(11 872)**	**(11 529)**

FINANCIAL OVERVIEW – INVESTMENT ACTIVITIES (Rm)

	H1 F'18	H1 F'17	F'17
Investment activities	**531**	**704**	**2 590**
SunWest and Worcester	-	480	1 272
Gold Reef City redevelopment	5	23	34
Suncoast expansion	99	62	112
Mykonos land	30	-	-
Monte Circle and Monte Place	10	9	16
SunSquare and SE Cape Town FF&E	30	30	53
Cape Town land	-	79	79
Sun 1 expansions	-	18	25
Sandton Eye	271	-	-
SE Maputo	84	-	-
Acquisition of Mykonos minorities	-	-	190
Acquisition of Blackrock minorities	-	-	5
Acquisition of Cullinan minorities	-	-	459
Acquisition of Liberty hotels	-	-	310
Other	2	3	35
Maintenance capex	**407**	**585**	**925**
Gaming equipment	187	191	281
Hotel major refurbishments	-	100	114
Casino major refurbishments	-	65	81
Other maintenance capex	228	229	449
Total investment spend	**938**	**1 289**	**3 515**

FINANCIAL OVERVIEW – INTEREST BEARING DEBT (Rm)

	H1 F'18	H1 F'17
External debt (US$ based)	1 050	1 133
External debt (Rand based)	9 254	9 231
External debt HPF (Rand based)	2 132	1 725
Bank overdrafts	2 210	1 789
Prepaid borrowing costs	(27)	(37)
Gross IBD	**14 619**	**13 841**
Cash on hand	(2 747)	(2 312)
Net IBD	**11 872**	**11 529**
Cost of net debt — pre tax	9.5%	9.8%
— post tax	7.4%	7.4%

Dividend of R676m (70c per share) declared May 2017, paid June 2017

Dividend of R309m (32c per share) declared November 2017, paid December 2017

TSOGO SUN GAMING

GAMING PORTFOLIO

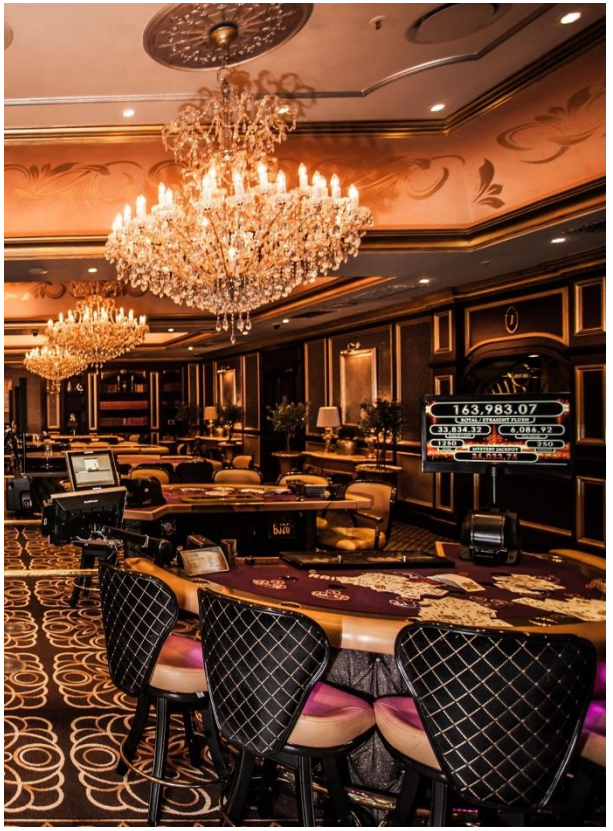
Gauteng	KZN	Western Cape	Mpumalanga	Eastern Cape	Free State
100%	100%	100%	100%	65%	100%
MONTECASINO	SUNCOAST	the Caledon	EMNOTWENI	HEMINGWAYS	GOLDFIELDS
100%	100%	100%	100%	25%[1]	
Gold Reef City	GOLDEN HORSE	GARDEN ROUTE	THE RIDGE	QUEENS CASINO	
100%	100%	100%			
SILVERSTAR	BLACKROCK	MYKONOS			

[1] Note: TSH will sell interest on expiry of the casino licence in December 2017

