

Good morning and welcome to the Peermont 2007 Results Presentation

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

Our annual report for the year ended 31 December 2007 was released yesterday to the Bank of New York for distribution through Euroclear and ClearStream, and on our website.

The annual report contains an annexure setting out pro forma unaudited group information for the 12 months ended 31 December 2007 to assist investors in comparing our performance to the pro forma numbers contained in the offering memorandum.

Our presentation focuses on these pro forma numbers, which are adjusted to exclude the once-off effects related to the buyout, delisting and re-organisation transactions completed on 24 April 2007. We should of course note that the group has become bigger as a result of the transactions, which included the buyout of certain minority interests in group companies.

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Our presentation 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 certain financial and operating highlights, followed by a review of the financial results by Grant. Finally, I will conclude with a brief discussion of the key initiatives for 2007, 2008 and beyond.

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2007 was a year of strong economic growth in both countries in which we operate, with South Africa experiencing GDP growth of 5,1% and Botswana achieving even higher growth of 6,2%. Inflationary pressures are gathering momentum in South Africa, with CPIX averaging a 7,1% increase for 2007, well outside the central bank's targeted range of 3-6%. This has resulted in several interest rate increases during 2007, with the prime lending rate currently at 14,5% and poised for further increases in light of recent higher inflation data. By contrast, Botswana experienced severe inflationary pressures in 2006, which moderated in 2007 and permitted a slight easing in interest rates during last year.

During 2007, the rand and pula exchange rates remained relatively strong and stable, mainly as a result of strong portfolio inflows into South Africa. These capital inflows more than offset the current account deficit, which is approaching some 7% of GDP. A reduction of portfolio inflows into South Africa in the early part of 2008 has contributed to the rand's recent weakness, which is now hovering at levels of around R8.20/USD and R12,67/Euro.

It would seem that a large component of both the current account deficit and the growth in private sector credit extension relates to the massive infrastructure spending programmes currently underway to increase the growth capacity of the South African economy. Fortunately, the government is currently running a budget surplus of around 1% of GDP which is helping to relieve certain pressures on the South African economy.

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In many ways 2008 has been a very different story to 2007. We began the year with power blackouts in many parts of the country as a result of inadequate planning by the country for higher than expected growth in electricity demand. As far as the direct effects of the blackouts are concerned, these have not been particularly significant for our company. We are in the fortunate position that when the blackouts struck, we had standby power generating capacity at most of our casinos. We have recently completed an assessment of our standby power requirements, as a result of which we have obtained board approval to spend R12.5 million on our SA properties and Pula 3.5 million on our Botswana properties to upgrade our standby plant, mainly in respect of our hotel and convention facilities.

In the short to medium term, South Africa has to reduce peak power demand. As part of its demand-side management programme, the hospitality industry has been targeted to deliver power savings in the order of 20%. Fortunately in 2005 we began with a programme to reduce electricity consumption, through the introduction of load-balancing technology. This initiative alone has yielded savings in excess of 10% per annum in electricity consumption at EP and is in the process of being rolled out throughout the group. We are currently investigating the feasibility of solar power, with the preliminary results indicating a 4 year payback on an investment of around R16 million. We intend to accelerate this project if the results of the engineering feasibility assessment prove positive.

It is also clear that the cost of electricity in South Africa has to increase to reduce the demand-supply imbalance. Eskom claims that South Africa produces the world's lowest cost electricity, some 74% cheaper than the next cheapest producer. Eskom is currently attempting to motivate a 60% tariff hike, which is meeting resistance from consumers.

Peermont's current electricity bill amounts to some 0,9% of revenues. If the electricity price were to double in relative terms and we achieved consumption savings of around 20%, the electricity cost would increase to around 1,5% of revenues. At worst, therefore this would impact margins adversely by some 0,6% of revenues.

The indirect effects of the electricity shortage are however much more significant, with economists reducing their 2008 GDP growth forecasts from around 5% in real terms last year to around 3-4%. This will no doubt have a significant effect on nominal revenues going forward. The other indirect effect which could prove significant is that blackouts tend to lead to less available leisure time for consumers as routine household chores such as cooking and ironing have to be done when power is available, rather than at times which best suit the consumer.

As regards the changes to the ANC leadership since December last year, relatively little can be said at this stage other than that there is more uncertainty regarding political and economic direction in South Africa. There is much water to flow before we have the required visibility to understand what changes to economic policy the new leadership's support base may cause and how any such policy changes may translate into action.

