

CONDENSED RESULTS AND HIGHLIGHTS

for the year ended 31 December 2013



PEERMONT

HOTELS CASINOS RESORTS

Peermont Global Group
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This document contains a high-level summary of the consolidated annual results of the Peermont Global Group (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.

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.

We call your attention to the developments described under "Update on recapitalisation".

🖄 ANNUAL CONDENSED RESULTS AND HIGHLIGHTS

for the year ended 31 December 2013

Overview of condensed results for the year ended 31 December

	2013 R'm	% change	2012 R'm
Revenue	3 078,6	7,8	2 856,9
EBITDA	1 142,5	7,8	1 060,2
EBITDAR	1 170,8	7,6	1 088,0
EBITDA margin	37,1%		37,1%
EBITDAR margin	38,0%		38,1%

Financial highlights for the year

Revenue

- Group revenue exceeded R3 billion for the first time.
- Group gaming revenue increased by 8,3% as compared to 2012.
- Hotel and resort revenue increased by 5,8% as compared to 2012.
- ♦ Overall hotel occupancies for the year were 74,6% as compared to 74,4% for 2012.

EBITDA

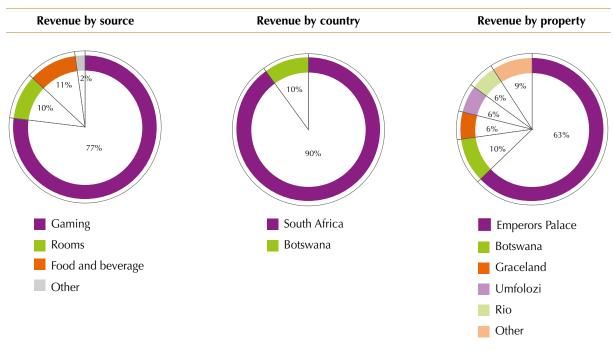
- Cash costs increased by 7,9% as compared to 2012.
- ♦ EBITDA increased by 7,8% to R1 142,5 million in 2013.
- ♦ Group EBITDA margin remained stable at 37,1% for 2013 and 2012.

Segment highlights

- Revenue at Emperors Palace, which represented 63% of total revenue in 2013, increased by 8,2% (from R1 789,0 million to R1 936,3 million). Gross gaming revenue (GGR) at Emperors Palace increased by 9,4% for the period, ahead of growth in Gauteng casino GGR. While GGR in Q1 2013 was boosted by foreign tables players visiting the casino during and after the African Cup of Nations, the GGR growth of 6,5% for the balance of the year remained ahead of overall casino market growth. Cost control at Emperors Palace was satisfactory, boosted by initiatives which resulted in the containment of marketing, promotions and energy costs in particular. As a result, Emperors Palace EBITDA increased by 9,0% (from R622,6 million to R678,4 million).
- ♦ Botswana revenues increased by 4,7% (from P248,5 million to P260,1 million) and EBITDA increased by 3,1% (from P70,4 million to P72,6 million). Although gaming revenue increased by 13,2%, hotel and resort revenue was impacted by the increase in the supply of rooms in the Gaborone market. Despite this increase in rooms supply, the performance of this operation has shown some signs of recovery during the second half of 2013.
- ♦ The balance of our South African operations generated revenue growth of 5,9% and EBITDA growth of 5,6% as compared to 2012. All of our operating units showed revenue growth for the year and our Graceland property in particular, performed well with revenue growth of 8,9% (from R169,9 million to R185,0 million) and EBITDA growth of 10,4% (from R50,2 million to R55,4 million).

Highlights for the year ended 31 December 2013					
REVENUE	EBITDA	EBITDAR			
R3 078,6 million +7,8%	R1 142,5 million +7,8%	R1 170,8 million +7,6%			

