CONDENSED RESULTS AND HIGHLIGHTS

for the six months ended 30 June 2015

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PEERMONT GLOBAL PROPRIETARY LIMITED

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This document contains a high-level summary of the consolidated half-yearly results of Peermont Global Proprietary Limited ("Peermont") and its subsidiaries ("the Peermont group" or "the group") which is made available for information purposes only and should not be utilised to make any investment or other decisions relating to the group. The complete results report has been made available to those persons entitled to it.

The Peermont group includes all of the operational entities of Maxshell 114 Investments Proprietary Limited, currently being renamed Peermont Holdings Proprietary Limited ("Peermont Holdings") and its subsidiaries ("the Peermont Holdings group").

We define EBITDA as earnings before interest, taxation, depreciation, amortisation, charges relating to the management long-term incentive programme, non-recurring transaction costs and other non-cash items. EBITDAR is EBITDA before rental payments. We believe that EBITDA/R serves as a useful supplementary financial indicator to investors, since it is commonly reported and widely accepted by analysts and investors in measuring a company's/group's ability to service its long-term debt and other fixed obligations and to fund its continued growth. Further, EBITDA/R is a widely accepted indicator in comparing a company's/group's underlying operating profitability with that of other companies/groups in the same industry. EBITDA/R is not an IFRS measure and you should not consider EBITDA/R as an alternative to measures of net profit/(loss) or indicators of operating performance, as measures of cash flow from operations or as indicators of liquidity under IFRS. Funds depicted by this measure may not be available for our discretionary use (due to covenant restrictions, debt service payments and other commitments). You should note that EBITDA/R is not a uniform or standardised measure and the calculation of EBITDA/R, accordingly, may vary significantly from entity to entity, and by itself our presentation and calculation of EBITDA/R may not be comparable to that of other companies/groups.

The six months ended 30 June

	(Unaudited) 2015 R'm	% change	(Unaudited) 2014 R'm
Revenue	**1 599,9**	5,9	1,510,5
Cash costs	**1 026,4**	(3,7)	990,1
Adjusted operating profit*	**429,3**	8,5	395,5
EBITDA	**575,1**	8,6	529,7
EBITDAR	**585,9**	7,5	545,0
EBITDA margin	**35,9%**		35,1%
EBITDAR margin	**36,6%**		36,1%

**Adjusted for the same factors affecting EBITDA.*

Overview

Revenue for the group increased by R89,4 million or 5,9% for the period. Overall cash costs were well managed and increased by 3,7% resulting in EBITDA growth of 8,6% for the group.

The newly constructed Thaba Moshate Resort in Burgersfort opened and was launched during April 2015. During its first quarter of operations, the resort contributed revenue of R18,2 million and EBITDA of R0,3 million, with revenues continuing to ramp up as the operations gain momentum. The work on the Umodzi Park complex in Malawi (managed by Peermont) was also completed and the property was officially opened for business in May 2015. As can be expected, both these properties are in their start-up stages and are yet to reach their full revenue potential while we continue to establish their presence in their respective markets.

Emperors Palace grew revenues by 6,6% and EBITDA by 13,7%. Collectively, all other operating units (excluding head office) grew revenue 5,4% and EBITDA by 3,8%, with margins impacted by the start-up of Thaba Moshate. Head office EBITDA declined by 4,3% as the prior year included once-off income of R6,9 million relating to the recovery of Thaba Moshate licence costs.

Gross gaming revenue at Emperors Palace grew by 5,7% in spite of modest growth of 3% in the Gauteng casino market. In addition, the resort continues to reap the benefits of the increased conferencing venue capacity added in September last year, with 11,2% growth in hotel and resort revenues contributing to overall growth of 6,6% in total revenues for the property.

As regards the balance of the group's operations, our Umfolozi and Frontier properties performed exceptionally well during the period with revenue growth of 17,0% and 43,4% respectively. In contrast, Graceland, Mmabatho Palms and Rio reported revenue decreases of 9,4%, 6,0% and 4,8% respectively, with poor economic conditions in their local catchment areas affecting spending by key corporate customers as well as customer disposable income in these areas. Our Botswana properties continue to see the effects of the current oversupply of rooms in the Gaborone market, with revenue and EBITDA slightly lower in Rand terms by 0,3% and 1,0% respectively. Excluding Thaba Moshate and despite challenging conditions, the balance of the group's operations collectively grew revenue by 2,1% and EBITDA by 3,6%.