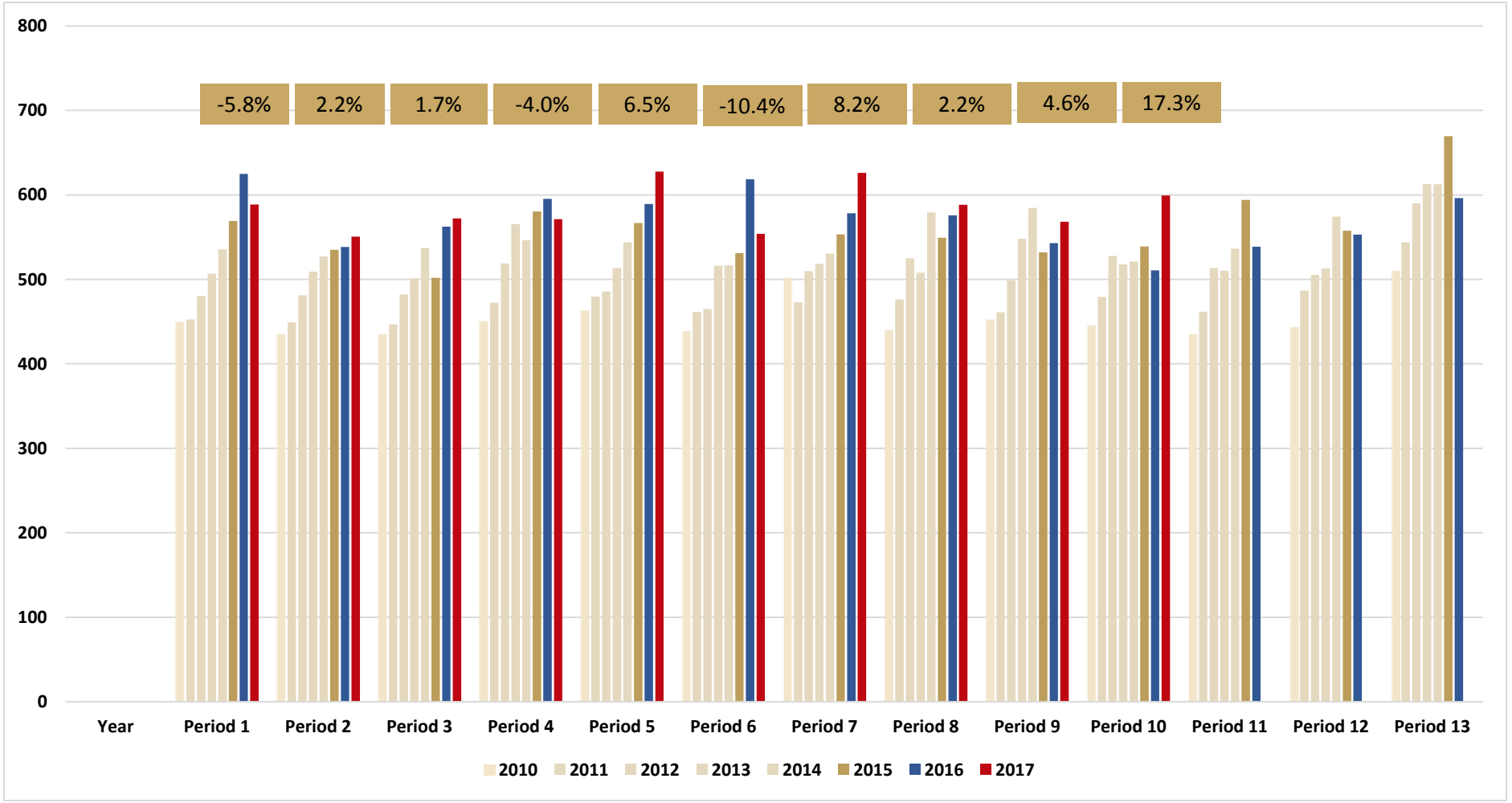
GAMING WIN (Rm)

	H1 F'18	H1 F'17	% Change
Gaming win	3 564	3 679	(3)
Tables	854	938	(9)
Slots	2 710	2 741	(1)
Win/drop % – tables	19.9	21.7	(8)
Hold/handle % – slots	5.1	5.0	2

	H1 F'18	H1 F'17	% Change
Gauteng	1 879	1 978	(5)
KwaZulu-Natal	980	1 005	(2)
Mpumalanga	285	288	-
Western Cape	247	233	6
Other	173	175	-
	3 564	**3 679**	**(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
2016	4.3	6.1	10.0	-
2017	4.1	4.4	7.6	7.8
3 months to September 2017	**6.0**	**(6.0)**	**4.9**	**(6.1)**
6 months to September 2017	**1.4**	**(10.1)**	**1.6**	**(8.0)**