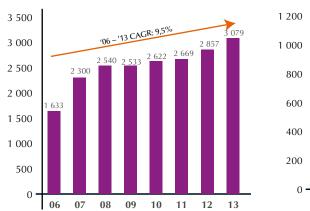


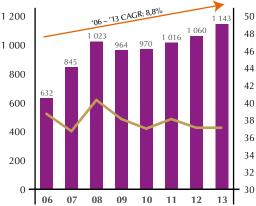


Summary of revenue and EBITDA performance history



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





Cash flow data for the year ended 31 December	2013 R'm	2012 R'm
Cash inflows from operating activities	1 108,7	1 080,2
Finance income received	33,0	14,2
Finance expenses paid	(824,0)	(767,2)
Taxation paid	(27,9)	(31,1)
Net cash inflows from operating activities	289,8	296,1
Cash outflows from investing activities	(218,0)	(177,7)
Cash outflows from financing activities	(39,2)	(22,7)
Net increase in cash and cash equivalents	32,6	95,7

Cash inflows from operating activities

Net cash inflows from operating activities for 2013 were R1 108,7 million compared to R1 080,2 million for 2012. The increase in cash generated by operations was diluted by working capital changes which generated a net cash outflow in 2013 as compared to a net cash inflow in the prior year.

Finance expenses

Finance expenses included hedged interest paid on the SSNs of R725,0 million (2012: R675,0 million), interest paid on the deferred hedging loan of R60,2 million (2012: R62,6 million), as well as interest on the other borrowings by the Group.

Cash outflows from investing activities

Net cash outflows from investing activities for 2013 were R218,0 million. This included R56,8 million spent on slots replacement throughout the Group; R76,5 million on computer software and equipment on installation of the new gaming system; P5,0 million (R5,8 million) relating to refurbishment at the Walmont hotel at the Grand Palm and the Metcourt hotel in Francistown; R7,3 million on the restaurant and bar at Rio; R7,0 million on the construction of the Thaba Moshate Casino Resort in Burgersfort; R3,5 million spent on the Club Floor Lounge at Emperors Palace; and R2,2 million on the mall entrance at Frontier. The balance consisted of normal replacement capital expenditure.

Cash outflows from financing activities

Net cash outflows from financing activities for 2013 amounted to R39,2 million. This included the scheduled redemption of debt by Group companies of R8,5 million; dividends paid to non-controlling shareholders of R14,3 million; and R11,3 million relating to the redemption of the non-controlling shareholder's portion of the preference shares in Peermont Global (Botswana) Limited.



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December

	2013	2012
	R'm	R′m
Total non-current assets	8 711,3	9 105,1
Total current assets	2 055,5	458,6
Total assets	10 766,8	9 563,7
Capital and reserves	(2 598,8)	(1 776,9)
Non-controlling interests	59,9	101,7
Deeply subordinated shareholder loans (1)	6 063,0	4 896,7
	3 524,1	3 221,5
Other interest-bearing long-term borrowings	403,7	4 909,0
Other non-current liabilities	221,5	486,7
Current portion of interest-bearing long-term borrowings	6 099,3	103,3
Other current liabilities	518,2	843,2
Total equity and liabilities	10 766,8	9 563,7

⁽¹⁾ In terms of the deeply subordinated shareholder loans 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 December 2013

	Less than	1 – 3	3 - 5	After	
	1 year	years	years	5 years	Total
	Ŕ′m	['] R'm	[^] R'm	[^] R'm	R'm
Second priority Senior Secured Notes					
(SSNs) (1)(3)	6 060,1				6 060,1
Deferred hedging loan	10,5	_	400,0	_	410,5
Deeply subordinated shareholder loans		_	_	6 063,0	6 063,0
PIK Equity Loan (2)(3)	_	_	_	3 718,4	3 718,4
PIK Notes Loan (2)(3)	_	_	_	2 344,6	2 344,6
Bank borrowings (4)	28,7	3,7	_	_	32,4
	6 099,3	3,7	400,0	6 063,0	12 566,0
Operating lease commitments	14,4	25,5	23,6	219,3	282,8
Total	6 113,7	29,2	423,6	6 282,3	12 848,8

⁽¹⁾ The amount reflected is €416,1 million disclosed at the current spot rate, less unamortised issue costs and discounts, plus accrued interest, the

principal of which is due in April 2014.

(2) The amount reflected includes the principal owing and accrued and capitalised interest on subordinated long-term shareholder funding from PGH II. In terms of the deeply subordinated shareholder loans agreement, these 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.

(3) The Croup has previously announced a refinance/restructure programme for the deeply subordinated shareholder loans (not due before 2037), the SSNs (contractually due April 2014) and the deferred hedging loan (contractually due 2017) which is expected to occur before 30 April 2014. Refer to "Update on recapitalisation".

