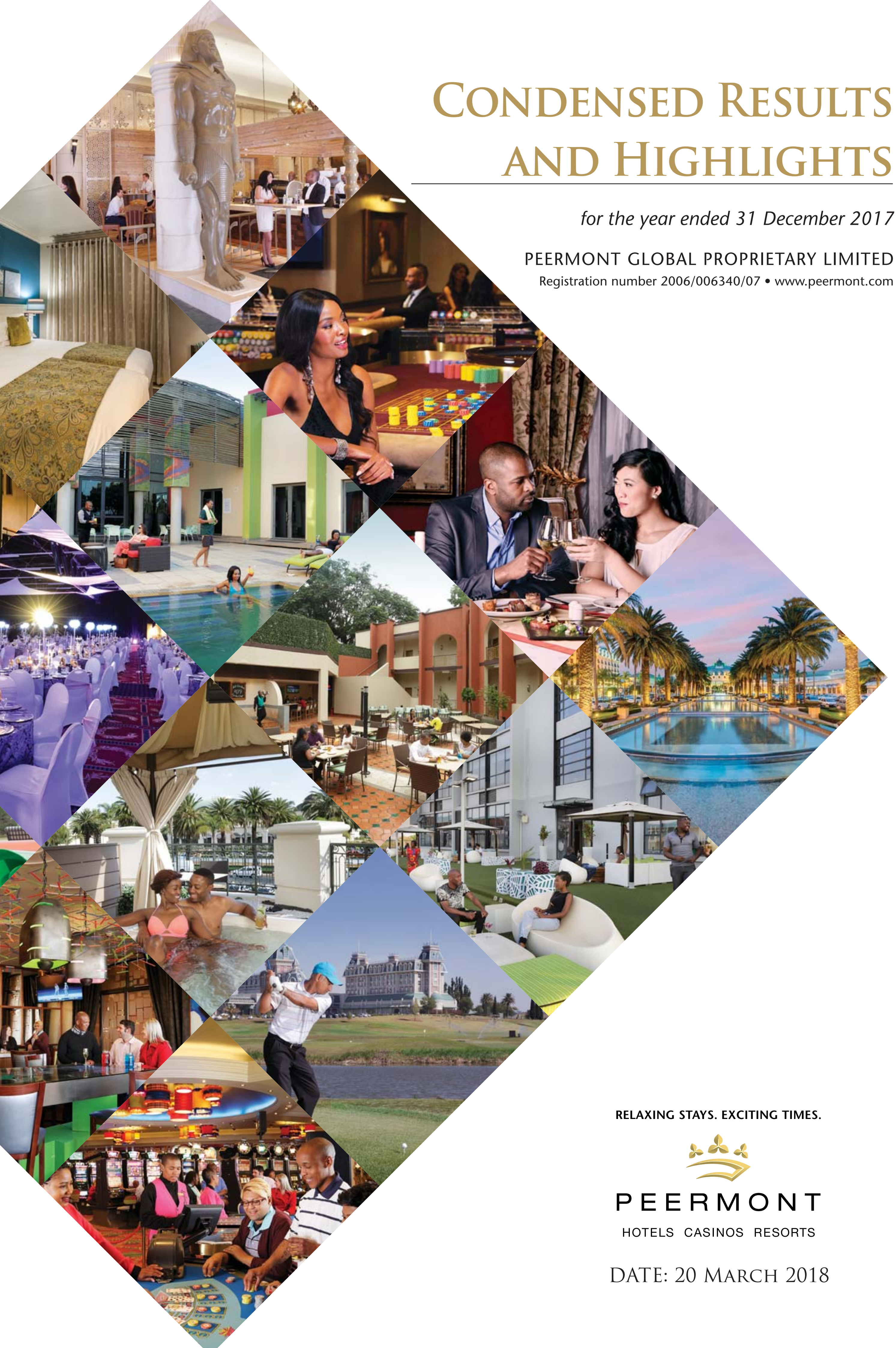


Condensed Results and Highlights

for the year ended 31 December 2017

PEERMONT GLOBAL PROPRIETARY LIMITED

Registration number 2006/006340/07 • www.peermont.com

RELAXING STAYS. EXCITING TIMES.