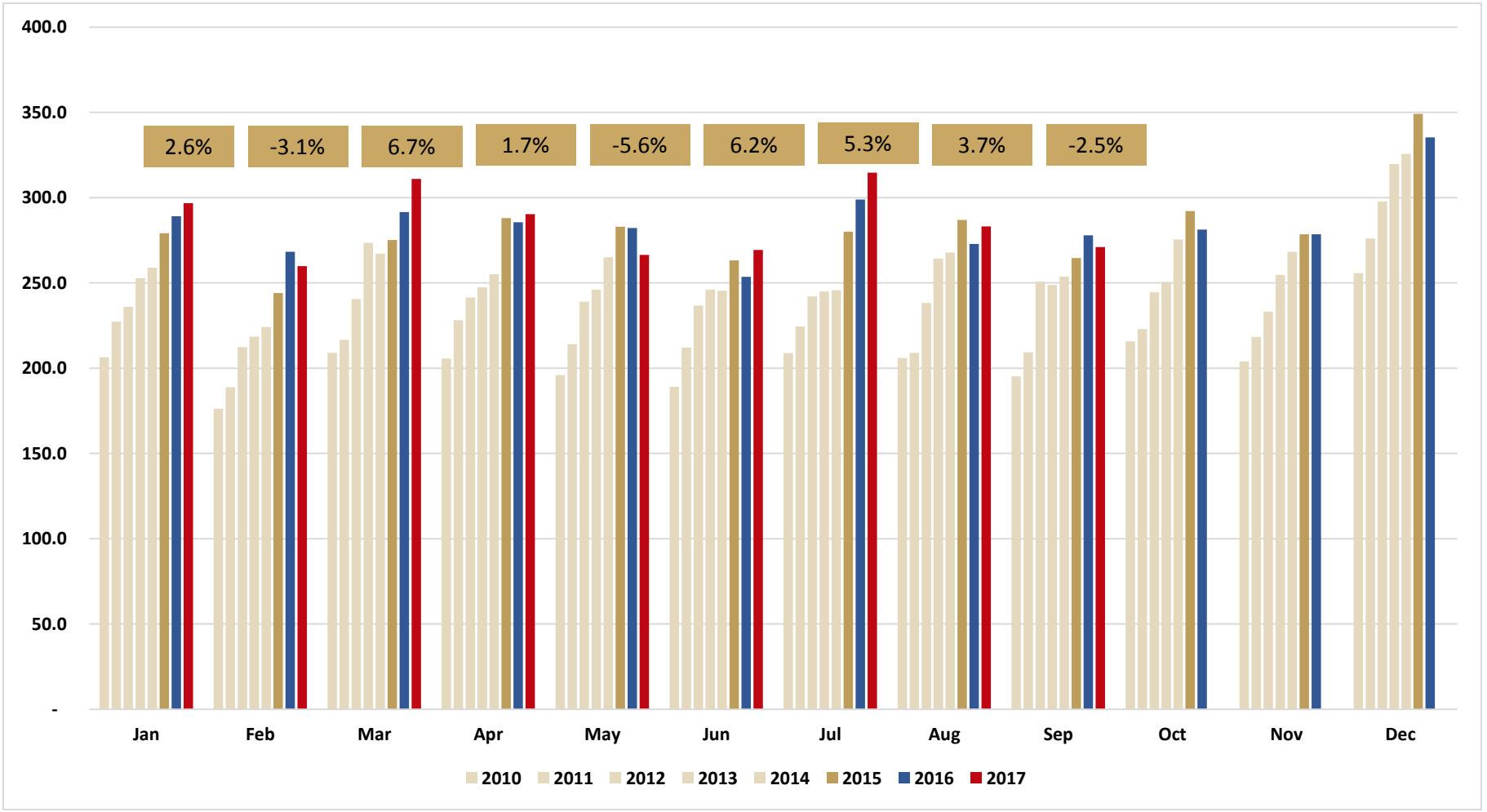
Note: Gaming stats differ to accounting due to timing and IFRS

GAUTENG GAMING TAX REVENUES

- **Time Square Impact on F'18**

	H1 F'18 Rm	H1 F'17 Rm	% Change
Market	**3 808**	**3 755**	**1.4**
Tsogo Sun	1 893	2 020	(6.3)
Rest of Gauteng	1 403	1 630	(13.9)
Time Square (estimate)	512	-	100.0
Morula	-	105	(100.0)

KZN GAMING TAX REVENUES



Percentage growth on prior year

Note : Market statistics for September not yet available from the board and are estimated