Head office revenue, consisting mainly of management, administration and incentive fees received from the operating units (almost all of which is eliminated on consolidation), increased by 2,6% from R102,3 million to R105,0 million. Head office EBITDA at R70,4 million decreased by 4,3% in the current period as the prior year amount included other income of R6,9 million relating to the recovery of costs incurred on the Thaba Moshate resort. On a comparable basis head office EBITDA increased by 9,3%.

Segment analysis

	Six months ended 30 June (unaudited)			
	Revenue 2015 R'm	Revenue 2014 R'm	**EBITDA 2015 R'm**	EBITDA 2014 R'm
Emperors Palace	**1 026,5**	962,8	**360,0**	316,7
Other group operations	**572,6**	543,1	**144,7**	139,4
Head office	**105,0**	102,3	**70,4**	73,6
Inter-company	**(104,2)**	(97,7)	**—**	—
Peermont group total	**1 599,9**	1 510,5	**575,1**	529,7

New and ongoing developments

Emperors Palace

We are currently constructing additional private gaming rooms at Emperors Palace and simultaneously converting the hotel rooms on one floor of our five-star D'oreale Grande Hotel into luxury suites. Furthermore, we are currently expanding and upgrading the Aurelia's restaurant at the D'oreale Grande Hotel and upgrading various other facilities at Emperors Palace. While this investment will provide additional and enhanced facilities, particularly for our top-end clients, the temporary closure of certain key hotel and other facilities while under construction is likely to have an adverse impact on revenues until the new facilities are launched in September 2015 and will thereafter result in increased volatility in tables win. Furthermore, the second half of 2014 was an exceptional one for Emperors Palace, with significant growth in revenues from top-end players. As a result of the temporary disruption due to our construction activities at Emperors Palace and the strong second half 2014 base effect, it is expected that revenue growth during the second half of 2015 will be challenging.

Sun International transaction

The agreed sale of 100% of the Peermont Holdings group to Sun International through its subsidiary Sun International (South Africa) Limited is continuing. The requisite Sun International shareholder approval has been obtained and the Botswana Competition Authority has provided conditional approval for the transaction. The required submissions have been made to the South African Competition Commission and the application is currently being considered.

We currently anticipate that all regulatory approval decision processes included as conditions precedent to the transaction, will be concluded by the contractual long stop date of 31 March 2016.

Mondazur Resort Estate Hotel

The Mondazur property was successfully transferred to the purchaser and the purchase became effective on 1 July 2015.

Highlights for the six months to June 2015

REVENUE	EBITDA	EBITDA MARGIN
R1 599,9 million	**R575,1 million**	**35,9%**
+5,9%	**+8,6%**	**+0,8%**

GROUP STATEMENT OF FINANCIAL POSITION

at 30 June

	(Unaudited) 2015 R'm	(Unaudited) 2014 R'm
Assets		
Total non-current assets	**8 923,4**	8 762,3
Property, plant and equipment	**4 255,0**	4 080,1
Intangible assets	**4 614,4**	4 616,6
Investments	**40,5**	55,7
Loans and receivables	**—**	0,2
Derivative instruments	**1,3**	0,6
Deferred taxation assets	**12,2**	9,1
Total current assets	**358,7**	506,1
Asset held for sale	**—**	30,5
Inventories	**66,8**	60,5
Trade and other receivables	**79,1**	124,7
Amounts due by related parties	**4,1**	60,0
Loans and receivables	**0,2**	0,5
Taxation receivable	**7,9**	6,4
Cash and cash equivalents	**200,6**	223,5
Total assets	**9 282,1**	9 268,4
Equity and liabilities		
Equity		
Capital and reserves	**2 774,7**	2 768,7
Non-controlling interests	**123,8**	118,2
Total equity	**2 898,5**	2 886,9
Total non-current liabilities	**5 693,4**	5 734,1
Interest-bearing long-term borrowings	**4 936,0**	4 998,6
Amounts due to related parties	**23,3**	27,9
Deferred taxation liabilities	**734,1**	707,6
Total current liabilities	**690,2**	647,4
Trade and other payables	**395,4**	361,7
Current portion of interest-bearing long-term borrowings	**182,5**	244,4
Current portion of derivative instruments	**21,1**	7,7
Amounts due to related parties	**90,9**	15,6
Taxation payable	**0,3**	18,0
Total equity and liabilities	**9 282,1**	9 268,4