(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 existing RCF.



Overview

The 2013 year has been an eventful one for the Peermont Group and there has been steady growth in both revenue and EBITDA. In addition to maintaining and growing our existing business, there have also been some exciting new developments, notably the commencement of construction of our new Thaba Moshate casino resort in Burgersfort and the installation of our new Bally gaming system at the majority of our casino operations. In addition, considerable progress has been made with regards to the capital and debt restructure of the Group.

Group revenue for the year exceeded the R3 billion mark for the first time and increased by 7,8% to R3 078,6 million from R2 856,9 million. All of our operating units showed growth in revenue for 2013. The growth in revenue was largely driven by gaming revenue, which increased by 8,3% to R2 382,6 million. The Group received a boost in gaming revenue in the first quarter of 2013 when certain foreign table players visited the Emperors Palace resort during and after the African Cup of Nations football tournament, which was hosted in South Africa in January and February.

Hotel and resort revenue increased by 5,8% to R696,0 million. Emperors Palace grew hotel and resort revenue by 2,7% from a relatively high base in 2012. Our Botswana operations remain under pressure in terms of hotel and resort revenue due to a significant increase in the supply of hotel rooms in the Gaborone market and showed relatively flat hotel and resort revenues in Pula terms. Hotel and resort revenues for the balance of our South African operations were satisfactory and reported growth for the year of 15,8%.

Cash costs increased by 7,9% from R1 801,1 million to R1 943,8 million for 2013. Following the strong focus on revenue generation and the resulting increase in promotions and marketing spend in 2012, the Group was able to maintain the revenue momentum generated throughout 2013. As a result, the increase in promotions and marketing costs was limited to 5,2% in 2013. Costs were relatively well maintained overall despite inflationary pressures, variable cost increases linked to the growth in revenues and some significant legal and consulting costs incurred.

EBITDA increased by 7,8%, a similar rate to the growth in revenue, from R1 060,2 million to R1 142,5 million in 2013. Emperors Palace EBITDA increased by 9,0% and EBITDA growth generated by the balance of the group was 6,3%.

Update on recapitalisation

On 3 November 2013, the Group announced that it had reached an agreement with its stakeholders to recapitalise the Group and raise R5,3 billion of new Rand-denominated debt. The new capital structure reduces the debt levels of the Group. Moreover, the new structure significantly enhances the long-term sustainability of the Group and allows for greater flexibility to pursue further growth opportunities.

The recapitalisation of the Group's consolidated balance sheet will be supported by a R4,1 billion local six-year senior debt finance package, underwritten by Rand Merchant Bank, a division of FirstRand Bank Limited, and jointly arranged with ABSA Bank Limited, Investec Bank Limited and The Standard Bank of South Africa Limited. The senior debt will be supplemented by a R1,2 billion six-and-a-half-year Rand-denominated mezzanine debt package provided by certain of the Group's existing stakeholders.

The new R5,3 billion debt package will be used to refinance existing local and foreign debt, including the Euro-denominated SSNs (which will be repaid at par on maturity in April 2014) and the associated currency hedges. The new debt package significantly lowers debt funding costs and eliminates expensive currency hedging going forward.

The PIK Notes Loan will be replaced with cumulative, redeemable no par value preference shares in Peermont Global Holdings II Limited. Overall debt levels will be further reduced through the replacement of the PIK Equity Loan with ordinary shares.

Significant progress has been made regarding the agreements and approvals required to implement the restructure and refinancing. We are pleased to announce that the primary agreements relating to the senior and mezzanine debt refinancing were signed on 31 March and 1 April 2014. Many of the conditions precedent to the refinancing and the equity restructure have been fulfilled. The equity restructure transaction is expected to be implemented on or about 11 April with completion as soon as possible thereafter. The proceeds from the new financing arrangements are scheduled to be received by 25 April 2014. This will enable us to settle the SSNs at maturity in accordance with the indenture and close out the related currency hedges.

Thaba Moshate Hotel Casino and Convention Resort

The construction of the Thaba Moshate resort continues on schedule and is expected to be completed in 2015. To date we have invested approximately R28,8 million in this project, including R21,5 million in respect of land and infrastructure costs. The overall construction cost is currently estimated at R325 million.







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