



FOR IMMEDIATE RELEASE

31 October 2019

Sale of St George Hotel and Reaffirming FY20 Guidance

Redcape Hotel Group Management Ltd, as responsible entity of the Redcape Hotel Group (ASX:RDC) (“Redcape” or the “Company”) announces that it has exchanged contracts to divest the St George Hotel, Belmore in NSW for \$47.1m which represents a 2.7% premium to the June 2019 independent valuation.

The sale demonstrates the value underpinning the Group’s portfolio of high-quality freehold assets, many of which are located in high population growth areas of Sydney.

Redcape CEO Dan Brady said: “The Australian pub industry is highly fragmented and has been very active. The sale of the St George Hotel, Belmore is in line with our approach of actively managing the portfolio to maximise returns for our securityholders. The funds from the sale will further strengthen our balance sheet with gearing reducing to 36% being at the lower end of our target gearing range of 35% - 45% and provide funding capacity for additional value enhancing acquisitions.”

Guidance Reaffirmed

Redcape reaffirms that its guidance for FY20 remains unchanged post settlement of the sale.

Completion of the sale is subject to condition precedents with anticipated settlement before February 2020.

Dan Brady concluded: “The reaffirmed guidance today is reflective of the existing portfolio trading well year to date and general industry conditions being favourable. With access to existing capital and a belief the market still presents good acquisition opportunities, we will continue to look at value accretive refurbishments and acquisitions.”

Investor Site Visit

Redcape hosted an institutional investor site visit yesterday to a number of its freehold assets in the greater Sydney area. The tour incorporated visits to the Eastwood Hotel, Landmark Hotel, the Australian Hotel & Brewery and the Cabramatta Hotel. Presentation materials used at the event are available on the ASX.

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About Redcape Hotel Group (Redcape)

Redcape is one of Australia’s leading pub and hotel operators. The Redcape portfolio comprises 32 quality hotels (31 freehold and 1 leasehold) strategically located across New South Wales and Queensland and has a clear focus on delivering excellent and responsible service, maintaining high quality facilities, advancing the training and development of its people and contributing positively to the communities in which it operates. www.redcape.com.au

Redcape Hotel Group Management Ltd (ACN 610 990 004) (AFSL 505932) is the responsible entity of Redcape Hotel Trust I (ARSN 629 354 614) and Redcape Hotel Trust II (ARSN 629 354 696) (together “Redcape” or “Redcape Hotel Group”). Moelis Australia Hotel Management Pty Ltd (ACN 619 297 228) is the appointed investment manager and hotel operator of Redcape.



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