



TSOGO SUN HOLDINGS LIMITED

(Incorporated in the Republic of South Africa) (Registration No. 1989/002108/06)

JSE Share Code:

TSH ISIN:

ZAE000156238

("Tsogo" or the "Company")

TRADING STATEMENT AND CHANGES IN DIRECTORATE

In line with previous reporting periods, the Company intends publishing Earnings per share ("EPS"), Headline earnings per share ("HEPS") and Adjusted headline earnings per share ("Adjusted HEPS") as well as Earnings before interest, income tax, depreciation, amortisation, property rentals, long term incentives and exceptional items ("EBITDAR") for the year ended 31 March 2019 and for the prior corresponding reporting period. The Company is of the opinion that the publication of Adjusted HEPS and EBITDAR are appropriate in understanding the Company's trading results.

On 14 March 2019, the board of directors of the Company ("the Board") approved the listing of the hotels division and, in terms of IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, Tsogo has accounted for the hotels division as held for distribution to owners. The income statements and cash flow statements have been restated in accordance with IFRS 5.

Shareholders are advised that:

- Revenue is expected to be between 16% and 20% higher (R1 575 million and R1 968 million higher) compared to the restated prior comparative period of R9,842 million;
- EBITDAR is expected to be between 9% and 13% higher (R326 million and R470 million higher) compared to the restated prior comparative period of R3,681 million;
- EPS is expected to be between 24% and 28% lower (47.6 cents and 55.5 cents lower) compared to the prior comparative period EPS of 198.3 cents;
- HEPS is expected to be between 17% and 21% lower (38.2 cents and 47.3 cents lower) compared to the prior comparative period HEPS of 225.2 cents; and
- Adjusted HEPS is expected to be between 3% and 7% lower (6.0 cents and 13.9 cents lower) compared to the prior comparative period Adjusted HEPS of 198.9 cents.

Revenues and EBITDAR are favourably impacted by the acquisition of Niveus Invest 19 Limited comprising the Galaxy Bingo and Vukani Slots businesses on 20 November 2017. EPS and HEPS results are adversely impacted mainly by fair value losses on the revaluation of investment properties, mainly related to the non-Tsogo leased hotels in Hospitality Property Fund Limited ("HPF"), of R449 million in the current year compared to R187 million in the prior period and a release of deferred tax liabilities in the prior period of R307 million

on the disposal of assets to HPF impacting negatively on the discontinued hotel division operations.

The fair value losses on the revaluation of investment properties and the release of the deferred tax liabilities in the prior period were reversed in arriving at Adjusted HEPS.

The financial information on which this trading statement is based has not been reviewed and reported on by the Company's external auditors, PricewaterhouseCoopers Inc.

Shareholders are advised that Tsogo is scheduled to release its financial results for the year ended 31 March 2019 on or about 23 May 2019.

Further to the 15 March 2019 SENS announcement by the Company regarding *inter alia*, changes in Directorate of the Board, Tsogo Sun is pleased to announce the appointment of Mr du Toit as executive director to the Board effective 1 June 2019 and as Chief Executive Officer of the Company effective from 1 July 2019, which appointment follows the retirement of Mr Booyesen effective 30 June 2019. Mr du Toit will retire at the next Annual General Meeting of the Company ("AGM") and be eligible for re-election.

Tsogo announces the resignation of Mr JG Ngcobo as director from the Board effective 31 May 2019. Mr Ngcobo has served on the Board since 24 February 2011. The Board wishes to thank Mr. Ngcobo for his valued contribution over the past 8 years and wishes him well for the future.

The Board has resolved to appoint Rachel Doreen Watson as independent non-executive director to the Board and as member of the Audit and Risk Committee, the Social & Ethics Committee and the Human Resources and Remuneration Committee effective 1 June 2019 and for the period to the next AGM, whereupon she will retire and be eligible for re-election. Ms Watson currently holds a position as manager at a regional broadcaster. Prior to this appointment she was employed for 33 years within the clothing industry, serving as a trade union representative and national media officer. She is a director of Deneb Investments and eMedia Holdings. She was appointed to the board of Hosken Consolidated Investments Limited as a non-executive director in March 2014. The Company welcomes Ms Watson and looks forward to her contribution

Fourways
17 May 2019

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