Condensed Results and Highlights

for the three months ended 31 March 2013

PEERMONT

HOTELS CASINOS RESORTS

Peermont Global Proprietary Limited

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The content of this document is a high-level summary of the group's consolidated quarterly results which are made available for information purposes only and should not be utilised to make any investment or other decisions on or relating to the group. As it is a summary of the highlights of the results, it may contain inaccuracies or oversights which are not contained in the complete report. The complete results report has been made available to those persons and entities which are entitled to it.

We define EBITDA as earnings before interest, taxation, depreciation, amortisation 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.

QUARTERLY CONDENSED RESULTS AND HIGHLIGHTS

for the three months ended 31 March 2013

	2013 R'm	% change	2012 R'm
Revenue	**739,6**	11,4	663,8
EBITDA	**272,7**	14,2	238,8
EBITDAR	**279,7**	14,4	244,4
EBITDA margin	**36,9%**		36,0%
EBITDAR margin	**37,8%**		36,8%

Financial highlights for the three months to March

Revenue

- Group gaming revenues increased by 13,9% as compared to Q1 2012.
- Hotel and resort revenues increased by 2,8% as compared to Q1 2012.
- Overall hotel occupancies for the quarter were 69,6%, slightly below the 70,5% reported for Q1 2012.

EBITDA

- EBITDA increased by 14,2% to R272,7 million in Q1 2013.
- Group EBITDA margin increased from 36,0% in Q1 2012 to 36,9% in Q1 2013.

Segment highlights

- Revenue at Emperors Palace increased by 16,7% (from R416,3 million to R485,8 million). Gaming revenue at Emperors Palace increased by 19,0% for the quarter boosted by foreign tables players visiting the casino during and after the African Cup of Nations football tournament. Hotel and resort revenue at the property grew by 5,6% for the same period, with occupancies for the quarter increasing to 81,3%. EBITDA increased by 25,2% (from R140,5 million to R175,9 million).
- Botswana revenues declined by 7,6% (from P60,3 million to P55,7 million) and EBITDA declined by 29,1% (from P17,9 million to P12,7 million). The performance for the quarter can be attributed to the increase in the supply of rooms in Gaborone impacting negatively on revenue for the quarter. Cash costs were well controlled and increased by 1,2% (from P42,5 million to P43,0 million) despite the effect of an additional P1,0 million performance rental accrued in respect of the Gaborone International Convention Centre.
- The balance of our South African operations generated revenue growth of 5,2% and EBITDA growth of 4,7% as compared to Q1 2012. Notable performances for the quarter include:
  - Graceland – revenue increased by 10,7% (from R38,4 million to R42,5 million) and EBITDA by 25,5% (from R10,6 million to R13,3 million) as compared to Q1 2012.
  - Umfolozi – revenue increased by 13,0% (from R35,4 million to R40,0 million) and EBITDA by 19,8% (from R11,1 million to R13,3 million) as compared to Q1 2012.

Highlights for the three months to March 2013

REVENUE
R739,6 million
+11,4%

EBITDA
R272,7 million
14,2%

EBITDA MARGIN
36,9%
+0,9%

CONDENSED CONSOLIDATED CASH FLOWS

for the three months ended 31 March

Cash flow data for the three months ended 31 March	**2013** **R'm**	2012 R'm
Net cash inflows from operating activities	**248,5**	252,7
Finance income received	**5,2**	3,0
Finance expenses paid	**(6,6)**	(5,9)
Taxation paid	**(4,3)**	(4,8)
Net cash inflows from operating activities	**242,8**	245,0
Cash outflows from investing activities	**(69,6)**	(30,7)
Cash outflows from financing activities	**(12,7)**	(16,4)
Net increase in cash and cash equivalents	**160,5**	197,9

Cash inflows from operating activities

Cash inflows from operating activities for the period were R248,5 million compared to R252,7 million for the period ended 31 March 2012. The decrease from the prior year is a result of working capital changes which generated a net cash outflow in the three months to March 2013 as compared to a net cash inflow in the same period of 2012. These movements were a result of higher cash outflows for bonus payments and a lower value of accruals raised in the three months to March 2013 as compared to the prior period.

Finance expenses paid

This consists of interest paid on borrowings by the group. No cash flows related to the deeply subordinated shareholder loans, the deferred hedging loan and the SSNs took place during the quarters.

