

Good afternoon and welcome to the Peermont 2010 results presentation

My name is Anthony Puttergill, Group Chief Executive of Peermont and with me I have Grant Robinson, our Group Financial Director.

For those of you attending our presentation in person, we have printed colour copies of the slides for you. We have also opened our conference call lines and loaded our presentation onto the Peermont website earlier today, so that conference call participants can follow the slides with us, though I would advise following a colour copy of the slides as it may be quite tricky to follow in black & white.

Our annual report for the year ended 31 December 2010 was released for distribution last Thursday 31 March 2011, through Euroclear and ClearStream, and was also published on our website at the same time.

Since our presentation may contain certain forward-looking information, it should be qualified by all the factors referred to in our annual report as well as in the risk factors section of our website.

SLIDE 1: Index

I will begin with a discussion of the macro-economic environment in the countries in which we operate, followed by an update of industry developments. I will then take you through our financial and operating highlights, followed by a review of the financial results by Grant. Finally, I will conclude with a brief discussion of our recent key initiatives.

SLIDE 1.1: Key macro indicators

South Africa continued to emerge from the recession in 2010, with four consecutive quarters of GDP growth. GDP grew by 2,8% overall during 2010, with the last quarter of 2010 showing more robust growth of 4,4%. For 2010 the average wage settlement amounted to an 8,2% increase, which was significantly above the rate of inflation growth and has contributed to rising real income levels for those people who are employed. While growth in consumer spending was a positive 4,6%, this did not translate into any significant recovery in services or leisure discretionary spend, with durable and semi-durable goods benefiting most from the recovery in consumer spend. There were modest, almost negligible, reductions in the high levels of unemployment and household indebtedness, which remain as significant constraints to growth in consumer spend. Household debt levels remain persistently high at 78% of household disposable income. Botswana reported exceptional GDP growth of 10,7% for the year. This strong performance is due both to a weak comparative base and to the recovery in the worldwide demand for diamonds.

SA CPI remained in the lower half of the target range of 3-6% during the second half of 2010 and in early 2011, held in check by the strength of the Rand exchange rate and moderate domestic food price increases. CPI averaged 4,3% for 2010 and has since fallen to an annualised 3,7% in January 2011. According to the SARB, inflation is expected to remain within the targeted range this year and next. Interest rates were cut by 150bps between January and November 2010 and currently remain stable. Botswana began easing rates in February 2009 and has largely followed a similar pattern of easing to the SA monetary authorities, with their prime lending rate being reduced to 11% in December 2010.

The budget deficit of around 7% of GDP for 2009/10 has reduced to 5% of GDP for 2010/11 and is expected by the SARB to narrow to around 3,8% within the next three years.

SLIDE 1.1: Key macro indicators cont.

The forecast GDP growth for South Africa in 2011 is currently 3,7%, whilst inflation is expected to increase to 4,4% for 2011. This will be put under pressure by rising oil, energy and commodity prices that have significantly increased inflation risks across the world over the past few months. Final consumption expenditure by households is forecast to be 4,8% for 2011. The prime interest rate is expected to remain stable, with an average prime lending rate of 9,0% for 2011.

SLIDE 1.1: Key macro indicators cont. - South Africa

As previously mentioned, the SA economy showed real growth of 4,4% during the 4th quarter of 2010. This partly reflected the normalisation of manufacturing production and government services, which rebounded following strike action in the third quarter. The consumer economic recovery continued with an annualised growth of 5,1% in the 4th quarter of 2010, benefiting the durable and semi-durable goods sectors but to date not yet benefiting the services and leisure sectors significantly. Based on forecasts by Standard Bank we anticipate continued growth in household expenditure in the region of 4,8% for 2011 and 5,0% in 2012.

We have not to date seen any meaningful recovery in casino or hotel industry revenues. GGR for the Gauteng market declined by 0,3% for the fourth quarter of 2010 and remained flat to marginally negative for the first ten weeks of 2011.

While consumers are expected to be positively impacted by positive real wage increases, the lagging effect of lower interest rates and lower levels of inflation on the one hand, high levels of unemployment and household debt have continued to constrain growth in consumer spend to date.

SLIDE 1.1: Key macro indicators cont. - Botswana

The recovery of the diamond market in particular has resulted in a partial recovery of the Botswana economy, and the Botswana Government expects a full recovery by next year.

There was a freeze in the wages of civil servants between 2010 and 2011.

On the 1st April 2010 government increased the VAT rate by 2% to 12%. The initial 30% levy on the price of liquor in the previous year, followed by a further 10% levy this year, together with the increase in VAT is expected to continue to negatively impact our Botswana business in the short to medium term.

SLIDE 2.1: Size of South African casino market

Turning to the South African casino market in 2009/2010, the figures are only aggregated by the National Gambling Board for the 12 months to 31 March each year. These figures are therefore 9 months out of sync with our reported results. Nevertheless they do provide some information regarding trends.

It is clear that Gauteng is still the largest casino market in South Africa, accounting for 44% of South Africa's total casino revenues for the 12 months ended 31 March 2010. The casino industry as a whole generated revenue growth of 1,5% to 31 March 2010.