The South African consumer is under far greater pressure in 2008 than in 2007. The effects of sharp oil and food price hikes have recently been exacerbated by the rapid depreciation of the rand. These inflationary pressures, together with rising interest rates have placed disposable income under considerable pressure, the effects of which can be seen on 2008 revenues. During the first 2 months of 2008, group revenue growth has slowed to the order of 7-8%.

South Africa is facing a serious skills shortage. The effects of this are particularly acute in disciplines where people are internationally mobile such as in the hotel, food & beverage, IT, finance and engineering fields. We are having to do more and spend more as regards training and incentivisation of staff across all levels from cooks and cleaners to managers.

The higher interest rates mentioned above appear to have led to a slowdown in the rate of growth in the use of credit cards by our customers.

In 2006, we saw significant growth in our credit card commission expense (as an indicator of credit card usage). This expense was relatively flat during the first 3 quarters of 2007 and declined in the fourth quarter owing to a renegotiated lower rate of commission. This lower trend is continuing in 2008, which is a good indicator that our customers currently feel less inclined to use personal credit.

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The Botswana economy has historically experienced more cyclicalities than the South African economy and fortunately is in the midst of an economic upswing. Inflation was reined in during 2007, compared to double digit growth during the course of 2006, and growth rates are still strong. The country will benefit from a new diamond trading centre, launched last week which will result in the move of diamond cutting operations to Gaborone and by the end of next year will result in the move of diamond aggregation operations (i.e. sorting diamonds by value) to Botswana. This is very positive for our business and will doubtless result in new clients, particularly for our Gaborone hotels.

Botswana is also fortunate in that it is benefiting from increased mining activity and also has large untapped coal reserves. Botswana plans to capitalise on these resources by constructing power stations which will eventually feed into the southern African power grid.

SLIDE

Turning to the South African casino market in 2007, 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 useful information regarding trends.

It is clear that Gauteng is still the largest casino market in South Africa, accounting for 43% of South Africa's total casino revenues for the 12m ended 31 March 2007. The casino industry as a whole generated revenue growth of 15% to 31 March 2007.

The Gauteng revenues were boosted at the expense of North West revenues, by the inclusion of the Morula casino in the Gauteng province as from 5 March 2006. If Morula is included in the 2006 numbers we estimate that the adjusted growth to 31 March 2007 would have been approximately 14%.

The Free State revenues were also boosted by the commissioning of two new casinos during the period i.e. our Frontier Inn and Casino in Bethlehem and Sun International's Windmill casino in Bloemfontein.

SLIDE

The Silverstar casino, operated by Gold Reef Casino Resorts, was opened to the public during December 2007. This casino is located some 80km away from Emperors Palace and thus far appears to have had a relatively limited impact on our business, with a much greater impact on the closer Montecasino and Gold Reef City casino properties. All facilities at this resort will be open by next month. We are taking preventative steps to mitigate dilution of some share from the Pretoria market, particularly the Western side which has easy freeway access to Silverstar and also to combat increased competition from Montecasino for share of the Pretoria market.

As regards new licences, only 5 casinos out of the maximum number of 40 licences remain to be developed. These are in respect of the Mthatha region, where Peermont is the preferred bidder, the Burgersfort region in Limpopo where Peermont had previously applied, and one further casino in each of Mpumalanga, Free State and the Northern Cape provinces.

As regards Mthatha, Peermont is currently reviewing this project given the significant delays caused by legal action from a competing bidder against the ECGBB and land claims on the site which we had intended to develop. These delays have led to a significant escalation in building costs, placing pressure on the economic viability of this project in its current form.

The Limpopo Gambling Board decided not to issue the Burgersfort licence to either of the final two applicants and is planning to commence a new bidding process during 2008. Peermont was informed that our proposed capital expenditure of R159 million was too low and our competitor was informed that their site was not considered suitable. In the interim, we have acquired the land required for the Burgersfort project at a cost of R21 million and are well placed to submit a revised bid.

As regards interactive gambling, the DTI and National Gambling Board have pressed hard for amendments to the National Gambling Act to regulate the interactive gaming industry in South Africa. Following a high court judgement against one of the online casino operators declaring their activities illegal, CASA has submitted a letter of complaint to the ASA requesting them to prevent the advertising currently taking place by illegal online operators. As regards the status of the proposed amendments to the National Gambling Act, we understand that the issue of advertising of interactive gambling remains to be resolved before this can advance.