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
2016	2.8	2.2	10.7	5.0
2017	2.1	2.3	6.6	3.6
3 months to September 2017	**2.2**	**(2.5)**	**1.7**	**(14.9)**
6 months to September 2017	**1.4**	**(1.3)**	**(0.8)**	**(11.9)**

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

Note : Market statistics for September not yet available from the board and are estimated

OTHER GAMING TAX REVENUES

Growth in Gaming win (%)

	Province	Unit	Unit	Unit
	Mpumalanga	Ridge	Emnotweni	
3 months to September 2017	2.0	(4.7)	6.1	
6 months to September 2017	(0.2)	(3.4)	0.7	
	Western Cape	Caledon	Mykonos	Garden Route
3 months to September 2017	0.8	1.4	8.3	(0.6)
6 months to September 2017	0.2	2.6	10.6	1.7
	Eastern Cape	Hemingways	Queens	
3 months to September 2017	2.1	3.7	8.0	
6 months to September 2017	(1.1)	(1.0)	(3.9)	
	Free State	Goldfields		
3 months to September 2017	(0.8)	(3.2)		
6 months to September 2017	(3.5)	1.3		

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

GAMING DATABASE DEMOGRAPHICS

Gender	Members		Spend	
	Male	Female	Male	Female
Black	58%	42%	63%	37%
Platinum	49%	51%	49%	51%
Gold	49%	51%	51%	49%
Total	50%	50%	58%	42%

Affiliation	Members	Spend
African	27%	21%
Asian/Indian	30%	35%
White	36%	39%
Coloured	4%	3%
Other	3%	2%

GAMING DATABASE DEMOGRAPHICS

	2011		2017	
Slots Players Age	**Members**	**Spend**	**Members**	**Spend**
18 – 34	24%	8%	24%	7%
35 – 54	44%	55%	42%	50%
55+	32%	37%	34%	43%
Tables Players Age				
18 – 34	30%	18%	31%	19%
35 – 54	53%	65%	51%	65%
55+	17%	17%	18%	16%

GAMING – REGULATORY MATTERS

- B-BBEE condition of licence
- Regulation regarding the maximum number of casino licences nationally
- Gauteng gaming taxes
- Smoking regulations

GAMING – COMPLETED PROJECTS

- **Vukani and Galaxy acquisitions**
  - Strategically a good deal as should be fast growing business with good operational management
  - Total purchase price equivalent to 160m shares for 100% of Gameco with 10m shares subject to clawback
  - The total purchase price valued at R28 per share is R4.5bn (R1.764bn in cash and 97m TSH shares) which is at a 7.5x Ebitda multiple when compared to the Gameco valuation
  - Tsogo Sun and Niveus shareholder meetings approved the transaction on 14 September 2017
  - All CPs fulfilled or waived by 30 October 2017

GAMING – COMPLETED PROJECTS

- **Vukani and Galaxy acquisitions (cont)**
  - The approval of the Northern Cape Gambling Board ("NCGB") of TSH's indirect acquisition of the Grand Oasis Casino, Kuruman could not be obtained by 30 October 2017, as there was no NCGB in place until 25 October 2017, and Niveus has thus retained ownership of the casino and will either put the casino to TSH or pay R95m to TSH by 31 March 2018
  - TSH acquired HCI's stake in Gameco for shares in the ratio of 1 TSH share : 2.875 Gameco shares on 20 November 2017
  - Extended same offer to Gameco minorities with an 80% cash alternative at 80% of R9.74 per share, with a cash limit of R1.764bn
  - Gameco share unbundling and minority offer circular issued on 14 November 2017
  - Minority offer closes on 29 December 2017
  - 94% of Gameco minorities accepted the offer by 22 November 2017 and TSH intends applying § 124 of the Companies Act

