

Tsogo Sun spending US\$100m in Africa

In line with its growth strategy, Tsogo Sun has announced an investment of US\$100m to be used to expand the group's hotel network in Africa.



The money is earmarked for two projects.

The group will spend about US\$30m on the Southern Sun Maputo hotel by completely refurbishing it. The rooms will be upgraded along with public areas and the restaurant. Conferencing facilities and another 110 rooms will be built.

The hotel is situated on the beachfront on the Avenida de Marginal in Maputo. Tsogo Sun says it has been planning for years to use the land it owns next to the hotel to expand the existing property.

Another project involves the purchase of a 75% stake in Ikoyi Hotels Limited, the holding company of the Southern Sun Ikoyi hotel in Lagos, Nigeria at a cost of US\$70m. This hotel has been managed by the Tsogo Sun since it opened in 2009.

The purchase is subject to several conditions precedent including regulatory approvals. Shareholders will be notified once these have been fulfilled and the acquisition becomes effective.

The Southern Sun Ikoyi hotel is centrally located with access to prime business nodes in Lagos and comprises 195 guest rooms and suites, a restaurant, business centre and meeting room facilities.

It owns additional land available for future expansion. This purchase will strengthen Tsogo Sun's presence in the Nigerian economy and provide a base for future expansion.

Tsogo Sun's investments will be funded through a combination of existing offshore cash and new US\$-based borrowing facilities.

Tsogo Sun operates hotels in seven African countries including South Africa, Mozambique, Zambia, Tanzania, Kenya, Nigeria and the Seychelles.

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