CONSOLIDATED STATEMENT OF CASH FLOWS
for the six months ended 30 June

	(Unaudited) 2015 R'm	(Unaudited) 2014 R'm
Cash inflows from operating activities	**493,8**	503,5
Finance income received	**9,3**	22,0
Finance expense paid	**(228,6)**	(236,0)
Taxation paid	**(23,3)**	(24,5)
Net cash inflows from operating activities	**251,2**	265,0
Cash outflows from investing activities	**(162,7)**	(159,2)
Replacement of property, plant and equipment to maintain operations	**(133,3)**	(114,2)
Acquisition of property, plant and equipment to expand operations	**(47,8)**	(48,5)
Replacement of intangible assets to maintain operations	**(3,3)**	(0,6)
Proceeds on disposal of property, plant and equipment	**0,3**	1,5
Proceeds on disposal of property held for sale	**21,3**	—
Enterprise development loans receivable repaid	**0,1**	0,1
Redemption of investment in preference shares	**—**	2,5
Cash (outflows)/inflows from financing activities	**(184,5)**	28,0
Capital repayments on senior debt	**(175,0)**	(32,5)
Other interest-bearing long-term borrowings repaid	**(3,6)**	(4,3)
Decrease in non-current amounts due to related parties	**1,8**	1,5
Dividends paid to non-controlling interests	**(7,7)**	(9,3)
Interest-bearing long-term borrowings raised	**—**	5 225,0
SSNs and rehedging loan repaid	**—**	(4 972,1)
Transaction costs paid	**—**	(180,3)
Net (decrease)/increase in cash and cash equivalents	**(96,0)**	133,8
Cash and cash equivalents at the beginning of the period	**296,4**	89,6
Effect of exchange rate fluctuations on cash held	**0,2**	0,1
Cash and cash equivalents at the end of the period	**200,6**	223,5

Cash inflows from operating activities

Cash inflows from operating activities for the period were R493,8 million compared to R503,5 million for the period ended 30 June 2014. The increase in EBITDA of R45,4 million was offset by an increase in working capital outflows of R40,8 million; transaction costs of R8,1 million incurred in relation to the Sun International transaction; and, pre-opening expenses amounting to R6,4 million incurred at the Thaba Moshate resort. The working capital outflows for the current year include the payment of costs amounting to approximately R52,0 million relating to the construction of Thaba Moshate which were accrued in the prior year.

Finance expense paid

Payments made relating to the senior debt amounted to R211,5 million (2014: Rnil) and payments relating to the related interest rate hedges amounted to R15,2 million (2014: R6,6 million). The prior year amount included interest paid on the deferred hedging loan amounting to R31,7 million.

Cash outflows from investing activities

Net cash outflows from investing activities for the six months were R162,7 million. This included capital expenditure of R76,1 million spent on slots replacement throughout the group; R1,2 million on refurbishments at the Mmabatho Palms resort; R42,2 million relating to construction of the Thaba Moshate resort in Burgersfort; R5,2 million on expansion at Emperors Palace; R0,4 million on a rooms conversion at Khoroni; and, the balance on normal replacement capital expenditure and other investing activities of the group.

Cash outflows from financing activities

Net cash outflows from financing activities for the period amounted to R184,5 million. This included capital repayments on the senior debt of R175,0 million, other scheduled redemption of debt by group companies of R3,6 million, dividends paid to non-controlling shareholders of R7,7 million and other cash inflows of R1,8 million. The senior debt repayments of R175,0 million consisted of scheduled repayments of R75,0 million and an additional voluntary repayment of R100,0 million due to increased cash balances.


FRONTIER


Rio