Following the introduction of the DTI's B-BBEE scorecards, many of the provincial casino regulators are placing pressure on the industry to report their B-BBEE status annually in terms of the scorecard. The casino industry is currently working with the Gauteng Gambling board on a project to harmonise each casino's bid deliverables with the reporting framework required by the new scorecard. To date, we remain the industry leader in BEE credentials which we attempt to use for commercial gain in contracting accommodation and conference business from government.

As regards the illegal casinos operating in the North West province, Peermont has submitted a formal complaint to the National Prosecuting Authority. In addition, the new CEO of the NW Gambling Board has been tasked with closing the illegal casinos and has begun with a programme of action to this end. We are hopeful that progress will be made in this regard in 2008.

Limited payout machines (i.e. similar to the AWP machines in the UK) which are limited in terms of maximum bet sizes, payouts and number of machines per establishment (usually pubs and restaurants) have continued their rollout throughout the country with Gauteng most recently having issued an RFP for route operators. In common with other provinces, this is not expected to have any significant effect on casino revenues.

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Hotel trends in South Africa are still exhibiting very healthy growth. As can be seen from the results of the Deloitte survey covering the 2007 calendar year, REVPAR has increased by 16% in South Africa amongst 3, 4 and 5 star hotels. This was driven by ARR growth of 14,6% and occupancy growth of 1,5% to around 72.5% nationally.

This growth trend for 2008 remains positive and we expect that the impact of a weaker rand on hotel revenues will be positive.

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Turning now to the highlights of Peermont's financial performance for 2007, group revenues grew by 15% on a pro forma basis to R2,347 billion while EBITDA grew by 19% to R968 million. EBITDA margins grew from just under 40% in 2006 to just over 41% in 2007. Over a five year period, our compound revenue growth has been 30% per annum and our compound EBITDA growth has been 35% per annum.

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As to the composition of our revenue, gaming still accounts for 82% of our revenues with revenue from rooms increasing from 7% to 8% of total revenues. Botswana still accounted for 7% of total group revenues in 2007 and we expect this to increase marginally in 2008.

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As to our reliance on Emperors Palace, this has diminished slightly with EP contributing 70% of total revenue in 2007 as compared to 71% of total revenues in 2006 and 69% of EBITDA in 2007 compared to 70% in 2006. Our objective is to increase revenue from other units such that EP accounts for no more than 50% of our revenues by 2012.

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In 2007, EP grew revenues by 12,6% and EBITDA by 17%. The EBITDA margin increased to a best-ever 40.4% in spite of significantly increased competition last year. Revenue growth was driven by slots revenue growth of 12.5%, tables growth of 7,8% and rooms revenue growth of 39.2%. During 2007, we spent approximately R13 m on the optimisation of our slots/tables mix and the introduction of permanent traditional live player to player poker games, a first in South Africa. We also began construction of our 248 bedroom Metcourt hotel. Gaming revenues accounted for 86% of total 2007 revenues at EP.

SLIDE

The EP slots hold % continued to increase slightly in 2007, driven by a long-term shift in customer preferences away from lower hold video poker and stepper slot machines to higher hold multi-line video slots. We think this trend has peaked and customers are no longer demanding more video product. The table game hold % remained remarkably stable in 2007, again indicating a likely peak in hold percentages. Our hotel occupancies at EP, at an average of 84% in 2007, experienced phenomenal growth, benefiting from our location adjacent to the OR Tambo international airport.

The average no. of vehicles per day visiting the complex has increased by just under 1% to just over 5 700 per day in 2007. We estimate that each car contains an average of 2.3 visitors to the complex, resulting in approximately 13 000 visitors to the complex each day. The bulk of the growth in revenue can thus be attributed to increased average spend per visit. As regards market share, in 2006 the EP share of the Gauteng casino market reduced from around 27% to 26% as a result of the inclusion of the Morula Sun in Gauteng and this was maintained in 2007.

