

QUARTERLY FINANCIAL HIGHLIGHTS

for the period ended 30 September 2011



PEERMONT

HOTELS CASINOS RESORTS

PeerMont Global (Proprietary) Limited

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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 alternative to measures of net profit/(loss) as 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 FINANCIAL HIGHLIGHTS

We present below our summarised comparisons of the third quarter and nine-month 2011 and 2010 results. Given the previously reported significant once-off boost to revenues and EBITDA in the second and third quarters of 2010 from the 2010 World Cup, we also present comparisons on an adjusted basis that exclude the 2010 World Cup effect from the third quarter and nine-month 2010 results to enable a like-for-for-like comparison against third quarter and nine-month 2011 results. Unless otherwise noted, however, the results below are our actual results.

On an adjusted basis, revenue growth for Q3 2011 amounted to 3,5% and EBITDA growth amounted to 8,1% as compared to the adjusted Q3 2010 results, and revenue growth for the nine months of 2011 amounted to 2,4% and EBITDA growth amounted to 5,0% as compared to the adjusted results for the first nine months of 2010.

OVERVIEW OF CONDENSED UNAUDITED RESULTS FOR THE THREE MONTHS ENDED 30 SEPTEMBER

	2011 R'm	% change	2010 R'm
Revenue	668,6	0,7	664,0
EBITDA	248,7	3,6	240,1
EBITDAR	254,8	3,2	247,0
EBITDA margin	37,2%		36,2%
EBITDAR margin	38,1%		37,2%

Financial highlights for the quarter to September

Revenue

- ◆ Group gaming revenues increased by 0,2% as compared to Q3 2010.
- ◆ Hotel and resort revenues increased by 2,4% as compared to Q3 2010.
- ◆ While conditions in the South African hotel market remain challenging, our overall hotel occupancies for the quarter were 74,9%, still significantly above the national average.

EBITDA

- ◆ Cash costs decreased by 0,2% as compared to Q3 2010, as a result of a concerted cost savings project implemented at Emperors Palace.
- ◆ EBITDA increased by 3,6% to R248,7 million in Q3 2011. Excluding the effect of the 2010 World Cup, adjusted EBITDA increased by 8,1%.
- ◆ Our group EBITDA margin increased to 37,2% for Q3 2011.

Segment highlights

- ◆ Emperors Palace revenues decreased by 5,7% (from R434,5 million to R409,6 million) and EBITDA decreased by 4,1% (from R147,3 million to R141,3 million) as compared to the unadjusted Q3 2010 results. The decreased revenue and EBITDA is due to Q3 2010 including revenue and EBITDA generated during the 2010 World Cup, with the current quarter being affected by a lower tables hold percentage (which has normalised after quarter end) and by the extensive road works on major roads leading to the property, which intensified during the quarter. Excluding the effect of the 2010 World Cup, adjusted revenues decreased by 1,7% and adjusted EBITDA increased by 2,6%.
- ◆ The balance of the group operations performed well, with all properties generating positive growth in both revenue and EBITDA, resulting in an overall revenue growth of 12,9% and an overall EBITDA growth of 15,7% as compared to Q3 2010.
- ◆ Notable performances for the quarter:
 - Umfolozi – revenue increased by 27,2% (from R30,9 million to R39,3 million) and EBITDA increased by 31,1% (from R10,3 million to R13,5 million) as compared to Q3 2010, mainly as a result of the improved performance of the new hotel and conference facilities, as well as the reactivation of the full gaming floor;
 - Mmabatho Palms – revenue increased by 17,4% (from R22,4 million to R26,3 million) and adjusted EBITDA increased by 24,4% (from R4,5 million to R5,6 million) as compared to Q3 2010;
 - Frontier – revenue increased by 18,1% (from R10,5 million to R12,4 million) and EBITDA by 50,0% (from R1,8 million to R2,7 million) as compared to Q3 2010.

Highlights adjusted for the 2010 World Cup

ADJUSTED REVENUE R668,6 million +3,5%		ADJUSTED EBITDA R248,7 million +8,1%		ADJUSTED EBITDA MARGIN 37,2% +1,6%	
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QUARTERLY FINANCIAL HIGHLIGHTS (CONTINUED)

OVERVIEW OF CONDENSED UNAUDITED RESULTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER

	2011 R'm	% change	2010 R'm
Revenue	1 938,3	0,1	1 937,0
EBITDA	712,4	1,2	704,1
EBITDAR	730,1	0,9	723,9
EBITDA margin	36,8%		36,4%
EBITDAR margin	37,7%		37,4%

Financial highlights for the nine months to September

Revenue

- ◆ Group gaming revenues increased by 1,1% as compared to the same period in 2010.
- ◆ Hotel and resort revenues decreased by 3,3% as compared to the same period in 2010, the prior period boosted by revenues generated during the 2010 World Cup.
- ◆ While conditions in the South African hotel market remain very difficult, our overall hotel occupancies for the nine months to September were 70,0%, still significantly above the national average.