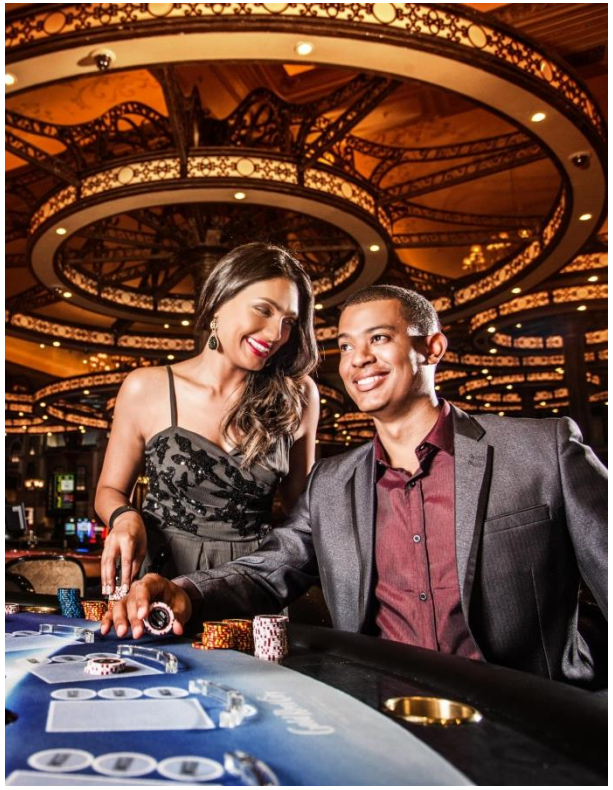
GAMING – FUTURE OPPORTUNITIES

- **Suncoast redevelopment**
  - Expansion comprises a new Privé, refurbishment of the existing main floor, new restaurants, structured parking, a Barnyard theatre and the Dome venue at a cost estimated at R1.6bn (R300m spent to date including R100m CSI)
  - Construction commenced during June 2017 with the Privé scheduled to open during June 2018 and completion of the remainder of the project by December 2018

GAMING – FUTURE OPPORTUNITIES

- **Gaming positions licensed but not currently displayed**

	Slots	Tables
Montecasino	460	6
Gold Reef City	230	4
Suncoast	750	13
Silverstar	173	-
The Ridge	64	2
Golden Horse	-	1
Hemingways	43	-
Emnotweni	75	1
Mykonos	-	3
Caledon	52	-
	1 847	**30**



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

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GAMING – FUTURE OPPORTUNITIES

- **Monte Circle and Monte Place**
  - Buildings A and B have been completed (Tsogo Sun commitment R29m and R23m respectively)
  - Construction of building C commenced in February 2017 (Tsogo Sun commitment R44m)
  - Additional phases will be rolled out as tenanting proceeds

TSOGO SUN
HOTELS

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HOTELS
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HOTEL OPERATIONS
TSOGO SUN
HOSPITALITY
PROPERTY FUND
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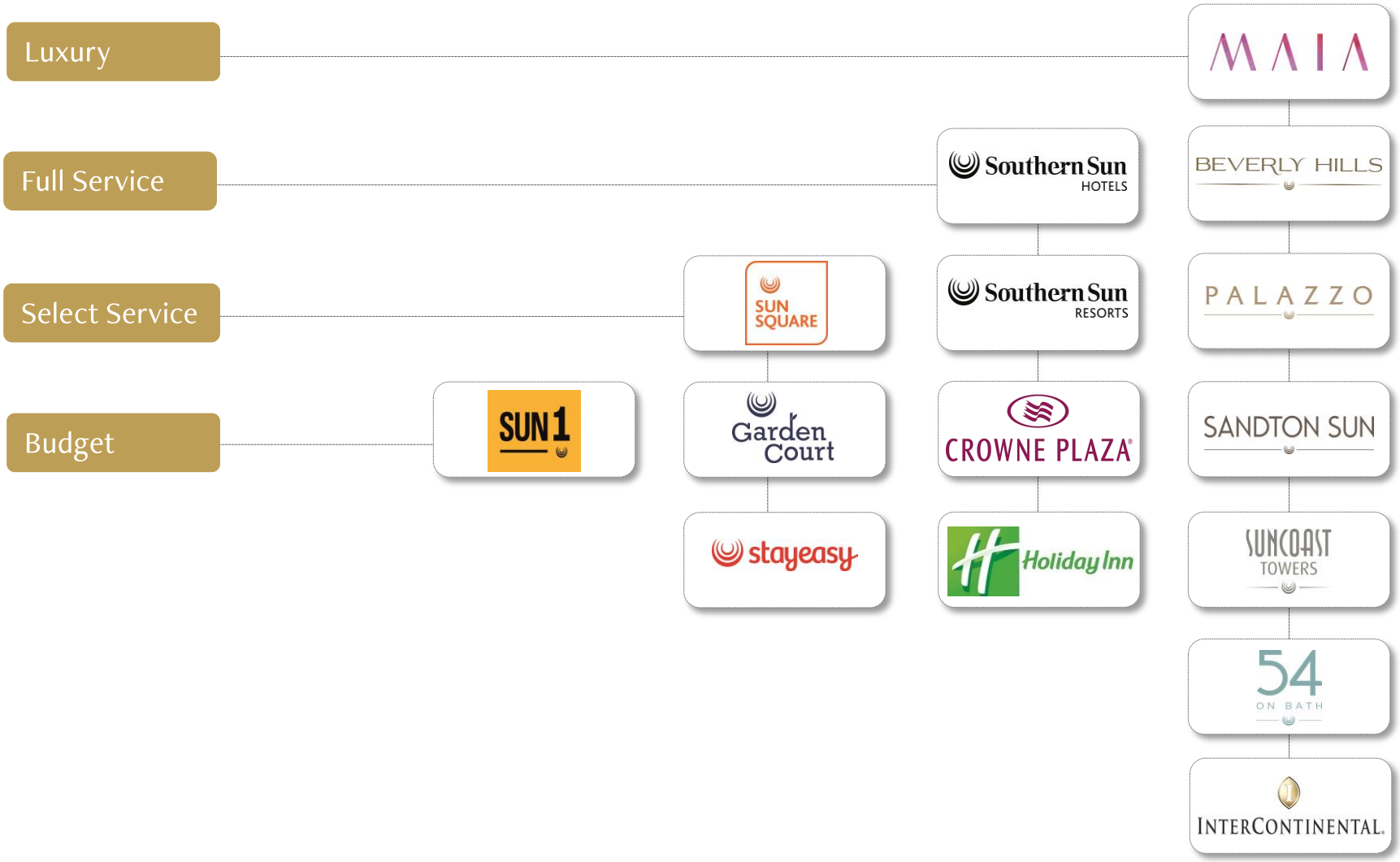
GROUP OPERATED HOTEL PORTFOLIO



