

PRESS RELEASE FROM THE CAPE TOWN INTERNATIONAL CONVENTION CENTRE (CTICC)

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CTICC hits record high of R 2.99 billion after a decade of success

The Cape Town International Convention Centre (CTICC) hit a record high in its tenth year of operations and added R 2.99 billion to the national economy and more than R 1 billion to the Western Cape's coffers.

Speaking at the centre's Annual General Meeting Results Press conference, which took place today, CTICC Chief Executive Officer, Rashid Toefy said that for the 2012/2013 fiscal year, the centre achieved a net profit before tax of R 27 million, the highest in the centre's ten year history. In addition the centre generated revenue **and other income** in excess of R 158 million, an R 18 million increase from the R 140 million of last year.

"More importantly, the centre continued to make a valuable contribution to driving job creation and skills development in South Africa", he said. Through the centre's activities more than 7500 direct and indirect jobs were created nationally during the period under review.

The centre capped the year at 537 events, compared to the 514 in the 2011/2012 financial year and reached another significant milestone, when it generated over 1.3 million delegate and visitor days. This is a 15 % increase from 2012 and is the highest figure recorded over the past ten years. Visitor numbers are expected to increase to over 1.7 million over the next 5 years", said Toefy.

The centre has a sustainable forward book and several large scale international conferences have been secured until 2020. These include the 35th International Geological Congress in 2016, which is expected to attract over 6000 delegates and the World Congress of Internal Medicine in 2018.

Over the past decade the CTICC has contributed over R 22 billion to the country's Gross Domestic Product and over R 7 billion to the Western Cape Gross Geographical Product. "It is our goal to add a further R 22 billion to the country's coffers over the next five years and in doing so realise our vision of becoming the best long-haul international convention centre by 2020," explained Toefy.

Leading the way in international standards of best practice

In addition to its financial performance, the CTICC achieved an *Unqualified Clean Audit* for the fiscal year.

The 2011 - 2012 *General Report on Local Government Audit Outcomes* recently revealed that only 5 % of local government have achieved clean audits. Of the 278 Municipalities audited in the report, only 17 received clean audits.

“Achieving a clean audit is therefore a huge accolade for Cape Town and the Western Cape. This is the highest commendation that a municipal entity can receive and means that the centre’s processes and procedures adheres to the highest standards of corporate governance”, said Toefy.

The centre was also awarded a Level 2 BBBEE certification for the second consecutive year. More than 70 % of the centre’s procurement spend was awarded to black and women owned suppliers. “This represents the seriousness of CTICC’s intent in investing in and developing its people and embracing the broad-based approach to wealth creation and participation of previously disadvantaged individuals in the mainstream economy”, said Toefy.

The centre also set the bar for sustainability reporting when it became the first convention centre in the world to produce an integrated annual report, which is aligned to the Global Reporting Initiative (GRI) framework. The report has been externally assured against comprehensive stringent criteria that meet the highest standards for international organisational reporting.

“We have improved our performance by achieving a Level B + Application this year”, said Toefy. This included comprehensively reporting on more than 30 sustainability indicators and measuring progress in this regard.

Expansion process continues

The CTICC Board has thoroughly evaluated the findings and recommendations of the City of Cape Town’s investigation into the complaint relating to the award of the Architectural Design Tender for the planned CTICC expansion.

As an independent body, the CTICC Board has a fiduciary duty to ensure good corporate governance. “We therefore consulted with a team of specialised legal advisors and have satisfied ourselves that a thorough process has been followed in evaluating the City’s investigation report”, said outgoing CTICC Chairperson Ashley Seymour.

“We concur with the City’s finding that there was no corruption or collusion by any staff member or individual involved in the tender process, or by any of the bidders. We furthermore agree with certain key findings of the City’s report in respect of flaws in the

tender process. We have concluded however that there are not sufficient grounds to overturn the tender award. In reaching our conclusion we took into account the pertinent legal, financial and socio-economic implications, the public interest and the legal advice we received", he added.

"We are thus pleased to confirm the decision to proceed with the expansion and are delighted to announce that the expanded CTICC will be ready to trade in 2017", said Seymour.

New CTICC Chairperson appointed

The CTICC is pleased to announce that Gary Fisher, Head of Public Works for the Provincial Government of the Western Cape has been appointed as the new CTICC Chairperson.

Fisher has extensive experience in the property and financial sector having played an instrumental role in the start-up of various local and international property consortiums, such as CBS Property Portfolio Ltd, which was successfully listed on the JSE with R1 billion in property assets in 2005. Under his management, CBS grew from a small-cap to a medium-cap fund of R2, 4 billion. In 2008 he also established British Capital Ltd as a joint venture with JSE listed financial services group BJM.

In addition to his role as Head of Public Works, where he is responsible for overseeing and managing the efficient and effective use of the 6000 properties that comprise the Western Cape Government Portfolio, he serves on the board of the Cape Town Central City Improvement District (CCID). Fisher is also the founder of The Property Foundation, a section 21 company (non-profit) designed to meet the accommodation needs of public benefit organisations through the development of infrastructure in areas of need.

"It is an exciting time in the centre's history as the expansion kicks off and I am privileged to be at the helm of a company with such a sterling track record", said Fisher.

Fisher also took the opportunity on behalf of the CTICC Board to express their gratitude and appreciation to Ashley Seymour, for the invaluable role that he has played during his tenure on the board. Fisher also welcomed the new board members, who were appointed during the year under review and expressed the board's appreciation to those members, whose board term concluded.

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Issued by the Cape Town International Convention Centre

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Notes to the editor

The new CTICC board members that were appointed are as follows:

1. Barry Lodewyk

Barry Lodewyk, who also fulfils the role of Audit Committee Chair is a partner at Grant Thornton in Cape Town. Prior to joining Grant Thorton he was employed at the Auditor General, SizweNtsaluba and McDowell Caradoc Davies CA(Sa). He has consulted extensively to sector clients in the fields of financial management, taxation, business strategy, forensic and external audits.

2. Ethel Hammon

Ethel Hammon, partner at auditing firm, Horwarth Zeller Karo has over 27 years experience in the financial sector and non - profit sector. Ethel's comprehensive knowledge of the King Reports and Municipal Finance Management Act will play a pivotal role in helping the centre achieve its goal of driving economic growth in the province.

3. Guy Lundy

Guy Lundy, strategy consultant, professional speaker and former CEO of Accelerate Cape Town boasts extensive experience in the private and public sector. In addition to his position on the CTICC board he also serves on the board of Wesgro and holds a Master's Degree in Future Studies from the University of Stellenbosch.

4. Aqlaak Mahmood

Aklaaq Mahmood, former Chief Executive Office of PROSANO medical scheme, currently serves as an alternate board member and is an expert on Corporate Governance and the establishment of Audit Committees. He was the former Chairperson of the City of Cape Town's Audit Committee, a member of the Risk Committee and a member of the Mayoral Performance Evaluation Panel. He also serves on the Board of Healthcare Funders of Southern Africa and holds a Masters in Business Administration from the University of Stellenbosch.