SLIDE 2.2: New SA gaming developments

As far as recent developments are concerned, the SA Minister of finance announced in his February 2011 budget speech that with effect from April 2012, all gambling winnings in SA above R25 000, including pay-outs from the National Lottery, will be subject to a final 15 per cent withholding tax. Similar taxes exist in India, the Netherlands and the United States. CASA has subsequently requested the opportunity to engage with the Minister on this matter and is conducting research into similar withholding taxes in other parts of the world. At this point there is a complete lack of detail regarding the proposed new tax and as far as we are aware, there was no prior consultation either with the gambling industry or gambling regulators regarding this proposal. The process going forward will in all likelihood be that Treasury will incorporate the tax proposal in a Bill to be published for comment and that there will then follow the usual consideration of such comment and public hearings on the matter by the Finance Portfolio Committee of Parliament, at which CASA intends to make representations.

As we mentioned last year, the National Gambling Commission was established by the Department of Trade and Industry, inter alia to review all new forms of gambling, including internet gambling, electronic bingo terminals, dog racing etc.

A series of public hearings was conducted, following which the commission presented a final report to Minister of Trade and Industry during September 2010. The final report has not been made available to the industry and was only discussed by the Gambling Policy Council during March 2011. It is expected that the report will now move to the Parliamentary Portfolio Committee although dates when this will take place are not yet available.

As far as BBBEE requirements are concerned, it is the intention of most provincial gaming regulators to compel each casino in SA to achieve level 2 status by 2015 in terms of the DTI's codes of good practice on BBBEE. There are

8 levels of compliance, with level one being the highest and level 8 the lowest. For 2009, Peermont achieved a level 3 verified rating across the group which is very good in relation to many other companies in SA. We expect a similar score for 2010, once the audit is completed. As an industry, we had previously committed to achieve a level 4 rating for 2010.

The new Premier of the NW province announced in her recent provincial parliamentary address that she intends to engage with the Minister of Trade & Industry to issue a 5th licence in the province. This is in view of the fact the NW province lost its 5th licence to Gauteng in 2006, when the provincial borders changed and the Morula Sun became part of Gauteng.

Following the recommendation of the Competition Commission to approve the merger between Gold Reef Resorts and Tsogo Sun, on condition that that the merged entity disposes of its Silverstar casino resort in the West Rand region of Gauteng, the Competition Tribunal approved the merger unconditionally. The Competition Tribunal has yet to publish reasons for its decision.

Disappointingly, three provinces in SA have recently seen fit to increase the rate of gambling levies, during a period when casino operators are already under pressure from reduced leisure spending, increased local municipal rates and taxes and utility costs.

The effect on Peermont is most severe in the NW province where, based on 2010 GGR, this will result in an estimated additional cost of R2,9 million per annum w.e.f 1 February 2011. In Limpopo, the anticipated effect is an increase of R1,8 million per annum again based on 2010 GGR. The effective date of this increase is still to be promulgated. There is currently no effect from the increase in Mpumalanga gaming levies, since our Graceland GGR is currently below the minimum monthly revenue threshold of R10 million where there is no change in

rate. The total anticipated effect of these levy increases amounts to approximately R4,1 million per annum.

SLIDE 2.3: Hotel trends – SA

Hotel revenues in SA came under pressure during 2010 and would have probably shown a decrease, had it not been for the once-off boost provided by the 2010 SWC. Despite this event, occupancies for the year declined, mainly as a result of the additional supply of rooms opened prior to the SWC in 2010. While average rooms rates increased by 16% nationally, this can almost all be attributed to the increase in room rates during the SWC. There are still headwinds facing the hotel industry, in the form of oversupply of rooms in certain key nodes and reduced leisure spending from overseas visitors. In addition, the business sector of the economy, which generates more than 50% of national room sales, has not yet recovered meaningfully enough to generate significant additional room night sales.

SLIDE 2.3: Hotel Trends – Botswana

The picture in Botswana for 2010 was significantly better. Despite the SWC having a marginally negative effect on Botswana hotel revenues, both occupancies and average room rate increased as the economy bounced back. Revpar for the Botswana hotel market increased by over 13% during 2010.

SLIDE 2.4.1: Gauteng Gaming Data

Total casino gaming revenues – weekly data (year on year %)

We have prepared some new slides for you to give you greater insight into our business.

The first of these slides deal with Gauteng Gaming, where we present a graph of the weekly total Gauteng casino gaming revenues as inferred from the weekly levies published by the Gauteng Gambling Board, for a 2 year period. We have then overlaid our own casino GGR at EP, based on gambling levies paid as compared to the market as a whole. The market data is indicated in blue while the EP data is the red line.

As would be expected, the data for any single casino will be more volatile than for the market as a whole. Since our tables market share is greater than our slots market share, and table revenue is more volatile than slots revenue, our revenues tend to be more volatile than the market as a whole.

SLIDE 2.4.2: Gauteng Gaming Data cont.

Total casino revenues, averaged for the month, compared year on year

In this graph, we average total Gauteng casino revenues for each month and then compare the percentage changes y-o-y. We then compare this to EP monthly data.

2010 marked the reversal of negative casino gaming revenues, with Gauteng GGR increasing 1,1% for the calendar year. Market growth averaged 3,5% from June to December 2010, with October 2010 being the only negative month in the last six months of 2010. As you can see, EP did very well out of the SWC relative to other casinos in Gauteng.

