



Annual Results Presentation

Year End June 2007

Hospitality
PROPERTY FUND

Agenda

- Highlights
- Financial Results
- Portfolio Overview
- Prospects
- Distribution Timeframe
- The Way Forward

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Highlights

A-linked units

- **100,46** cents distribution as **per forecast**
- **+ 38%** total return
- **R649 million** market cap

B-linked units

- **140,40** cents distribution + **17,9% growth on prospectus forecast**
- **+ 116%** total return
- **R941 million** market cap

Highlights

- **R1,7 billion** property portfolio value (2006: R1,2 billion)
- **+ 42%** growth in portfolio value
- **+ 16,8%** year-on-year growth in Net Asset Value per unit
- BEE shareholding **more than doubles to 30,4%**
- Acquisitions:
 - interest in **9** properties valued at **R519 million**
 - **18%** valuation surplus on acquisition
 - **10,6%** aggregate initial yield

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Financial Results

Distribution Growth



Financial Results

Distribution Growth Drivers

- Robust growth in tourism
- Hotel performance:

	2006	YTD 2007
RevPAR	15%	18%
Occupancy	3%	2%
ADR	12%	15%

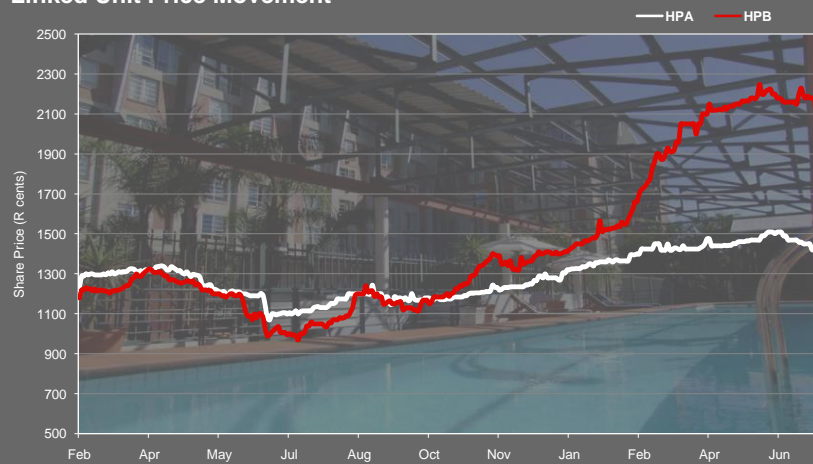
- Acquisition of yield enhancing properties
- Effective asset management
- Professional hotel management

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Financial Results

Linked Unit Price Movement



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Financial Results

Linked Units vs. Listed Property Index



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Portfolio Overview

Top Properties by Value

	No. of rooms	R '000
Birchwood Executive Hotel & Conference Centre	450	507 000
Champagne Sports Resort	112	170 000
Mount Grace Country House & Spa	81	139 000
The Radisson Hotel Waterfront	182	157 000



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Portfolio Overview

Top Properties by Value

	No. of rooms	R '000
The Rosebank Hotel	318	129 000
Protea Victoria Junction Hotel	172	123 000
The Park Inn Hotel Greenmarket Square	165	83 000
Kopanong Hotel & Conference Centre	252	97 000



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Portfolio Overview

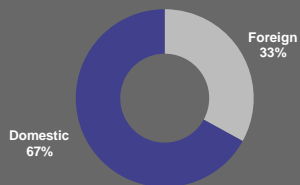
Top Properties by Value

	No. of rooms	R '000
Protea Hotel Marine Port Elizabeth	98	77 000
The Richards Hotel	135	70 300
Premier Hotel King David	80	57 000
The Hazyview Hotel	87	46 500