EBITDA

- ◆ Cash costs decreased by 0,4% as compared to 2010 year to date, as a result of a concerted cost savings project implemented at Emperors Palace.
- ◆ EBITDA increased by 1,2% to R712,4 million for the nine months. Excluding the effect of the 2010 Soccer World Cup, adjusted EBITDA increased by 5,0%.
- ◆ Group EBITDA margin increased by 0,4% to 36,8%.

Segment highlights

- ◆ Emperors Palace revenues decreased by 5,2% (from R1 268,9 million to R1 202,6 million) and EBITDA decreased by 2,4% (from R429,6 million to R419,1 million) as compared to the unadjusted 2010 results. The decreased revenue and EBITDA is due to Q3 2010 including revenue and EBITDA generated during the 2010 World Cup, with the third quarter being negatively affected by a lower tables hold percentage (which has normalised after quarter end) and the nine months being negatively impacted by the extensive road works on major roads leading to the property, which intensified during the last quarter. Excluding the effect of the 2010 World Cup, adjusted revenues decreased by 2,4% and adjusted EBITDA increased by 2,4%.
- ◆ The balance of the group operations performed well, generating an overall revenue growth of 10,1% and an overall EBITDA growth of 6,8% as compared to the same period in 2010.
- ◆ Notable performances for the nine months:
 - Umfolozi – revenue increased by 26,1% (from R90,1 million to R113,6 million) and EBITDA increased by 29,3% (from R29,0 million to R37,5 million), mainly as a result of the improved performance of the new hotel and conference facilities as well as the reactivation of the full gaming floor;
 - Graceland – revenue increased by 7,8% (from R106,3 million to R114,6 million) and EBITDA increased by 16,1% (from R25,5 million to R29,6 million).

Highlights adjusted for the 2010 World Cup

ADJUSTED REVENUE R1 938,3 million +2,4%		ADJUSTED EBITDA R712,4 million +5,0%		ADJUSTED EBITDA MARGIN 36,8% +1,0%	
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QUARTERLY FINANCIAL HIGHLIGHTS (CONTINUED)

CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER

Cash flow data	2011	2010
For the nine months ended 30 September	R'm	R'm
Cash flows from operating activities	712,3	699,6
Finance income received	5,5	17,0
Finance expenses paid	(390,9)	(346,7)
Taxation paid	(16,8)	(24,6)
Cash flows from operating activities	310,1	345,3
Cash flows used in investing activities	(91,2)	(160,4)
Cash flows used in financing activities	(38,0)	(414,2)
Net increase/(decrease) in cash and cash equivalents	180,9	(229,3)

Cash flow from operating activities

Net cash flows from operating activities for the period were R712,3 million as compared to R669,6 million for the period ended 30 September 2010. This increase was mainly due to an increase in cash generated from operations.

Finance expenses

This is made up of hedged interest paid on the Euro-denominated Senior Secured Notes of R337,1 million (2010: R333,5 million), interest paid on the deferred hedging loan of R31,4 million (2010: Rnil), and interest on other borrowings by the group.

Cash flows used in investing activities

Capital expenditure for the nine months was R91,2 million, consisting predominantly of R55,3 million on slots purchases throughout the group; P5,6 million (R6,0 million) on the refurbishment of the third floor of the Walmont Hotel in Gaborone; and, the balance on normal maintenance expenditure.

Cash flows used in financing activities

Net cash outflows from financing activities for the period amounted to R38,0 million. This related to the normal redemption of debt by group companies of R11,0 million; R12,6 million in dividends paid to the minority shareholders of Peermont Global (Botswana) and Peermont Global (Southern Highveld); and, R10,9 million relating to the redemption of the minority shareholder's portion of the preference shares in Peermont Global (Botswana).

The prior year included the repayment of R762,9 million of the mark-to-market liability in respect of the currency hedge, the repayment of the corporate notes by Peermont Global (Botswana) and the normal redemption of debt by group companies, partially offset by the R400,0 million of deferred hedge funding advanced to Peermont.

Revolving Credit Facility (RCF)

The group has an existing RCF of R550,0 million available until April 2013. At the reporting date the net utilisation of the facility amounted to R152,9 million (R295,0 million at 31 December 2010).



