CONDENSED RESULTS AND HIGHLIGHTS

for the three and six months ended 30 June 2012

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 three and six month 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

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

	(unaudited) 2012 R'm	% change	(unaudited) 2011 R'm
Revenue	**691,4**	6,6	648,3
EBITDA	**255,0**	3,7	246,0
EBITDAR	**260,9**	3,8	251,3
EBITDA margin	**36,9%**		37,9%
EBITDAR margin	**37,7%**		38,8%

Financial highlights for the three months to June

Revenue

- Group gaming revenues increased by 5,2% as compared to Q2 2011.
- Hotel and resort revenues increased by 11,6% as compared to Q2 2011.
- Overall hotel occupancies for the quarter were 74,2%, significantly higher than the national average and above the 69,5% for Q2 2011.

EBITDA

- Cash costs increased by 8,9% as compared to Q2 2011, largely driven by increased staff, promotions, marketing and maintenance costs at Emperors Palace.
- EBITDA increased by 3,7% to R255,0 million in Q2 2012.
- Group EBITDA margin increased from 36,0% in Q1 2012 to 36,9% in Q2 2012.

Segment highlights

- Revenue at Emperors Palace increased by 6,6% (from R405,4 million to R432,0 million) and EBITDA decreased by 2,7% (from R150,9 million to R146,9 million). The performance for the current quarter can be attributed to moderate growth in gaming revenues, driven by increased footfall as well as encouraging growth in hotel rooms occupancies and exceptional revenues from our conferencing business. The increased costs were due to increased labour requirements to service the increased levels of business, particularly conferencing, increased marketing initiatives aimed at driving footfall and a planned maintenance project to resurface sections of the parking facilities at the complex.
- The balance of the group operations generated revenue growth of 6,8% and EBITDA growth of 13,7% as compared to Q2 2011.
- Notable performances for the quarter:
  - Rio – revenue increased by 10,4% (from R36,4 million to R40,2 million) and EBITDA by 20,5% (from R12,2 million to R14,7 million) as compared to Q2 2011;
  - Frontier – revenue increased by 11,1% (from R12,6 million to R14,0 million) and EBITDA by 18,8% (from R3,2 million to R3,8 million) as compared to Q2 2011;
  - Khoroni – revenue increased by 10,6% (from R21,7 million to R24,0 million) and EBITDA by 10,8% (from R6,5 million to R7,2 million) as compared to Q2 2011.

Highlights for the quarter to June

REVENUE
R691,4 million
+6,6%

EBITDA
R255,0 million
+3,7%

OCCUPANCY
74,2%
+4,7%

OVERVIEW OF CONDENSED UNAUDITED RESULTS FOR THE SIX MONTHS ENDED 30 JUNE

	(unaudited) 2012 R'm	% change	(unaudited) 2011 R'm
Revenue	**1 355,3**	6,7	1 269,7
EBITDA	**494,0**	6,5	463,8
EBITDAR	**505,5**	6,3	475,4
EBITDA margin	**36,4%**		36,5%
EBITDAR margin	**37,3%**		37,4%

Financial highlights for the six months to June

Revenue

- Group gaming revenues increased by 5,3% as compared to the same period in 2011.
- Hotel and resort revenues increased by 11,8% as compared to the same period in 2011.
- Overall hotel occupancies for the period were 72,3%, significantly higher than the national average and above the 67,8% for the same period in 2011.

EBITDA

- Cash costs increased by 7,1% as compared to 2011 year to date.
- EBITDA increased by 6,5% to R494,0 million in 2012 year to date.
- Group EBITDA margin at 36,4% for 2012 year to date is comparable to the prior year at 36,5%.

Segment highlights

- Revenue at Emperors Palace increased by 7,0% (from R793,0 million to R848,3 million) and EBITDA increased by 3,5% (from R277,8 million to R287,4 million). The performance for the current year to date can be attributed to moderate growth in gaming as well as hotel and resort revenues, offset by increased staff, promotions, marketing and maintenance costs.
- The balance of the group operations generated revenue growth of 6,4% and EBITDA growth of 11,1% as compared to 2011 year to date.
- Notable performances for the six months:
  - Frontier – revenue increased by 17,2% (from R23,3 million to R27,3 million) and EBITDA by 41,2% (from R5,1 million to R7,2 million) as compared to the same period in 2011;
  - Khoroni – revenue increased by 13,4% (from R41,8 million to R47,4 million) and EBITDA by 20,0% (from R12,0 million to R14,4 million) as compared to H1 2011.
  - Rio – revenue increased by 9,4% (from R73,5 million to R80,4 million) and EBITDA by 15,4% (from R25,4 million to R29,3 million) as compared to the same period in 2011.