GROUP OPERATED HOTELS PORTFOLIO AND STATISTICS

	Hotels	Rooms	Owned	Managed
Luxury	6	1 105	410	695
Full Service	25	5 386	5 386	-
Select Service	27	5 079	4 563	516
Budget	22	1 741	1 741	-
Timeshare & Resorts	6	992	138	854
South Africa	**86**	**14 303**	**12 238**	**2 065**
Offshore	10	1 587	1 052	535
Total	**96**	**15 890**	**13 290**	**2 600**

- Portfolio as at 30 September 2017
- Owned includes leased hotels and associates
- Excludes hotels managed by 3rd parties:
  - HPF 3rd party managed hotels
  - International Hotel Properties Limited

Owned Stats – (SA and Offshore)	H1 F'18	H1 F'17	% Change
Occupancy (%)	62.8	61.7	1.1pp
Average room rate (R)	1 000	1 041	(4)
RevPar (R)	628	642	(2)
Rooms available ('000)	2 349	2 259	4
Rooms sold ('000)	1 475	1 393	6
Rooms revenue (Rm)	1 475	1 450	2

SOUTH AFRICAN HOTELS TRADING

- Occupancy increased 1.1pp to 64.0% on the prior period
- Average room rate reduced by 2% on the prior period
- The majority of the portfolio has been refurbished and is in very good condition

SOUTH AFRICAN HOTELS – CAPE TOWN WATER

- **Westin, SS Cullinan and SS Waterfront (R3.5m)**
  - Reverse osmosis plant to make brackish water pumped from Westin basement (1.2m l/d) potable
  - Anticipated completion - February 2018

- **Radisson Waterfront, SE Century City and Protea Victoria Junction (R2.1m)**
  - Boreholes and reverse osmosis
  - Anticipated completion – 8 to 12 weeks

SOUTH AFRICAN HOTELS – CAPE TOWN WATER

- **SS Newlands, Cape Sun, SunSquare City Bowl (R4.1m)**
  - Boreholes and reverse osmosis
  - Anticipated completion 8 – 12 weeks
- **Sun 1 Parrow, Sun1 Milnerton, Sun 1 Foreshore (R900k)**
  - Additional storage tanks
- **SunSquare Gardens, GC Nelson Boulevard**
  - No action

OFFSHORE HOTELS TRADING

- Offshore hotels trading remains under pressure with occupancies down 0.8pp on the prior year to 53.8%
  - Remains impacted by weaker corporate markets attributable to the negative impact of commodity prices
- Forex gain for H1 F’18 R2m (H1 F’17 R57m loss) on cash and monetary items

OFFSHORE HOTELS – FUTURE OPPORTUNITIES

- **StayEasy Maputo**
  - Capital cost of 125 key hotel US$16.2m
  - 50 year land lease on a shopping development at zero cost
  - Construction commenced in April 2017 and expected opening in Q2 2018