PEERMONT

HOTELS CASINOS RESORTS

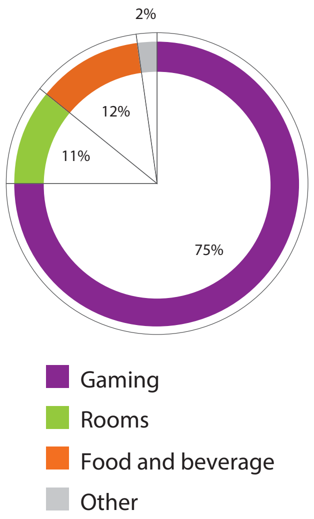
DATE: 20 March 2018

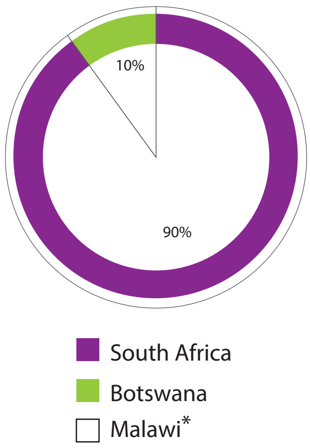
This document contains a high-level summary of the consolidated annual results of Peermont Global Proprietary Limited ("Peermont") and its subsidiaries ("the Peermont group" or "the group") which is made available for information purposes only and should not be utilised to make any investment or other 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 Peermont Holdings Proprietary Limited and its subsidiaries ("the Peermont Holdings group").

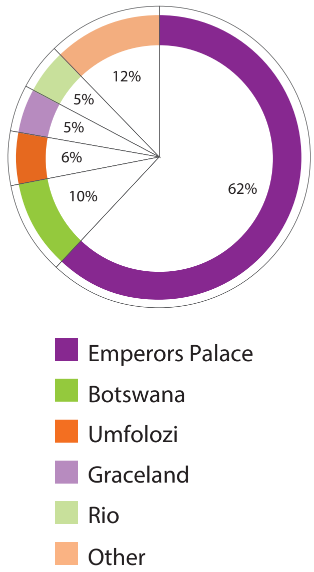
We define EBITDA as earnings before interest, taxation, depreciation, amortisation, charges relating to the management long-term incentive programme, pre-opening expenses, non-recurring settlements and transaction costs and other non-cash items. EBITDAR is EBITDA before rental payments.

Snapshot of Peermont financial performance

Revenue by source	Revenue by country	Revenue by property



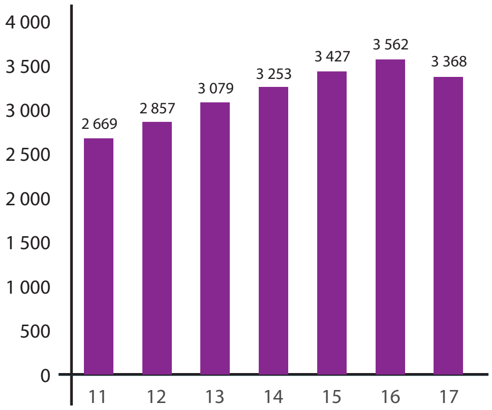




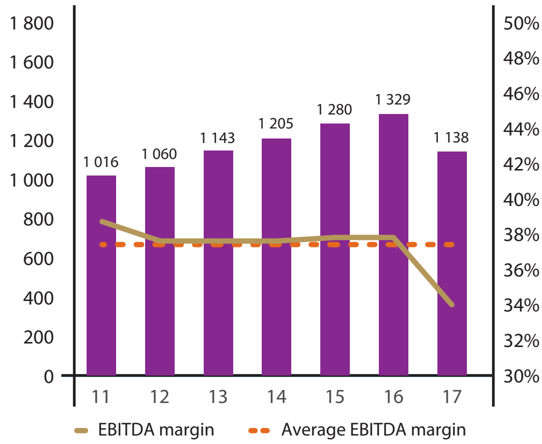
* Less than 0,5%.