SLIDE 2.4.3: Gauteng Gaming Data cont.

Casino slots revenues, averaged for the month, compared year on year

We then look at Gauteng slots revenues. In this slide, we average total Gauteng slots revenues for each month and then compare the percentage changes y-o-y. We then compare this to EP monthly slots data.

As you can see from this slide, EP slots outperformed the Gauteng slots market for 9 months out of 12 during 2010. This performance was largely attributable to the increased footfall at EP, generated by the upgraded Emporium, as well as our continued marketing activities. The decline in February 2010 slots win is as a result of an exceptionally high hold % in the previous February.

SLIDE 2.4.4: Gauteng Gaming Data cont.

Casino tables revenues, averaged for the month, compared year on year

Turning now to the main cause of the volatility in our results, tables revenues for 2010. In this slide, we average total Gauteng tables revenues for each month and then compare the percentage changes y-o-y. We then compare this to EP monthly table revenue data.

Table revenue is generally far more volatile as it is dependant on fewer individuals and the casino house advantage is lower than for slots and hence, the win is more volatile.

At EP, we have the highest table limits in SA and hence our tables results can be expected to be more volatile than the rest of the market. Our overall tables win to drop ratio was an exceptionally high 26% during 2009, and returned to a more normal 24% for 2010 overall. Since EP tables revenues for 2010 came off a

higher comparative base, we did not outperform the Gauteng casino tables market as a whole. For 2011, during the first 2 months, our tables win to drop ratio reduced to 21% and this will have a negative effect on market share for Q1 2011. It is important to note that we increased our tables limits during the SWC and have not reduced them since. Accordingly we expect increased tables volatility for some time until drop volumes increase sufficiently to mitigate this. The decline in October and November 2010 tables win was as a result of exceptionally high comparative tables wins of 33% and 27% in October and November 2009 respectively.

SLIDE 2.5: National Gaming Data

This slide shows national gaming data for all casinos in South Africa, during the past five years ending 31 March, i.e. not calendar years, unlike our reported revenues. This shows that our national casino market share is around 14% and our reported group casino revenue growth rate exceeded the national average for 4 of the past 5 years. We have also included our calendar 2010 casino revenue growth rate for information purposes, since the national industry data for 31 March 2011 is not yet available.

SLIDE 2.6: National Hotel Industry Data

Hotel Occupancies

This is a slide on the hotel industry data and shows national occupancies in all hotel grades during the past three years, as compared to Peermont hotels. This shows we have outperformed the national average during this period i.r.o. occupancies.

SLIDE 2.6: National Hotel Industry Data cont.

Change in income generated by hotels

This slide depicts the change in rooms income generated by hotels nationally during the past two years as compared to Peermont hotels. Here you can see the very clear spike generated by the SWC, where we did not hike rates by as much as many other industry participants, preferring to give preference to our loyal customers and secure their goodwill for the tougher times ahead. Accordingly, our rate of decline in revenue growth since the SWC has not been as severe as for the national hotel market.

SLIDE 3.1: Revenue and EBITDA

Turning now to the main features of Peermont's financial performance for 2010, group revenues increased by 3,5% to R2 622 million from R2 533 million, while cash operating cost growth was contained at 4,9%. EBITDA increased marginally by 0,7% for 2010. Although EBITDA margins softened from 38% in 2009 to 37% in 2010, these are still within our long-term average range and remain at the top end of our industry. Over a five year period, our compound revenue and EBITDA growth has been c. 16% per annum.

SLIDE 3.2: Revenue sources

As to the composition of our revenues, gaming accounted for 77% of our revenues in 2010 as compared to 79% in 2009. Rooms, food and beverage revenues increased their share of total revenues from 19% in 2009 to 21% in 2010, mainly as a result of the Soccer World Cup. While our Botswana operations had another good year in Pula terms, the effect of the strong Botswana performance was tempered by a strengthening of the Rand/Pula exchange rate and their contribution remained at 10% during 2010.

SLIDE 3.3: Unit contributions

As to our reliance on Emperors Palace, this has remained at 65% of total revenue in 2009 and 2010 and diminished slightly to 60% of EBITDA in 2010 as compared to 61% in 2009. Our Khoroni operation in particular increased its EBITDA contribution. As previously stated, our objective is to increase revenue from other units to more than 50% of our total EBITDA.

SLIDE 3.4: Q4 2010

As regards the 4th Quarter of 2010, Emperors Palace showed a decline of 2% in revenues mainly as a result of a lower tables win %, off a comparatively high base as previously explained. This translated into an EBITDA decline of 8% for EP during the final quarter. As regards the rest of the group, this showed a healthy revenue growth of 7%, with increased costs translating into EBITDA growth of 2% for these operations in Q4. These increased costs were primarily due to the costs of our Burgersfort licence application expensed in the quarter and additional hotel and resort expenses associated with our new Umfolozi property.

SLIDE 3.5: 2010 Highlights

As regards the highlights of 2010, we estimate that the FIFA 2010 World Cup held during June and July boosted group revenues by approximately R43 million and group EBITDA by R25 million. EP received most of this benefit due its convenient location adjacent to the ORTIA.