- **SS Nairobi**
  - Existing lease terminates November 2020
  - Landlord has agreed to a 12.5% reduction in rent until July 2019
  - Landlord will then refurbish the hotel and Tsogo Sun will operate it under management contract

OFFSHORE HOTELS – FUTURE OPPORTUNITIES

- **Expansion in the territories the group already operates in**
  - Management agreements for a 150 key Southern Sun in Accra, Ghana, and a 128 key Garden Court in Kitwe Zambia concluded
  - Construction has commenced on both hotels with expected opening dates during Q2 and Q3 2018 respectively

Garden Court Freedom Park Kitwe Zambia

Southern Sun Embassy Park, Accra

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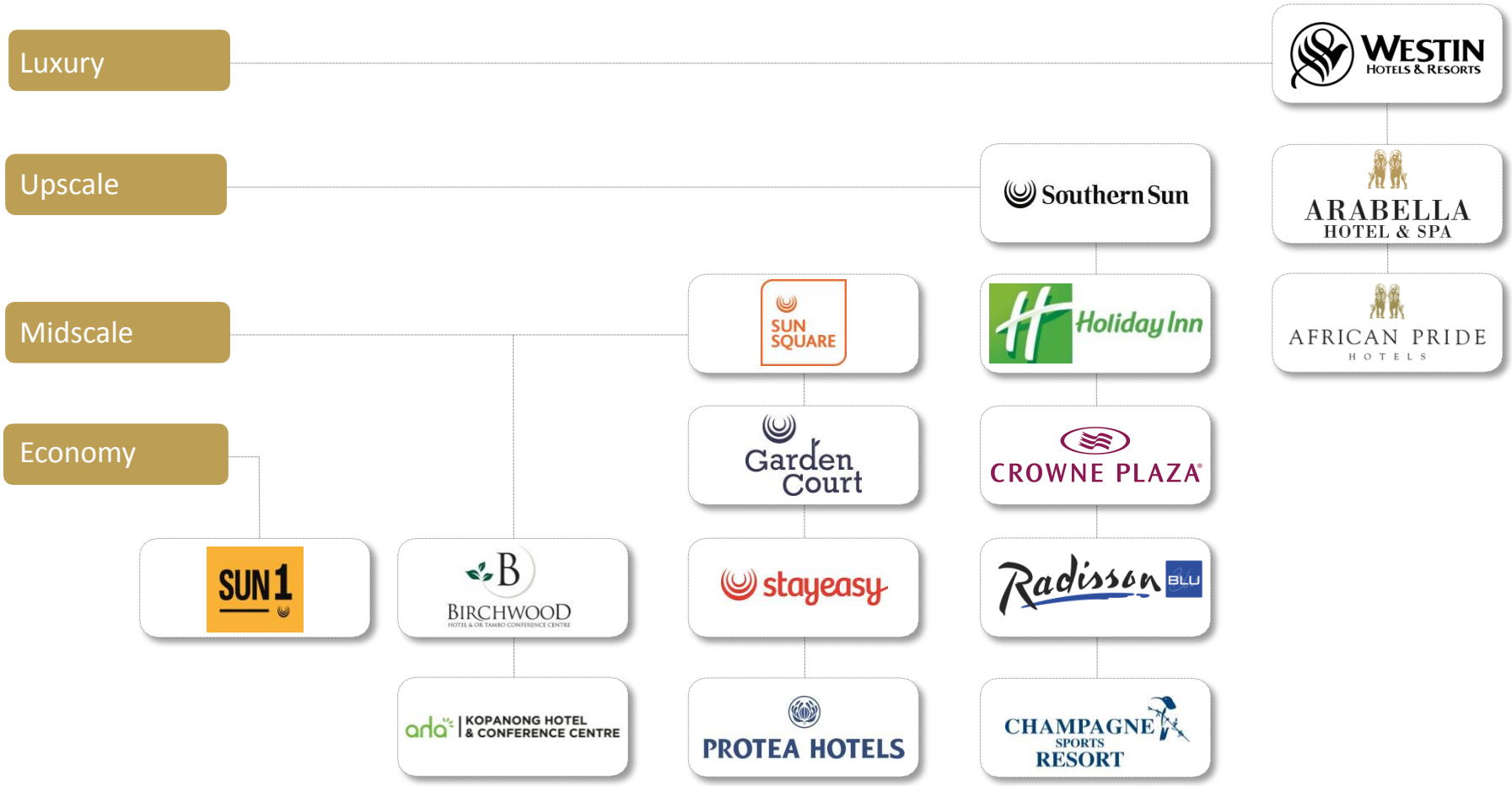
HPF – GROUP STRUCTURE

