



Cape Sierra hotel

Public-Private Partnership



Important Notice

This Information Notice (the “Information Notice”) has been compiled by the International Finance Corporation (IFC) and its consultants, on behalf of the National Social Security and Insurance Trust of Sierra Leone (“NASSIT”), who has retained IFC as its advisor in implementing the Cape Sierra transaction (the “Opportunity”).

The information presented in this Information Notice has been prepared on the basis of documents and data received from NASSIT and the Government of Sierra Leone.

Prospective investors are expected to make their own assessment of the Opportunity, and reach their own conclusions.

Neither NASSIT nor IFC offers any guarantee, implicit or explicit, as to the accuracy or the completeness of this information, and they shall have no liability as to the use that might be made of it.

NASSIT reserves the right to modify the contents of this document at any time, without prior warning or justification.

NASSIT also reserves the right to stop, temporarily or permanently, any on-going negotiation, or to modify the procedures with proper notification to the participants in the opportunity.

This information notice does not in any way constitute a request for proposals. Such a request for proposals, accompanied by specific instructions, will be contained in the transaction documentation to be issued in due course. This information notice also does not constitute an offer for sale of any securities.

Concession of the Cape Sierra Hotel

1. Introduction

The National Social Security and Insurance Trust (“NASSIT”) is looking for an international Investor/Operator to invest in the rehabilitation, redevelopment, operation, and maintenance of the Cape Sierra Hotel (“Cape Sierra”) under a twenty-one year concession agreement. Cape Sierra is located in Aberdeen, a suburb of Freetown, Sierra Leone. Cape Sierra enjoys beach access and features 66 rooms and 50 chalets. Cape Sierra’s amenities include a restaurant, several bars, a swimming pool, and a tennis court.

The International Finance Corporation (“IFC”), a member of the World Bank Group, has been retained by NASSIT as the Lead Transaction Adviser in the implementation of this transaction. The IFC is supported by Gide Loyrette Nouel as the Legal Advisor and Trevor Ward as the hotel specialist.

2. Country Brief

Sierra Leone, is a coastal state situated in West Africa on the shores of the Atlantic Ocean. It borders Guinea to the north and east, and Liberia to the southeast. The Atlantic Ocean forms Sierra Leone’s third frontier: 360 kilometers (212miles) of coast extending from the mouth of the Great Scarcies River in the south. Sierra Leone’s strong recovery, which began in 2000, continued for the ninth unbroken year into 2008 when real GDP grew by an estimated 5.5%. Tourism is a dynamic and fast growing industry.

The Government of Sierra Leone (the “Government”) has been actively pursuing reform to encourage investment in the country, particularly within the tourism industry, evidenced by the passage of the Investment Promotion Act of 2004 and the creation of the Sierra Leone Investment and Export Promotion Agency. The World Bank Group is currently assisting the Government in the development of the tourism industry.

3. NASSIT

NASSIT is a Statutory Public Trust set up to administer Sierra Leone’s National Pension Scheme. NASSIT was established "to administer a Social Security Scheme which provides social security protection to all employees in Sierra Leone including Old-age benefits, Invalidity benefits and Survivors benefits based on social insurance principles; additionally, to administer a social Safety Net for the identifiable vulnerable groups in society; to provide retirement and other benefits to meet the contingency needs of workers and their dependants and to provide for other related matters."

NASSIT acquired interest in Cape Sierra through a long term lease agreement signed with the Government in 2009. NASSIT has selected IFC as its principal and exclusive advisor to select an experienced international Investor/Operator to rehabilitate, redevelop, operate, and maintain Cape

Sierra. The hotel will need to be operational before the 50th Anniversary Celebration of Sierra Leone's Independence, scheduled for April 27, 2011.

The main objectives of NASSIT for the transaction are as follows:

- Attract an internationally renowned Investor/Operator to rehabilitate, redevelop, operate, and maintain the Cape Sierra Hotel as an internationally accepted business hotel;
- Encourage the development of international tourism; and
- Implement the transaction in an open and transparent manner.