SLIDE 3.5: 2010 Highlights cont.

As to the other highlights for 2010:

- Revenues from Botswana exceeded expectations, mainly as a result of the continued strong performance of our hotel business;
- We have grown our Gauteng GGR market share slightly and increased our casino market share in Gaborone, Botswana. This growth in Botswana market share more than offset the decline in the Botswana casino market size for 2010;
- We completed and successfully launched the permanent and upgraded facilities at our Umfolozi resort on time and within the approved capex budget of R115 million;
- Our Khoroni resort in Limpopo delivered a 30% compound annual EBITDA growth from 2008 to 2010;
- We were awarded the third and final casino licence in the Limpopo province during December 2010;
- Cost control was good, with cash costs contained to 4,9% despite exceptional cost pressure due to rising utility and local municipal rates and taxes; and
- We have a strong, well maintained and well-positioned product offering, with many of the properties in our portfolio being recently refurbished and upgraded.

SLIDE 4: Operational performance

Turning now to our operations.

SLIDE 4.1: EP 2005 to 2010 historical performance

While revenue growth during the last 5 years has been an acceptable 6,4%, EBITDA growth has been limited to 4,3%, mainly as a result of very steep increases in local municipal rates and taxes, higher utility costs, higher labour costs and higher marketing costs. In 2010, EP revenues increased by 3,5% and EBITDA decreased by 1,4% for the year. The EBITDA margin decreased from 36% in 2009 to 34% in 2010. Overall, GGR increased by just over 1% while hotel, food & beverage and other revenue increased by 16%. Rooms revenues increased by 20% compared to 2009, primarily due to the Soccer World Cup.

Cash costs were limited to a 6,1% increase, despite a 65% increase in municipal rates and taxes and a 41% increase in utility costs for the year. Promotions and marketing costs increased by 12,5% or R16,7 million in order to maintain revenue momentum. We have specifically focused on driving footfall to the refurbished Emporium and we promoted the complex as a destination of choice during the World Cup.

SLIDE 4.2: EP revenue breakdown

Gaming revenues accounted for 82% of total 2010 revenues at EP as compared to 83% in 2009. Rooms, food and beverage increased their contribution to 16% of revenues as compared to 15% in 2009, primarily as a result of the Soccer World Cup.

SLIDE 4.3: EP KPI's

Our slots win to handle % has declined to 4,8% as compared to 5,1% 2009. The table game hold to drop % declined to 24,3% from an exceptional 26,1% during 2009, due to a correction to more normal parameters during 2010.

Gaming activity levels as measured by slots handle (i.e. the value of bets placed on slot machines) and tables drop (i.e. the value of cash dropped in exchange for tables chips bought) showed increases of 8% in slots handle and 4% in tables drop during 2010. This is a good indicator of the underlying recovery in the business activity levels.

SLIDE 4.3: EP KPI's cont.

Slots and tables win

Tables revenue decreased by 3% to R371 million off a strong comparative figure, while slots revenues increased by 3% to R1 020 million for 2010. This yielded an increase in overall GGR of just over 1% due to slots contributing a much bigger share of revenues than tables.

SLIDE 4.3: EP KPI's cont.

Annual number of vehicles

The average number of vehicles which visited the EP complex during 2010 increased by 10% to 2,17 million vehicles in 2010 from 1,98 million vehicles in 2009, following the opening of all facilities at our Entertainment Emporium during 2010.

SLIDE 4.3: EP KPI's cont.

Estimated visits per day

Based on the vehicle count above, the estimated number of visits per day increased to 14 285, as compared to 13 002 visits per day during 2009. This is a new annual record for the complex.

SLIDE 4.3: EP KPI's cont.

Average spend per visit

Following the conversion of our main slots floor to coinless play during 2009, our level of tracked play increased considerably in 2009 and 2010. Our average gaming spend per visit has therefore become more accurate and these figures are the restated figures.

Overall average gaming spend decreased by 7,9% from R290 per visit in 2009 to R267 for 2010, while the number of visits increased by 10% to an estimated 5,2 million visits for the year. Total visits by our loyalty club members increased by 14% from 1,5 million visits in 2009 to 1,7 million visits in 2010 while untracked visits increased by 8% from 3,3 million visits in 2009 to 3,6 million visits in 2010.

SLIDE 4.4: EP Market share

As regards market share, our GGR market share increased from 24,6% in the second quarter of 2010 to 24,9% in the third quarter, and then declined to 23,9% in the fourth quarter of 2010, as a result of lower tables win percentages. On a full calendar year basis, our market share increased to 24,5% for 2010 overall as compared to 24,3% for 2009.

SLIDE 4.5: EP hotel performance

Our hotel rooms revenue grew by 20,4% at EP due mainly to the Soccer World Cup, which contributed R20 million in rooms revenues. Despite the tough economic climate and significant additional increased supply of hotel rooms in the East Rand, occupancies remained at 79% year on year. This was a formidable achievement under very difficult circumstances.

SLIDE 4.6: EP Capex history

During 2010, we spent R42 million on replacement capex and a further R8 million to acquire land for overflow parking adjacent to the property.

