



Immediate Release

Nedbank agrees to R150m funding for IFA Hotels & Resorts' new Fairmont Zimbali Hotel

24 June 2009

Despite the challenging economic climate and reticence being shown by most financial institutions to back new developments, Nedbank has agreed to a funding facility to the value of R150m for IFA HRs' new Fairmont Zimbali Hotel.

Anand Joseph, Regional Executive: KZN for Nedbank Corporate Property Finance says that "Nedbank is proud to be associated with this premier hotel development, situated in an award-winning world class integrated resort which continues to be a sought-after address. Notwithstanding the current market conditions, the Bank's decision was influenced by the strong fundamentals of this development, IFA Hotels & Resorts' commitment to Zimbali and the Bank's past experience with the IFA Group."

When IFA Hotels & Resorts decided to go into a joint venture in the development of Zimbali with Tongaat Hulett Development in 2003, they did so on the promise of delivering a new internationally branded and operated 5-star hotel for Zimbali. The promise has been kept, with the imminent opening of the Fairmont Zimbali Hotel & Resort. Remarkably, the R500m cost to date, R345m of which is related to the hotel component only, has been funded entirely by equity. What is more is that the development is only the first phase, with the next phase, the construction of the new Gary Player signature 18-hole championship golf course and Gary Player Academy within the recently launched Zimbali Lakes, about to begin.

IFA has not sought any funding for the non-hotel components of the development, i.e. the Fairmont Heritage Place Private Residence Club and the Fairmont Hotel Condos, as sufficient cash has been generated from their incredibly successful marketing and selling of these products, with sales in excess of R150m having been notched up to date.

"What is also clearly apparent is that this development has already had a significantly positive impact on the Zimbali Coastal Resort, where sales of approximately R475 million have been recorded over the last six months despite the prevailing difficulties in the real estate sector" said Wessel Witthuhn, IFA HR President (Africa & Indian Ocean).

“We value our association with Nedbank and are delighted that we have secured this facility, at a time when most financial institutions are hesitant to fund new developments, particularly those in the leisure and hospitality sector. Once again IFA HR has demonstrated ability to deliver on promises, in extremely difficult times, and we are especially proud with the new Fairmont Zimbali Resort. We believe that it will prove to be an incredibly valuable asset for South Africa, particularly for the hospitality and leisure sector of KwaZulu-Natal”, concluded Witthuhn.

IFA SA continues to trade under a cautionary on the JSE Limited.

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CORPORATE PROFILE - IFA HOTELS & RESORTS

www.ifahotelsresorts.com

IFA Hotels & Resorts is a leader in real estate development, specialising in premier integrated and mixed-use hotel and tourism resort projects throughout the Middle East, Europe, Africa, the Indian Ocean region, Asia and North America.

IFA Hotels & Resorts’ activity in resort development began in the mid 80s with the acquisition and development of Pine Cliffs Resort in the Algarve, Portugal, through United Investments Portugal, which is part of the IFA Consortium.

The grandeur of Pine Cliffs provided the ideal environment for investment in the real estate sector as well as residential homes and resort living, and thus the consortium’s link with the hospitality sector developed. Today, IFA Hotels & Resorts sets the international benchmark for the development of world class integrated real estate development.

A specialist in resort development, IFA Hotels & Resorts enjoys close links to premier hospitality operators such as Fairmont Hotels & Resorts, Mövenpick Hotels & Resorts, Kempinski Hotels and Sheraton Hotels & Resorts, appointed to manage properties around the world.

IFA Hotels & Resorts listed on the Kuwait Stock Exchange in January 2006, with a market capitalisation of over US\$ 1 billion. The company also listed on the South African JSE Limited (Johannesburg Stock Exchange) during 2006 with plans to list on other major exchanges in the future. In January 2007, the company invested in listed Thai developer Raimon Land.

Globally, IFA Hotels & Resorts has entered into strategic alliances and joint venture partnerships with leading companies such as Kingdom Hotel Investment Group (Saudi Arabia), Nakheel (UAE), United Investments Portugal, YOTEL (UK), a strategic alliance with RCI (part of the Cendant's Group), Tongaat Hulett Developments (South Africa), Boschendal Ltd (South Africa), Raimon Land (Thailand), Ohlthaver & List (Namibia), Indian Ocean Resorts (Seychelles) and most recently Related (United States).

IFA Hotels & Resorts' current portfolio consists of 40 projects in total, of which 23 are hotels, with a total of 17,000 keys. Assets under management are valued at US\$ 10 billion.

The company is present in 14 markets across 4 continents: Kuwait, Dubai, Lebanon, the United Kingdom, the Netherlands, Portugal, France, South Africa, Zanzibar, Namibia, Seychelles, Thailand, Caribbean and New York, with plans to link its resorts to new parts of the globe. This will offer investors and tourists access to world class facilities through a network of hotels, residential resorts, vacation and residence club destinations.

IFA Hotels & Resorts' programme of brand acquisition and developer partnerships will continue into the future, illustrated by the ever growing strength of its product range: residences, hotels, resorts, hotel ownership, fractional ownership, vacation clubs, lifestyle membership clubs, yacht ownership clubs and jet ownership clubs.

This unique product range enables IFA Hotels & Resorts to continuously anticipate and deliver to the varying property investment and leisure requirements across the globe.