4. Hotel Industry in Freetown

The demand for rooms and suites in hotels is generated principally by the business and non-governmental organization market. A recent IMF report gives a generally positive outlook on the economy of Sierra Leone, and government policy associated therewith. In its April 2009 World Economic Outlook, the IMF forecasts growth for Sierra Leone of 4.5% in 2009, and 5.3% in 2010, well above the average for Africa of 2% and 3.9% respectively. This corresponds to a positive outlook in demand for hotel accommodation in Freetown.

First, there is considerable potential for the MICE market – Meetings, Incentives, Conferences and Exhibitions – in Freetown. In addition, the supply for quality hotel rooms and suits in Freetown is limited. According to the hotel classification system created by the National Tourist Board of Sierra Leone (“NTB”), there are only two class 1 hotels – the highest classification available under the NTB system – currently operating in Freetown, and these two hotels, the Barmoi and the Country Lodge, offer less than 80 rooms combined. Neither the Barmoi nor the Country Lodge are international brands, yet both enjoy conservatively estimated occupancy rates of around 70% and are able to charge tariffs for single rooms between 120-145 USD.

The high occupancy rates and tariffs, amongst others, indicate that there is demand for an international standard business hotel and Cape Sierra is uniquely positioned to cater to that market.

5. Cape Sierra Hotel

Cape Sierra is located in Aberdeen, on the northern tip of the Western Peninsula. Cape Sierra sits on 18.3 acres with a coastline of approximately 250 meters. Cape Sierra is currently closed, having ceased trading some time in 2008.

Cape Sierra enjoys a prime location with excellent ocean views afforded from the bedroom blocks and direct access to Lumley Beach. Cape Sierra is accessed directly from Cape Road, which is well maintained and provides convenient access to the surrounding rounds, heliport, and hovercraft station.

The hotel's main facilities are as follows:

- 66 rooms and suites;
- 50 one-bedroom chalets;
- Reception and lounge area;
- Ground floor bar;
- First floor restaurant 200m²;

- Lower floor conference room 320m² plus stage area;
- 6 retail outlets, each 12m²;
- Outdoor pool and bar;
- Tennis court;
- Various outdoor terraces;
- 60 car parking spaces; and
- Beach bar.

The 66 rooms and suites are situated in three linked blocks, which are identical in structural terms, are laid out on the traditional double-loaded grid, i.e. with bedroom bays on either side of a central corridor on three floors. Each block has a total of 27 bays, of varying size. In addition to the rooms and suites, each block contains several store rooms and a service room on the middle floor for housekeeping. All of the rooms have sea or garden views. A large part of the hotel is occupied by a number of single-story chalets, which are set in clusters amongst trees and flowerbeds. Each chalet has a bedroom, an en-suite bathroom, and a lounge complete with a kitchenette. There is also parking for the chalets that is separate from the main parking lot.

6. Legislative and Regulatory Framework

The Government of Sierra Leone has enacted several acts to encourage foreign investment, particularly within the tourism industry, reflecting the government's desire to develop this industry within Sierra Leone. Both the Income Tax Act (2000) and the Development of Tourism Act (1990) contain numerous tax deductions and incentives relevant to this transaction and the newly created Sierra Leone Investment and Export Promotion Agency provides support to investors to obtain the licenses necessary to operate the hotel.

The tourism industry in Sierra Leone is subject to labor requirements. One such requirement is a labor collective agreement dated September 13, 2002, which is only applicable to employees below the supervisory level, and sets forth requirements for paying out overtime and compensation for terminated employees. Another is the General Law (Business Start-up), amended July 26, 2007, which lays out the system for employers to obtain work permits for non-citizen workers.

7. Bidding Process

To obtain detailed information on the proposal, bidding process, and draft bidding documents, you must complete an application form, pay a \$2,500 fee, and sign a confidentiality agreement. A downloadable version of the application form and confidentiality agreement can be accessed at www.capesierrahotelppp.org/investmentopportunity.html.

8. Contacts

For further information about this opportunity, please contact:

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