SLIDE 4.7: EP key activities

During 2010, we ran several major promotional campaigns and we introduced Juggernaut, a new slots mystery jackpot unique to South Africa. This product generates significant excitement on the slots gaming floor. When the top jackpot is won everybody playing slots using their loyalty card wins a prize.

SLIDE 4.7: EP key activities cont.

We also had a busy entertainment calendar featuring world-title boxing fights, darts, comedy, celebrity appearances and culturally tailored music and other performances.

SLIDE 4.8: ROG KPI's

As regards highlights for the rest of the group, revenue grew by 3,5% in aggregate for 2010 and EBITDA grew by 4,0%, well ahead of the EBITDA growth generated by EP. The rest of the group generated EBITDA of R386 million from revenues of R919 million in 2010, an EBITDA margin of around 42%, in line with the prior year.

It is interesting to note that the rest of the group now reports larger revenues and EBITDA than the entire group reported during 2004, the year we listed on the JSE.

SLIDE 4.9: Group revenue and EBITDA

This slide and the next are provided for information and set out the revenue and EBITDA performance of each individual unit for the past 3 years. Amongst our properties, Botswana and Khoroni did particularly well.

SLIDE 4.9: Group revenue and EBITDA cont.

Botswana

Since we have already covered EP, I will now move on to a short one page summary for each of our other operations.

As regards our Botswana operations, we had a very good year in local currency terms, with revenues increasing by 10% and EBITDA increasing by 13% in Pula.

The revenue split in Botswana is different to many of our other properties, with hotel, food and beverage and other revenues contributing approximately 61% of total revenues and casino revenues contributing approximately 39%.

Despite a decline in the total casino market size, our GGR increased by 15% due to our Gaborone market share increasing to approximately 53%.

Hotel and resort revenue increased by 6,7% due to 13,5% growth in rooms revenue, as a result of a strong recovery in the local economy.

EBITDA increased by 13%, despite a 2% increase in the VAT rate, effective April 2010, and steep hikes in electricity costs by the BPC.

SLIDE 4.9: Group revenue and EBITDA cont.

Rio

While GGR decreased by 2,2%, rooms revenue increased by 83.9% influenced by increased occupancies as the hotel begins to establish a presence in the region.

SLIDE 4.9: Group revenue and EBITDA cont.

Graceland

Graceland is on a good upward momentum path, growing EBITDA at a compound rate of 12% during the past 3 years. Since the year end, the new and improved N17 toll road from Johannesburg to Secunda has finally opened, which has also improved accessibility to the property from Gauteng.

SLIDE 4.9: Group revenue and EBITDA cont.

Umfolozi

We are very pleased that, despite 40% of the gaming floor being out of commission from late April to July 2010, GGR nevertheless grew by 0.3% for the year. This was a very good achievement in light of the significant disruption to the operations caused by the construction and upgrade of the property last year.

The new property was officially launched in January 2011 and has been well received, both by the local community and new visitors alike.

SLIDE 4.9: Group revenue and EBITDA cont.

Mmabatho Palms

Our Mmabatho Palms property had a terrible year during 2010, with a revenue squeeze from a weak local economy, paralysed local government and extensive road works to Mafikeng.

In addition, there was significant cost pressure, mainly in the form of additional rates and taxes imposed by the local municipality which was disputed and eventually settled late in the year.

Thankfully, since the year end, we have seen a marked improvement in the performance of this property, with local government improving its effectiveness and leading to increased business confidence in the area.

SLIDE 4.9: Group revenue and EBITDA cont.

Khoroni

Our Khoroni property in Limpopo continues to be a shining star, with GGR increasing by 20% due to vibrant local cash economy.

SLIDE 4.9: Group revenue and EBITDA cont.

Frontier

Our Frontier Property in the Eastern Free State delivered a solid performance, with GGR increasing by 7,8% driven by an increase in slots revenues and hotel and resort revenues up by 29%.

SLIDE 4.9: Group revenue and EBITDA cont.

Head Office and management companies

Finally, at the head office, management fee income increased by around 3% and EBITDA increased by 2%.

SLIDE 4.10: Group key statistics

For reference purposes, we have included this slide setting out average daily slots and tables win at each casino property

SLIDE 4.10: Group key statistics cont.

Followed by this slide setting out hotel rooms, rates, occupancy and Revpar. This shows that our Revpar has increased by 15% in SA mainly due to the Soccer World Cup and by 4,0% in Botswana in ZAR terms resulting in an overall increase of 11,0%. We have fared well against the industry overall, especially taking into account the effect of exchange rates.

I now hand you over to Grant Robinson to talk in more depth about our 2010 financial performance.

SLIDE 5: Financial Results

Good Afternoon

SLIDE 5.1: Group consolidated income statement

As can be seen from Anthony's discussion of the macro environment, the casino industry and our operational performance, times remained fairly tough.

Our revenues grew by 3.5% to R2 622 million including the positive effects of the World Cup. If we exclude these, the increase would have been approximately 2%. Gaming revenues increased by 1,6% to R2 017,8 million.

Rooms revenues grew by 14.2% to R289 million. Approximately R26 million of the growth in rooms revenues was attributable to the World Cup period.

Other operational income was boosted by the revitalised and improved Emporium at Emperors Palace and increased to R59,5 million or by 10,4%.