QUARTERLY FINANCIAL HIGHLIGHTS (CONTINUED)

CONDENSED UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER

	2011 R'm	2010 R'm
Total non-current assets	8 867,7	8 962,7
Total current assets	325,3	287,2
Total assets	9 193,0	9 249,9
Capital and reserves	(1 012,8)	(324,4)
Non-controlling interests	80,8	90,0
Deeply subordinated shareholder loans	3 908,4	3 260,8
	2 976,4	3 026,4
Other non-current liabilities	5 368,2	5 362,1
Current portion of interest-bearing long-term borrowings	170,1	109,7
Other current liabilities	678,3	751,7
Total equity and liabilities	9 193,0	9 249,9

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 DEBT INTEREST-BEARING OBLIGATIONS AS AT 30 SEPTEMBER 2011

	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⁾	133,8	4 298,6	—	—	4 432,4
Deferred hedge funding	26,3	—	—	400,0	426,3
Deeply subordinated shareholder loans	—	—	—	3 908,4	3 908,4
PIK Equity Loan ⁽²⁾⁽³⁾	—	—	—	2 372,8	2 372,8
PIK Notes Loan ⁽²⁾⁽³⁾	—	—	—	1 535,6	1 535,6
Bank Borrowings ⁽⁴⁾	8,2	18,2	12,3	12,4	51,1
Promissory note liabilities	1,1	—	—	—	1,1
Finance lease agreements	0,7	—	—	—	0,7
	170,1	4 316,8	12,3	4 320,8	8 820,0
Operating lease commitments	8,1	12,3	10,2	143,7	174,3
Total	178,2	4 329,1	22,5	4 464,5	8 994,3

⁽¹⁾ The amount reflected is €416,1 million in principal amount disclosed at the current spot rate, plus amortised issue costs and discounts, plus accrued interest. The Senior Secured Notes mature in April 2014.

⁽²⁾ The amount reflected includes the capital owing and accrued and capitalised interest on deeply subordinated shareholder funding from PGH II.

⁽³⁾ It is currently the group's intention to refinance/restructure the majority, if not all, of the deeply subordinated shareholder loans (not due before 2037) and the Senior Secured Notes (contractually due 2014) in or before April 2014. See "capital structure review" below.

⁽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 RCF.



QUARTERLY FINANCIAL HIGHLIGHTS (CONTINUED)

Peermont's financial standing

While it's Peermont's policy not to comment on market rumours, Peermont wishes to respond to comments raised in public regarding the financial standing of the group.

Peermont's operating business continues to be profitable and is healthy. Our quarterly adjusted revenues increased by 3,5%, adjusted EBITDA improved by 8,1% and our adjusted EBITDA margin improved by 1,6%.

On a rolling 12-month basis to 30 September 2011, Peermont generated annual revenues of R2 623,0 million, EBITDA of R978,5 million and EBITDAR of R1 003,3 million at an industry-leading EBITDAR margin of 38,3%.

Peermont generates strong cash flows – cash flows from operating activities amounted to R942,7 million for the latest rolling 12-month period ended 30 September 2011. Of this, an amount of R818,0 million in free cash flow was generated to service debt and equity holders and to provide for expansion capital expenditure. This translates to a ratio of free cash flow to EBITDA of 83,6% for the rolling 12-month period to September 2011. An amount of R752,4 million was required to service hedged and other cash pay interest for the rolling 12-month period.

In addition, at 30 September 2011, the group had R397,1 million of headroom under its R550,0 million RCF.

The table above sets out the contractual obligations of our debt, with R178,2 million falling due in the next 12 months and the most significant medium-term liability (being our Senior Secured Notes liability) of R4 298,6 million falling due in April 2014.

Our deeply subordinated shareholder loans of R3 908,4 million do not require any cash flows until April 2037. The majority of our interest expense consists of non-cash pay interest on our deeply subordinated shareholder loans and non-cash movements in the mark-to-market value of our hedged interest and principal on our Euro-denominated Senior Secured Notes interest and principal. Actual hedged and other cash pay interest totalled R390,9 million for the nine months and R752,4 million on a rolling 12-month basis as indicated above.

Notwithstanding the above, Peermont is currently reviewing its capital structure for the reasons indicated below.

Capital structure review

As previously announced, the board has undertaken a review of the group's capital structure to ensure that it is appropriately capitalised going forward. The board is of the view that the current capital structure hampers the group's ability to achieve its business strategy through growth and the board recognises the challenges faced by many companies with debt maturing in the next two to three years in refinancing its debt. As a result, the board, through its capital structure sub-committee, is again in discussions with certain of its key stakeholders with a view to optimising the group's capital structure to take into account the levels of debt that the business can sustain, current market conditions, the availability of new funding, and the group's requirements to maintain level 2 contributor status (under BBBEE Codes of Good Practice and Gambling Board requirements).

In its discussions with these key stakeholders, the board has communicated that the goals of any restructuring and refinancing transaction should be to: reduce the costs of both senior debt and the deeply subordinated shareholder loans; create further cash flow headroom to take advantage of selected growth opportunities and optimise value; create a sustainable capital structure that will deleverage over time; create value in the equity to align the interests of the debt and equity providers; create sustainable BBBEE shareholding levels; and allow for appropriate management compensation arrangements to incentivise management to create further equity value.

There is support in principle from these key stakeholders for a framework regarding a restructuring of the deeply subordinated shareholder loans and a refinancing of the Senior Secured Notes, either concurrently with the restructuring or shortly thereafter, although the scope and terms of the each of the key elements are yet to be fully agreed.



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