Summary of revenue and EBITDA performance history

Revenue (R'm)



EBITDA (R'm) and EBITDA margin (%)



Segment analysis

	Six months ended 31 December (unaudited)				Year ended 31 December (audited)			
	Revenue		EBITDA		Revenue		EBITDA	
	2017 R'm	2016 R'm	**2017 R'm**	2016 R'm	**2017 R'm**	2016 R'm	**2017 R'm**	2016 R'm
Emperors Palace	**1 055,7**	1 117,1	**349,1**	392,1	**2 084,8**	2 259,5	**673,9**	814,0
Other group operations	**681,7**	655,6	**180,0**	177,8	**1 274,6**	1 294,9	**307,7**	341,0
Head office	**124,0**	122,4	**87,6**	89,6	**232,8**	242,8	**155,9**	173,5
Intercompany	**(119,2)**	(118,7)	**—**	—	**(224,0)**	(235,6)	**—**	—
Peermont group total	**1 742,2**	1 776,4	**616,7**	659,5	**3 368,2**	3 561,6	**1 137,5**	1 328,5

	Six months ended 31 December			Year ended 31 December		
	2017 R'm	% change	2016 R'm	**2017 R'm**	% change	2016 R'm
Revenue	**1 742,2**	(1,9)	1 776,4	**3 368,2**	(5,4)	3 561,6
EBITDA	**616,7**	(6,5)	659,5	**1 137,5**	(14,4)	1 328,5
EBITDAR	**627,8**	(6,4)	670,8	**1 159,6**	(14,2)	1 351,9
EBITDA margin	**35,4%**		37,1%			37,3%
EBITDAR margin	**36,0%**		37,8%			38,0%

Group overview

Our operating results for the half and full year reflect the current economic conditions in southern Africa and in particular in the gaming and hospitality industry. Alternate gaming in the form of Electronic Betting Terminals, Limited Payout Machines and Sports Betting continue to impact growth of traditional casinos. Political and economic uncertainty throughout the year resulted in a decline in consumer disposable income, which was keenly felt in our industry. With the recent developments in the political landscape and the swearing in of a new president of the Republic of South Africa in February 2018, there is increased optimism for the economy in the new year. Group revenue for the second half of the year decreased by 1,9% from R1 776,4 million to R1 742,2 million and EBITDA decreased by 6,5% from R659,5 million to R616,7 million. For the year ended 31 December 2017, overall group revenue decreased by 5,4% from R3 561,6 million to R3 368,2 million and EBITDA for the year decreased by 14,4% to R1 137,5 million.

Emperors Palace revenue for the year declined by 7,7% to R2 084,8 million and EBITDA at the resort decreased by 17,2%. The Time Square casino which opened in Menlyn Maine, Tshwane on 1 April 2017 added 19,0% new gaming capacity to the Gauteng market. In spite of this, gaming revenue in Gauteng only grew 3,4%, resulting in diluted revenue for other properties in the province, including Emperors Palace. Based on results to date, the Time Square casino has had less of an impact on Emperors Palace than initially projected, however Emperors Palace has been significantly affected by the prevailing poor economic conditions.

Revenue for the other group operations decreased by 1,6% to R1 274,6 million and EBITDA decreased by 9,8% to R307,7 million for the year with our Botswana operations recording the largest portion of the decrease. Our Frontier and Umfolozi properties were able to increase EBITDA for the year by 7,3% and 1,6% respectively while our other operations all reported flat or decreasing EBITDA for the year. Although a number of our properties reported modest increases in revenue, this was not sufficient to translate into meaningful EBITDA growth.