Other Income at R182,5 million includes the non-cash benefit of a R175,2 million gain arising from the fair valuing of the shareholding in the Graceland joint venture on concluding the PGSH empowerment transaction.

Other Income in 2010 also includes a non-cash gain of R4,8 million on release on the onerous contract provision created on the acquisition of Taung.

Excluding these items, the Other Income line is pretty much in line with prior years.

Overall our costs increased by 7.8% and cash costs increased by 4,9%. Costs were relatively well contained and these will be dealt with in more detail later in the presentation.

The taxation credit for 2010 arose mainly as a result of the taxation shield arising from the taxable losses after net finance costs at Peermont and some of its operations.

The net result is a loss for the year after finance charges of R316,9 million.

SLIDE 5.2: Group net finance expenses

Here we cover a breakdown of the interest, derivative instrument and foreign exchange movements for the year.

The strengthening of the Rand to the Euro from approximately R13,21 at the end of 2008, to R10,63 at the 2009 year end and to R8,83 by the end of 2010 resulted in gains on the restatement of the SSN liability, in particular R778,7 million for the 2010 year as compared to the R1,1 billion in 2009.

Conversely, the strengthening of the Rand resulted in a foreign exchange loss on the hedges amounting to R1,3 billion for the year. This fluctuation is, as expected, larger due to the increased value and number of hedges to hedge the coupon payments to 2014.

In 2010 we have split out the hedge payments to allow for improved analysis of the coupon cash flows into the payment of "32,2 million coupon at the average":R exchange rate for the year, and the amount resulting from the annual prepayment of our final liability included in the hedging contracts. This is broken down into the R357,8 million and the R390,5 million below. This was specifically done to assist users to get a feel for the effect of front loading of our coupon payments.

Two other significant factors need to be noted.

The first are the credits of R372,6 million and R62,2 million arising from the change in refinancing estimate where we changed the estimated refinance date of the SSNs and the PIK Notes from April 2011 to April 2014. The accounting for this resulted in the reversal of the issue costs and discounts previously written up, as well as the early redemption premium that would have had to be paid in April 2011 had the SSNs and PIK Notes been refinanced then. Only the costs

will now be written up over the remaining period of the instruments until the current estimated refinance date of April 2014.

The second item is the ~~the~~ interest paid . other+ which includes the costs of the Rand denominated deferred hedging loan of R400 million raised to finance a portion of the realised Mark-to-Market costs.

SLIDE 5.3: Group cost structure

Overall costs were well contained with cash costs up 4,9% for the year.

Employee costs were up 4,2% as a result of tight control over staffing levels.

Promotions and marketing costs increased by 8,5%. This was largely due to our efforts to promote the Emporium, to attract footfall to the complex over the Soccer World Cup period and generally to maintain the momentum of our revenues.

Other operational costs increased by 14,7% from R508 million to R583 million. Included in operating costs for 2010 were non-cash BBBEE transaction charges amounting to R58 million as a result of the disposal of a portion of the investments in certain of our subsidiaries to local BBBEE entities during the third quarter of the year. The most significant of these was R51,3 million relating to the Graceland transaction. This is directly related to the R175 million credit recorded in Other Income.

The 2009 figure also includes R8,1 million of Broad-based Black Economic Empowerment transaction charges, R5,8 million written off when we aborted the move of the Umfolozi Casino from Empangeni to Richards Bay, as well as R9,5 million for the impairment of an amount due by Peermont Senior Management Trust.

The adjusted increase in other operational costs was only 8.7%, even after significant above inflation increases in property costs.

VAT and gaming levies are directly linked to gaming revenues and reflected an increase of 1,7% for the year.

SLIDE 5.3: Group cost structure cont.

Here we give a graph showing a breakdown of the major cost categories, excluding depreciation and VAT and gaming levies.

SLIDE 5.4: Group statement of financial position

There was no significant change in the statement of financial position from that reported at the prior year.

The main assets comprise the property, plant and equipment and casino licences. The largest liabilities are the SSNs, PIK Notes and the PIK Equity Loan.

The net increase in the fixed assets relates primarily to the completion of the new hotel and other facilities at Umfolozi.

The total equity deficit has increased from a deficit of R32,2 million to a deficit of R369,5 million largely due to the total comprehensive loss of R326,8 million for the year. This was largely driven by the accrued interest on the subordinated equity loans.

SLIDE 5.5: Working capital changes

Our working capital changes have generally been fairly neutral over the years, if not cash generative due to our net current liability position.

The main drivers in the increase in working capital in 2010 were the following:

- The increase in inventories was due to the insourcing of F&B and the new hotel at Umfolozi and small amounts of growth at the other properties.
- Other receivables includes the deferred costs of increasing the revolver facility of R5,5 million, which will be written off over the facility period, and R5,8 million of capitalised costs incurred to date on the restructuring exercise.
- One of the larger uses of working capital was the reduction in accounts payable of R18,7 million due to the development accruals at Emperors Palace in 2009, offset by the accrual of restructuring costs above.

The balance of the movement is due to normal business activity and the timing of cash flows.

SLIDE 5.6: Capitalisation

At year end, total gross recorded senior debt was R3 904,9 million and was equal to 4,0 times LTM EBITDA of R970,2 million. This compares to 6,2 times at date of issue.