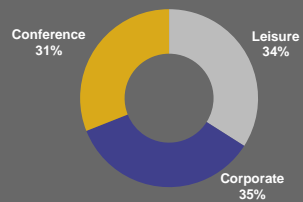


Portfolio Overview

Patronage by source market

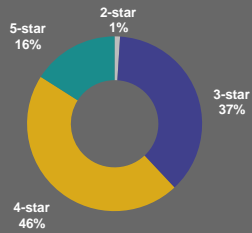


Patronage by market segment

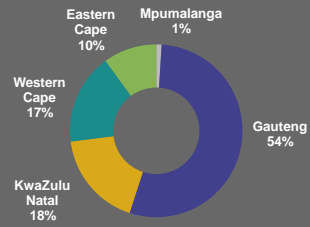


Portfolio Overview

Income by star grading

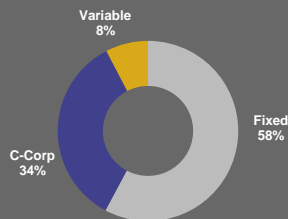


Income by province

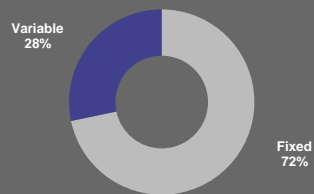


Portfolio Overview

Income by lease type

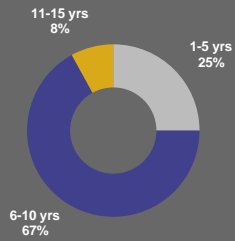


Income by rent type



Portfolio Overview

Lease aging by income



- **8,8 yrs** average lease expiry
- **1,6 yrs** earliest lease expiry
- **13,6 yrs** last lease expiry

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Prospects

Acquisitions

	R '000
Birchwood Executive Hotel & Conference Centre Extension	130 000
Protea Hotel Victoria Junction	106 600
The Radisson Hotel Waterfront	22 000
The Richards Hotel	61 800
The Hazyview Hotel	40 500
Hluhluwe Hotel & Safaris	27 600
Imperial Hotel	23 900
The Park Inn Hotel Greenmarket Square	15 000
Bayshore Inn	12 000
TOTAL	439 400
TOTAL to be financed	235 100

Prospects

Expansion and Refurbishment Projects



The Rosebank Hotel
Mount Grace Country House
Champagne Sports Resort



The Imperial Hotel
The Winkler Hotel
The Bayshore Inn
The Richards Hotel



Protea Hotel Richards Bay

Estimated Value R500 million



Prospects

Rights Offer: R500 million

- Raise funds for acquisitions and development projects
- Yield on equity currently lower than cost of debt
- Rights issue and related projects likely to be earnings enhancing
- Increase in borrowing capacity for future transactions
- Equitable form of capital raising
- Larger free float = increased liquidity
- Properties positioned to capitalise on hotel sector growth

Prospects

Rights Offer: R500 million

- Pricing:
 - 'A-linked unit': 1 286c
 - 'B-linked unit': 1 858c
- Rights entitlement:
 - 17,4 A- and 17,4 B-linked rights per 100 A-linked units
 - 17,4 A- and 17,4 B-linked rights per 100 B-linked units
- Excess subscriptions invited

Prospects

Rights Offer: Noteworthy Dates

September

Mon	Tue	Wed	Thu	Fri	Sat	Sun
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

Extraordinary general meeting
Rights issue opens
Last day to take up rights
Record and payment date
Circular results announced
Listing and trading of new units

October

Mon	Tue	Wed	Thu	Fri	Sat	Sun
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

14 September
1 October
12 October
19 October
23 October
23 October

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Distribution Timeframe

September						
Mon	Tue	Wed	Thu	Fri	Sat	Sun
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10	11	12	13	14	15	16
17	18	19	20	21	22	23
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October						
Mon	Tue	Wed	Thu	Fri	Sat	Sun
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

Last day to trade *cum* interest
 Linked units trade ex-interest
 Record date
 Payment date
 Annual general meeting

14 September
 17 September
 21 September
 25 September
 31 October



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The Way Forward

- Hospitality has provided excellent returns since listing:
 - A-linked units: 56%
 - B-linked units: 125%
 - Average return: 90%
- Now we need to position ourselves going forward
- Key opportunities:
 - Current supply and demand equilibrium
 - Exceptional outlook for hospitality industry
 - Line of sight to FIFA 2010 World Cup

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The Way Forward

- Strategic acquisitions
- Portfolio redevelopments
- Rights issue positions us well to do this
 - Enhanced earnings
 - Increased gearing capacity
 - Entrenched position of portfolio hotels

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PROPERTY FUND