Head office revenue decreased by 4,1% from R242,8 million to R232,8 million mainly due to profit-linked management fees earned from the operating properties. EBITDA decreased by 10,1% from R173,5 million to R155,9 million, mainly due to the decrease in revenue and an increase in remuneration costs.

Highlights for the year ended 31 December 2017

- ✓ Group debt refinance and restructuring completed
- ✓ Construction of 100 new rooms at the Peermont Metcourt hotel at Emperors Palace completed
- ✓ Moo Bars opened at Khoroni and Mmabatho

Consolidated statement of financial position

at 31 December

	Group 2017 R'm	Group 2016 R'm
Assets		
Total non-current assets	**9 156,0**	9 340,4
Property, plant and equipment	**4 144,4**	4 199,7
Intangible assets	**5 007,0**	5 066,2
Investments	**1,3**	68,5
Loans and receivables	**1,9**	3,0
Deferred taxation assets	**1,4**	3,0
Total current assets	**435,3**	567,6
Inventories	**87,9**	85,3
Trade and other receivables	**116,2**	85,9
Amounts due by related parties	**5,3**	2,8
Loans and receivables	**1,1**	1,1
Taxation receivable	**4,9**	3,7
Cash and cash equivalents	**219,9**	388,8
Total assets	**9 591,3**	9 908,0
Equity and liabilities		
Equity		
Capital and reserves	**3 757,5**	3 725,5
Non-controlling interests	**123,7**	110,7
Total equity	**3 881,2**	3 836,2
Total non-current liabilities	**4 949,5**	5 374,0
Interest-bearing long-term borrowings	**3 612,7**	4 015,6
Derivative instruments	**—**	1,2
Amounts due to related parties	**12,8**	37,0
Deferred taxation liabilities	**1 324,0**	1 320,2
Total current liabilities	**760,6**	697,8
Trade and other payables	**590,1**	434,7
Current portion of interest-bearing long-term borrowings	**142,5**	223,9
Current portion of derivative instruments	**5,1**	4,1
Amounts due to related parties	**19,2**	31,2
Taxation payable	**3,7**	3,9
Total equity and liabilities	**9 591,3**	9 908,0

Consolidated statement of cash flows

for the year ended 31 December

	Group	
	2017	2016
	R'm	R'm
Cash inflows from operating activities	**1 107,9**	1 994,4
Finance income received	**30,4**	29,3
Finance expense paid	**(431,5)**	(438,2)
Taxation paid	**(45,1)**	(43,8)
Dividends paid to non-controlling interests	**(15,3)**	(25,7)
Dividend paid to holding company	**(765,5)**	(4,1)
Net cash (outflows)/inflows from operating activities	**(119,1)**	1 511,9
Cash outflows from investing activities	**(290,5)**	(403,0)
Replacement of property, plant and equipment to maintain operations	**(228,8)**	(206,6)
Acquisition of property, plant and equipment to expand operations	**(37,4)**	(148,5)
Replacement of intangible assets to maintain operations	**(8,7)**	(16,7)
Acquisition of investments	**(17,4)**	(33,4)
Enterprise development loans receivable repaid	**1,1**	1,2
Proceeds on disposal of property, plant and equipment	**0,7**	1,0
Cash inflows/(outflows) from financing activities	**240,9**	(987,9)
Capital repayments on Senior debt	**(3 256,5)**	(336,0)
Other interest-bearing long-term borrowings repaid	**(1 191,9)**	(649,0)
Borrowings raised	**3 825,0**	—
Share capital raised	**875,0**	—
Restructuring costs paid	**(7,5)**	—
Decrease in non-current amounts due to related parties	**(3,2)**	(2,9)
Net (decrease)/increase in cash and cash equivalents	**(168,7)**	121,0
Cash and cash equivalents at beginning of year	**388,8**	269,0
Effect of exchange rate fluctuations on cash held	**(0,2)**	(1,2)
Cash and cash equivalents at end of year	**219,9**	388,8

Cash inflows from operating activities

Cash inflows from operating activities for the year were R1 108,5 million compared to R1 994,4 million for the year ended 31 December 2016. The prior year cash flows included proceeds from the Sun International settlement amounting to R675,0 million. EBITDA for the period decreased by R191,5 million and net working capital outflows were R27,0 million higher, resulting in a further decrease in net cash inflows from operating activities. Working capital outflows for the current period included an increase in trade receivables resulting from slower paying debtors as well as the payment of Peermont Metcourt development costs accrued for at December 2016. This was partially offset by accruals raised for restructuring transaction costs.