This excludes the net drawn revolver position of R129,3 million which would increase the figure to 4,2 times. The credit statistics, net of cash, are reflected on the next slide.

Total gross debt through the PIK Notes was R5 238,0 million and 5,4 times EBITDA.

At 31 December 2010 we had utilised approximately R59,5 million of our revolver facility for the issue of guarantees to gambling boards, suppliers and other institutions. After excluding the cash required for working capital purposes, cash held on behalf of third parties, the utilisation for guarantees, this left us with a net R258,7 million of headroom in our RCF facility.

SLIDE 5.7: Credit statistics

A fairer picture of the true credit statistics of the group is set out here. We have taken the base debt from the previous slide and adjusted by adding:

- The unamortised SSN costs and issue discount that have to be written up over the life of the SSNs;
- The derivative liability related to the hedging of the principal amount of the SSNs; and
- The net overdraft position.

This gives the user a true picture of the Senior Net Debt to EBITDA ratio at 4,5 times EBITDA compared to the 6,2 times at date of issue. This is slightly worse than 2009 where it was at 4,4 times.

Cash pay interest to LTM EBITDA has been calculated using the actual cash pay interest for 2010 plus capital prepaid. This gives us a coverage of 1,4 times.

If one excludes the prepayment of the principal included in our hedging payments, we estimate the cash pay interest cover to be 1,9 times.

Similarly, the ratio for the Total Net Debt through the PIK Notes to LTM EBITDA is 5,9 times.

SLIDE 5.8: Group statement of cash flows

This is a condensed version of the statement of cash flows. The full statement of cash flows is in the Annual Financial Statements.

Net cash from operating activities is lower than 2009 at R208,5 million, mainly due to the increases in working capital mentioned earlier, slightly reduced cash from operations and a higher net interest charge.

Our gross maintenance capex for the year, including intangible assets, amounted to R77,3 million, lower than 2009 as there were no major refurbishments during the year. The main component of this was the purchase of new slot machines at R39,5 million.

The normal maintenance capex at 3% of revenues is well within the projected guideline of 4,5% to 5,0% of revenues.

Expansion capex of R125,0 million comprised mainly of the upgrade and expansion of Umfolozi at R110,1 million.

The most significant cash flows relating to financing activities were:

- Payment of R842,2 million of realised MtM liability;
- The repayment of interest-bearing long-term borrowings of R42,1 million; and offset by
- The R400m deferred hedging funding raised to settle the MtM.

Cash balances reduced from R362,4 million in 2009 to a net RCF utilisation of R129,3 million at the end of 2010, largely due to settling the MtM liability during the year.

SLIDE 5.9: Group free cash flow

The 2010 reported EBITDA of R970,2 million less the utilisation of cash in working capital and taxation paid, results in cash from operations of R894,5 million.

This, in conjunction with lower levels of total capex expenditure during the year resulted in free cash flow of R693 million.

SLIDE 5.10: Group cash conversion

The group EBITDA cash conversion, excluding expansion capex remains high in 2010 at 88%, the highest it has been in the last few years.

SLIDE 5.11: Maintenance capex

We have set out the current expected maintenance capex for 2011 and the forecast for 2012. The maintenance capex for 2011 is that approved as part of our normal budget process in 2010. A portion of this is discretionary and can be managed as to the time and amount of the eventual spend. This remains around our guideline of 5% of revenues.

AT THIS POINT I WILL HAND YOU BACK TO ANTHONY TO DISCUSS OUR PLANNED KEY INITIATIVES

SLIDE 6.1: Strategy

To touch on the key elements of our strategy:

We are focused on increasing revenues at existing properties through a combination of optimising the mix of facilities and product at our existing properties, monitoring and improving our operating and guest service standards, optimising our marketing mix and guest loyalty benefits as well as improved casino management systems.

While we have done reasonably well on cost control, we believe there is still more that can be done through focused cost savings projects, particularly at EP.

We also plan to selectively expand operations over time through a combination of further development or relocation of existing sites, new casino licence applications, hotel leases and management contract opportunities and selective acquisitions.

As regards casino resorts, we plan to grow our footprint into other SADC countries such as Mauritius and Namibia, while in SA we believe there are still opportunities to acquire more casino licences or relocate to more favourable locations in the medium term.

As far as online gaming and sports betting is concerned, we are close to finalising a JV agreement with a credible established partner and plan to test the market with a sports betting offering by the end of the year.

As regards hotel opportunities, we are currently no longer pursuing new hotel lease or investment opportunities while there is an oversupply of existing rooms inventory in SA. Instead, we are preparing a menu of services to offer existing hotel owners, ranging from marketing representation, with or without our branding, to CRS and online bookings, sales assistance, revenue management, monitoring of guest service standards, implementation of controls, internal audit and financial reviews.

We have also restructured our management team to ensure we can focus on executing both our operations and growth strategy. Accordingly we have refocused our existing executive team into a small corporate, growth and funding team consisting of 7 people plus support staff and a larger operations team with 4 operating divisions responsible for gaming, hotels, marketing and online operations, and support services across the group.