HPF – HOTEL PORTFOLIO



HPF – HOTELS PORTFOLIO AND STATISTICS

	Hotels	Rooms
Luxury	3	749
Upscale	12	3 227
Midscale	19	3 519
Budget	19	1 508
Total	**53**	**9 003**

- Portfolio as at 30 September 2017

Statistics	H1 F'18	H1 F'17	% Change
Occupancy (%)	61.4	61.2	0.2pp
Average room rate (R)	990	990	-
RevPar (R)	608	605	0.5%

- On a like-for-like basis for the six month period ended 30 September 2017, including acquired properties and excluding disposed properties for the full period

HPF INDICATIVE CONSOLIDATION OF HPF INTO TSH

	HPF Statutory	Tsogo Sun Group
Rooms revenue	-	454
Food & beverage revenue	-	119
Other revenue	-	22
Rental income	314	155
3rd party	152	152
Tsogo Sun	162	3
Overheads	(26)	(437)
Hotel trading related	-	(411)
HPF central	(26)	(26)
Ebitdar	**288**	**313**
Depreciation on owner occupied properties	-	(31)
Finance costs on HPF debt	(83)	(83)
Taxation	-	(33)
Minorities	-	(73)
Distributable/adjusted earnings	**205**	**93**

Note: Six month period ended September 2017
Ebitdar difference = Tsogo Sun management fees + 1% of Ebitdar

HPF – COMPLETED PROJECTS

- **2nd Tsogo Sun transaction**
  - HPF acquired 29 hotels (3 771 rooms) from TSH effective 1 July 2017
  - Purchase consideration of R3.6bn was settled R2.6bn in shares and R1.0bn in cash
- **Rights Issue**
  - Rights Issue of R1.0bn undertaken in July/August at market price of R14.00
  - Underwritten by TSH
    - TSH sold rights to R510m equity to HCI Foundation and Foundation underwrote an additional R90m
    - TSH took up R7m equity in the underwrite

HPF – COMPLETED PROJECTS

- **Sandton Eye**
  - Acquired various additional sections and exclusive use over Sectional Title Scheme (Radisson Blu Gautrain) in Sandton Eye, including real right of expansion by ± 10 000 bulk square metres or additional 7 floors
  - Aggregate purchase consideration of R302m : R271m in cash and R31m in shares paid on 31 August 2017
- **Reduced funding costs**
  - Existing funding was refinanced effective October 2017 which will result in a reduced funding cost

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EUROPE – REDEFINE BDL

- Private company
- TSH owns 25% plus board and committee representation
- Manages 67 hotels in the UK
  - includes new contract for the management of 26 hotels from 27 September 2017
- Manages under multi brands including Crowne Plaza, Holiday Inn, Holiday Inn Express, Best Western, Westin, Hilton, Marriott, Aloft

Best Western Beamish House

Holiday Inn Camden Lock

EUROPE – INTERNATIONAL HOTEL PROPERTIES

- TSH owns 25.9% plus board representation
- Delisting in progress and Redefine International will own 74.1%
- TSH intends to increase stake to 50%
- Currently has GBP115m (R2.1bn) in hotel assets
  - 4 Travel Lodges – leased to Travel Lodge
  - 4 Holiday Inn Express hotels (Dunstable, Southampton, Redditch, Edinburgh)
  - Hampton by Hilton Gatwick
- Hotels are managed by Redefine BDL
- Opportunities to expand the operations significantly which will require capital

Hampton by Hilton Gatwick

Holiday Inn Express Dunstable

FUTURE PROSPECTS

FUTURE PROSPECTS

- **Group**
  - Strong cash generation
  - Growth opportunities will be pursued if compelling but debt levels higher
  - Upside potential from any economic recovery is significant
  - Focus on driving revenue and cost control remain to protect margins
  - REIT structure aims to enhance shareholder value and being considered for gaming assets

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 the final major project

FUTURE PROSPECTS

- **Hotels**
  - Occupancy and rate still under pressure until transient Corporate demand recovers
  - Focus on customer satisfaction, brand awareness, distribution through channels and Web and yield enhancement
  - Opportunistic in SA – land bank, acquire leases, new builds and acquisitions
  - Continued pursuit of offshore expansion
    - Focus on the territories the group already operates in – Africa and Middle East
    - Asset acquisition in UK and Europe through International Hotel Properties

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THANK YOU