Finance income received

This consists mainly of interest received on cash deposits at financial institutions which have increased in comparison to the prior period. The increase is attributable to increased net cash balances on hand during the period.

Finance expense paid

Payments made relating to the 2014 Senior debt were R367,9 million (2016: R400,5 million); payments on the PIK Notes were R43,4 million (2016: R26,0 million); and payments relating to the interest rate swaps amounted to R6,9 million (2016: R9,6 million). Interest paid on the 2017 Senior debt amounted to R10,6 million.

Taxation paid

The group made certain taxation payments in the ordinary course of business and most of the subsidiaries will continue to incur taxation cash flows.

Net cash outflows from investing activities

The net cash outflow from investing activities for the year was R290,5 million. This included net replacement capital expenditure of R228,8 million and expansion capital expenditure of R37,4 million, the details of which are presented later in this report under the heading "Capital expenditures". In addition, the group bought back shares in terms of the 2014 MIP at a cost of R17,4 million and received payments of enterprise development loans amounting to R1,1 million.

Net cash inflows from financing activities

Net cash inflows from financing activities for the year amounted to a net R240,9 million. This included capital repayments on the 2014 Senior debt and PIK Notes which amounted to R3 256,5 million and R1 191,9 million respectively. The group raised R3 825,0 million in new 2017 Senior debt facilities as well as R875 million from the issue of new shares. The prior period amount included an additional voluntary repayment of the 2014 Senior debt of R150,0 million as well as a capital repayment to the PIK Notes Loan of R649,0 million.

New and ongoing developments

Group debt refinance and restructuring

The debt refinance and equity restructuring of the Peermont Holdings group was successfully completed in December 2017. As part of the process the PIK Notes and Senior debt raised in April 2014 were settled and replaced with new 2017 Senior debt raised by Peermont and new preference shares to a value of R875,0 million issued by PGH III. In addition the PGH II preference shares held by external shareholders were repurchased by the group in exchange for the issue of Peermont Holdings ordinary shares.

The B-BBEE shareholders obtained ordinary shares in Peermont Holdings in exchange for their option rights under the existing B-BBEE structure. A new B-BBEE structure was implemented in terms of which the group's B-BBEE shareholders acquired additional shares in Peermont Holdings at a nominal amount. These shares are subject to notional vendor funding which stipulates that the shareholders are entitled to the value of the shares in excess of the value of the notional vendor funding, after a period of five years. The notional vendor funding amount is calculated as the market value of the shares of R919,9 million at the 2017 transaction date, escalated by a factor of 85% of the prime interest rate per annum. The transaction was recognised as an equity-settled share-based payment in terms of IFRS and the resulting B-BBEE charge of R213,1 million was recognised in profit or loss.

Total transaction costs amounted to R127,6 million of which R72,4 million was capitalised to the new 2017 Senior debt and R55,2 million was expensed in the current year.

Property developments

We are pleased to report that we have made some exciting improvements at a number of our operations. The 100-room expansion of the Metcourt hotel at Emperors Palace was completed during the year. In addition there have been extensive refurbishments at some of our operations, the most significant of which were:

- Major refurbishments at the Grand Palm in Gaborone
- Extensive refurbishment of the casino floor at Khoroni
- Moo Bar restaurants opened at Mmabatho and Khoroni
- Refurbishment of the privé at Rio
- Beef Baron Grillhouse opened at Frontier