Highlights for the six months to June

REVENUE
R1 355,3 million
+6,7%

EBITDA
R494,0 million
+6,5%

OCCUPANCY
72,3%
+4,5%

CONDENSED CONSOLIDATED CASH FLOWS

for the period ended 30 June 2012

Cash flow data For the six months ended 30 June	**(unaudited)** **2012** **R'm**	(unaudited) 2011 R'm
Cash flows from operating activities	**500,1**	460,1
Finance income received	**6,2**	3,2
Finance expenses paid	**(381,7)**	(384,3)
Taxation paid	**(15,4)**	(12,2)
Net cash flows from operating activities	**109,2**	66,8
Cash flows used in investing activities	**(84,9)**	(50,2)
Cash flows used in financing activities	**(17,7)**	(20,2)
Net increase/(decrease) in cash and cash equivalents	**6,6**	(3,6)

Cash flows from operating activities

Net cash flows from operating activities for the period were R500,1 million as compared to R460,1 million for the period ended 30 June 2011.

Finance expenses

This is made up of hedged interest paid on the notes of R337,5 million (2011: R337,1 million), interest paid on the deferred hedging loan of R30,7 million (2011: R31,4 million), and other borrowings by the group.

Cash flows used in investing activities

Net capital expenditure for the six months was R84,9 million. This includes costs of R33,1 million spent on slots replacement throughout the group; R17,2 million on equipment in preparation for the new gaming system; P2,6 million (R2,9 million) relating to refurbishment at the Metcourt Hotel in Francistown; and, the balance on normal maintenance.

Cash flows used in financing activities

Net cash outflows from financing activities for the period amounted to R17,7 million. This related to the normal redemption of debt by group companies and R12,3 million relating to the redemption of the non-controlling shareholders' portion of the preference shares in Peermont Global (Botswana) Limited.

Revolving Credit Facility (RCF)

All required conditions precedent to the extension of the company's R550,0 million RCF to 27 December 2013, have been concluded.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June

	(unaudited) 2012 R'm	(unaudited) 2011 R'm
Total non-current assets	**8 814,4**	8 877,0
Total current assets	**353,2**	337,9
Total assets	**9 167,6**	9 214,9
Capital and reserves	**(1 544,7)**	(868,8)
Non-controlling interests	**87,5**	81,8
Deeply subordinated shareholder loans[1]	**4 479,3**	3 737,0
	3 022,1	2 950,0
Other non-current liabilities	**5 220,3**	5 291,0
Total current liabilities	**925,2**	973,9
Total equity and liabilities	**9 167,6**	9 214,9

[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

	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]	56,3	4 166,2	—	—	4 222,5
Deferred hedging loan	11,0	—	400,0	—	411,0
Deeply subordinated shareholder loans	—	—	—	4 479,3	4 479,3
PIK Equity Loan[2][3]	—	—	—	2 708,9	2 708,9
PIK Notes Loan[2][3]	—	—	—	1 770,4	1 770,4
Bank Borrowings[4]	8,4	18,8	9,1	8,8	45,1
Finance lease agreements	0,2	—	—	—	0,2
	75,9	4 185,0	409,1	4 488,1	9 158,1
Operating lease commitments	11,6	13,9	11,4	131,2	168,1
Total	87,5	4 198,9	420,5	4 619,3	9 326,2

[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 and payable 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 objective to refinance/restructure the deeply subordinated shareholder loans (not due before 2037), the Senior Secured Notes (contractually due 2014) and the deferred hedging loan (contractually due 2017) in or before April 2014. 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.*

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

Peermont's financial standing

On a rolling 12-month basis to 30 June 2012, Peermont generated annual revenues of R2 754,2 million, EBITDA of R1 045,9 million and EBITDAR of R1 068,7 million at industry-leading EBITDA and EBITDAR margins of 38,0% and 38,8% respectively. The rolling 12 month EBITDA to 30 June 2012 of R1 045,9 million grew by 8% as compared to the prior period.

Peermont continues to generate strong cash flows. Cash flows from operating activities amounted to R1 036,9 million for the latest rolling 12-month period ended 30 June 2012. Of this, an amount of R841,7 million in free cash flow was available 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 80,5% for the rolling 12-month period to June 2012. An amount of R714,7 million was required to service hedged and other cash pay interest for the rolling 12-month period.

Update on discussions regarding our capital structure

The Board and its advisors continue to engage with key stakeholders and/or their advisors regarding its proposal to de-gear and improve the group's balance sheet. There can be no assurances that the Board's current proposal, or any other proposal, will lead to a definitive agreement and/or successful completion of any transaction involving the company's capital structure.

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