SLIDE 6.2: New build Umfolozi

This picture shows the entrance to our upgraded Umfolozi property in KwaZulu-Natal.

As far as new facilities are concerned, we built a 44 key Peermont Metcourt hotel, a 200 seater conference centre, a new Salon Privé, a 600 seater multi-purpose events and entertainment arena, an upmarket bar/lounge and an outdoor team building and adventure area. As part of the project we also upgraded the existing restaurant, kitchen and casino interiors.

Construction of the permanent facilities began in November 2009, with significant disruption to the property experienced during the first half of 2010. The resort opened in December 2010 and was formally launched in January this year.

SLIDE 6.2: Umfolozi cont.

This slide shows an interior shot of our upmarket Sugar Room bar/lounge adjacent to the casino floor.

SLIDE 6.2: Umfolozi cont.

While this shot shows one of our new conference rooms at Umfolozi.

SLIDE 6.3: Thaba Moshate - Burgersfort

Following the submission of our casino licence bid at the end of August 2010 and public hearings which followed in November 2010, we were awarded the third and final casino licence for Limpopo in December 2010.

Our planned Thaba Moshate casino resort is planned to be built in the town of Burgersfort, a rapidly growing platinum mining district with an estimated catchment area of some 927 000 people within 75 km of our planned site.

We anticipate that R212 million remains to be spent before the resort is opened during 2013.

SLIDE 6.3: Thabo Moshate – Burgersfort cont.

This slide shows a scale model of the proposed new development, set against a dramatic mountain backdrop with views of the surrounding area

SLIDE 6.3: Thabo Moshate – Burgersfort cont.

While this slide shows an interior perspective of the casino salon

SLIDE 6.3: Thabo Moshate – Burgersfort cont.

and the planned restaurant.

SLIDE 6.4: Other initiatives

Other initiatives currently underway are as follows:

- Project 38 at Emperors Palace is a project aimed, over a two year period, to restore the EP EBITDA margin to its long-term average. The 38% is a reference to the average EP EBITDA margin of 38% over the last five years. It involves a comprehensive review of every element of the EP cost structure, while still ensuring our guest offerings and benefits remain the most competitive in Gauteng. While the project will be launched this month, some of these initiatives will only take effect later this year. We are aiming to achieve sustainable annualised cost savings of R62 million per annum as compared to budget, of which we aim to achieve approximately R33 million in savings during the 2011 calendar year.
- In addition, following extensive testing, evaluation, subsequent modification and review, we expect to make a final decision this year as regards a revised casino management system. This may yield further cost-savings and improve our casino guest experience as from 2012.
- Project 38 is over and above our group energy savings projects, which we have already budgeted for, the benefits of which are expected to flow from July 2011. As previously mentioned, we successfully applied to our power supplier, Eskom for a subsidy to install 134 heat pumps at our SA properties through their DSM programme. This is projected to save 4 900 MW hours annually, saving some 70% of water heating costs at our hotels. We are currently finalising our Eskom DSM applications for the

installation of LED lighting technologies, in respect of which we project an annual saving of some 12 500 MW hours, through the replacement of over 56 000 globes.

- The previously proposed Menlyn hotel development, which was to be a lease agreement, is no longer available since the existing owners elected to sell the land for office development. As mentioned in my earlier discussion on strategy, we are no longer focusing on new hotel lease and development opportunities in SA, preferring instead to leverage our existing infrastructure by offering a range of services to existing hotel owners.
- As regards the Casinos of Mauritius, we have engaged with the Transaction advisor appointed by the Government of Mauritius with a view to recommencing negotiations with the SIC. We are awaiting a decision from the Government in this regard.
- As far as other new builds are concerned, we have discussed our new Thaba Moshate casino resort. We believe we are well positioned to pursue at least one of the remaining casino licence opportunities in SA. In addition, following investigation into casino opportunities in Namibia, Zambia, Nigeria and Mozambique, we have decided to concentrate on Namibia for the immediate future with a view to concluding a joint venture arrangement with a Namibian partner to develop a new casino.
- As regards our capital structure review, we have commenced discussions with various stakeholders, to ensure the company is appropriately capitalised, inter alia to enable us to pursue further growth opportunities. These discussions are not yet at a sufficiently advanced stage to give any

clear indication as to the expected outcome, so unfortunately I can't give you any more detail as yet.

SLIDE 7.1: Highlights

To recap overall highlights for 2010:

- We benefited from the 2010 SWC;
- Revenues from Botswana exceeded expectations, mainly as a result of the continued strong performance of our hotel business;
- We have grown our Gauteng GGR market share slightly and increased our casino market share in Gaborone, Botswana.;
- We completed and successfully launched the permanent and upgraded facilities at our Umfolozi resort on time and within the approved capex budget of R115 million;
- Our Khoroni resort in Limpopo has delivered a 30% compound annual EBITDA growth from 2008 to 2010;
- We were awarded the third and final casino licence in the Limpopo province during December 2010;
- Cost control was very good, with cash costs contained to 4,9% despite exceptional cost pressure due to rising utility and local municipal rates and taxes; and
- We have a strong, well maintained and well-positioned product offering, with many of the properties in our portfolio being recently refurbished and upgraded.

I will now open the floor for questions, following which I will take questions from conference call participants.