

City Lodge Hotels Limited  
"City Lodge" or the "Company"  
(Reg. No. 1986/002864/06)  
(Incorporated in the Republic of South Africa)  
Share Code: CLH      ISIN Code: ZAE000117792

### **Trading statement**

In terms of the JSE Limited Listings Requirements, companies are required to publish a trading statement as soon as they are reasonably certain that the financial results for the current reporting period will be more than 20% different than those of the prior comparative period.

In this regard, shareholders are advised that, for the six months ended 31 December 2019, the Company expects to report:

- normalised headline earnings of between R83.3 million to R75.1 million, being a decrease of between 49% and 54% compared to normalised headline earnings of R163.3 million for the six months ended 31 December 2018 ("HY2018");
- normalised diluted headline earnings per share ("EPS") of between 191.3 cents to 172.6 cents, being a decrease of between 49% and 54% compared to normalised diluted headline EPS of 375.1 cents for HY2018;
- basic EPS of between 136.4 cents to 117.5 cents, being a decrease of between 64% and 69% compared to basic EPS of 378.9 cents reported for HY2018; and
- basic headline EPS of between 136.4 cents to 117.5 cents, being a decrease of between 64% and 69% compared to basic headline EPS of 378.9 cents reported for HY2018;

The decrease is as a result of weaker trading conditions in the Company's primary and secondary markets as well as the adoption of IFRS 16 Leases in the current reporting period. On a comparable basis, excluding the effects of implementing IFRS 16 and unrealised exchange gains or losses, normalised headline earnings would be between R119.2 million to R111.0 million, being a decrease of between 27% and 32% compared to the normalised headline earnings of R163.3 million for HY2018. In South Africa, the Company's primary market, normalised profit after tax, excluding IFRS 16, decreased by between 12% and 17%.

Normalised headline earnings and normalised diluted headline EPS comprise headline earnings adjusted for the effects of transactions relating to BEE and those of a non-recurring and/or core nature. They are the responsibility of the directors and have been provided for illustrative purposes only. Because of their nature, normalised headline earnings and normalised diluted headline EPS usually differ from City Lodge's headline EPS.

Shareholders are advised that the financial information on which this trading statement is based has not been reviewed or reported on by the Company's auditors. City Lodge's results for the six months ended 31 December 2019 will be released on SENS on or about 20 February 2020.

4 February 2020  
Bryanston

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