Cash outflows from investing activities

The net cash outflow from investing activities for the three months was R69,6 million. This includes replacement capital expenditure of R9,2 million spent on slots replacement throughout the group; R47,2 million on computer software and equipment on installation of the new gaming system; and P1,1 million (R1,2 million) relating to refurbishment at the Metcourt Hotel in Francistown and the Grand Palm in Gaborone. The balance consists of normal replacement capital expenditure. R1,4 million was spent on expansion capital expenditure including the Club Floor Lounge at Emperors Palace and the chinese restaurant and spa at the Grand Palm resort.

Cash outflows from financing activities

Net cash outflows used in financing activities for the period amounted to R12,7 million. This comprises the normal redemption of debt by group companies and R11,3 million relating to the redemption of the non-controlling shareholders' portion of the preference shares in Peermont Global (Botswana) Limited.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 March

	2013 R'm	2012 R'm
Total non-current assets	**9 316,8**	8 783,9
Total current assets	**490,0**	392,8
Total assets	**9 806,8**	9 176,7
Capital and reserves	**(1 999,7)**	(1 343,9)
Non-controlling interests	**93,0**	83,2
Deeply subordinated shareholder loans[1]	**5 171,1**	4 279,0
	3 264,4	3 018,3
Other interest-bearing long-term borrowings	**5 222,6**	4 488,3
Other non-current liabilities	**419,0**	799,5
Current portion of interest-bearing long-term borrowings	**212,4**	205,8
Other current liabilities	**688,4**	664,8
Total equity and liabilities	**9 806,8**	9 176,7

[1] *In terms of the deeply subordinated shareholder loan agreement, these loans do not require any amortisation or other payment of interest or principal before 27 April 2037, nor may the loan holder declare any event of default or take any enforcement action prior to that date.*

CONTRACTUAL INTEREST-BEARING DEBT OBLIGATIONS

as at 31 March 2013

	Less than 1 year R'm	**1 – 3 years R'm**	**3 – 5 years R'm**	**After 5 years R'm**	**Total R'm**
Second priority Senior Secured Notes[1][3]	155,7	4 815,3	—	—	4 971,0
Deferred hedging loan	25,2	—	400,0	—	425,2
Deeply subordinated shareholder loans	—	—	—	5 171,1	5 171,1
PIK Equity Loan[2][3]	—	—	—	3 134,6	3 134,6
PIK Notes Loan[2][3]	—	—	—	2 036,5	2 036,5
Bank borrowings[4]	31,5	7,3	—	—	38,8
	212,4	4 822,6	400,0	5 171,1	10 606,1
Operating lease commitments	14,8	22,8	21,4	224,1	283,1
Total	227,2	4 845,4	421,4	5 395,2	10 889,2

[1] *The amount reflected is €416,1 million disclosed at the current spot rate, less unamortised issue costs and discounts, plus accrued interest, the capital of which is due in April 2014.*

[2] *The amount reflected includes the capital owing and accrued and capitalised interest on subordinated long-term shareholder funding from Peermont Global Holdings II Proprietary Limited.*

[3] *It is currently the group's objective to refinance/restructure the deeply subordinated shareholder loans (not due before 2037), the SSNs (contractually due 2014) and the deferred hedging loan (contractually due 2017) in or before April 2014. In terms of the deeply subordinated shareholder loans agreement, the deeply subordinated shareholder loans do not require any amortisation or other payment of interest or principal before 27 April 2037, nor may the loan holders declare any event of default or take any enforcement action prior to that date. See "Update on discussions regarding our capital structure" presented later in this report.*

[4] *Bank borrowings comprise secured loan facilities from financial institutions in South Africa. This does not reflect amounts outstanding under, or that in future may be borrowed under, the revolving credit facility.*

Peermont's financial standing

On a rolling 12-month basis to 31 March 2013, the group generated revenues of R2 932,7 million, EBITDA of R1 094,1 million and EBITDAR of R1 123,3 million at industry-leading EBITDA and EBITDAR margins of 37,3% and 38,3% respectively.

Peermont remains strongly cash generative. Operating cash flow for the 12 months to March 2013 was R1 076,0 million. After deducting replacement capital expenditures and taxation paid, free cash flow of R845,0 million was available to service debt and to provide for expansion capital expenditure, representing a ratio of free cash flow to EBITDA of 77,2%.

Update on discussions regarding our capital structure

As previously reported, the Board and its advisors have been engaging with key stakeholders and their advisors regarding de-gearing and restructuring of the group's balance sheet, including through direct discussions with key stakeholders. In addition the company has also engaged with local and international financial institutions to negotiate the refinancing of the SSNs. This engagement continues. There can be no assurance that these efforts will lead to a definitive agreement and/or successful completion of any transaction involving the group's capital structure.

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