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In October last year, we completed the commissioning of 84 new slot machines and reduced our number of tables from 67 to 61. At the same time, we launched our new live poker offering with 8 tables on the main casino floor, which is proving to be very popular. We are currently considering the conversion of one of our non-gaming facilities to a dedicated poker den, to offer our poker players a more private poker experience. During 2007, we ran several major promotional campaigns, featuring various combinations of houses, cars and cash as prizes. We also had a busy entertainment calendar featuring world-title boxing fights, comedy, and culturally tailored music and other performances. We faced particularly stiff competition in 2007, with Montecasino launching new entertainment, hotel and dining attractions at a cost of around R300m in April last year, Gold Reef City undertaking an extensive refurbishment and upgrade programme and the launch of the Silverstar casino in December 2007.

SLIDE

As regards highlights of the rest of the group, we can see from this slide that revenue grew by 22% in aggregate for 2007 and EBITDA grew by 24%, well ahead of the revenue and EBITDA growth generated by EP. The rest of the group generated EBITDA of R302m from revenues of R698m in 2007, an EBITDA margin of around 43%.

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This slide and the next are provided for information and set out the revenue and EBITDA performance of each individual unit. Revenues were boosted by the inclusion of the Frontier Inn and Casino for a full twelve month period. Amongst our existing casinos, the Umfolozi, Graceland and Botswana properties shone with revenue growth of 25% and 18% respectively translating into EBITDA growth of 27%, 30% and 45% respectively.

SLIDE

This is a continuation of the previous slide for reference purposes.

SLIDE

Here we have a photo of the new property which opened in the Free State during December 2006. It is expected that this property will take some time to reach its full potential.

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In 2007, we spent approximately R18,4 million on a refurbishment and upgrade programme at our Venda property. This photo shows our refurbished restaurant which was opened in November last year and is a significant improvement on the old offering. We have also decided to in-source the food and beverage operations at this property as from November of last year to ensure the delivery of quality guest service commensurate with the upgraded product.

SLIDE

We also completed our Venda rooms refurbishment programme in October 2007, following which we were able to raise our Venda room rates by approximately 20%.

SLIDE

Other factors which had an impact on performance from the rest of the group in 2007 included the modernisation of the slots gaming product at Umfolozi in the latter part of 2006, the refurbishment of the main competitor's casino product in Botswana in 2006 and the opening of our two new smaller casinos in Botswana in December last year.

SLIDE

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

SLIDE

...Followed by this slide setting out hotel rooms, rates, occupancy and REVPAR.

SLIDE

I now hand you over to Grant Robinson to talk in more depth about our 2007 financial performance.

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The news as far as Peermont's financial results for the year ended 31 December 2007 is all good.

SLIDE – Revenue and EBITDA

Pro forma revenues increased from R2 037 million in 2006 to R2 347 in 2007, an increase of 15,2% for the year.

Pro forma EBITDA improved from a directly comparable R811 million to R968 million in 2007, an increase of 19,4%.

You may recall that in the offering memorandum, we reported a pro forma EBITDA of R815,0 million compared to the R811,1 million reported today. The difference is that in the offering memorandum, the comparative base included the Graceland property at 97% whereas, for the 2007 pro forma we have only proportionately consolidated 75% of Graceland, a reduction of approximately R5,9 million. We also reclassified certain coats of R2 million from rentals to depreciation, increasing EBITDA. We therefore adjusted the base to be directly comparable.

The pro forma EBITDA margin has also improved from 39,8% to 41,2% in 2007.

SLIDE – Consolidated income statement

Anthony has already covered the main revenue drivers and the improvement in each of these areas.

Overall costs have been relatively well contained with Employee costs up 10%, being driven by an average base increase of approximately 8% and the balance being driven by increased activity and incentives.

VAT and Gaming levies are directly linked to revenues and the increase is at the expected 15% level.

Property and equipment rentals have increased by 20% on a very small base, largely due to the outsourcing of the equipment to maintain the Graceland golf course and increase rentals for the new head office.

Promotions and marketing costs were well contained considering the increased level of competition in Gauteng and the overall growth of the business.

The increase in other operational costs is expected to increase more in line with revenues and did so.

Depreciation and amortisation has increased substantially as we were required to place fair values on the assets of the business on acquisition of the new company and we increased the rate of depreciation on buildings from an average 1% to 2,6% during the year.

Finance income and costs have changed significantly due to the new structure of the business and the existence of the Euro denominated SSN liability and the related Hedging contracts. This aspect of the income statement is dealt with in a separate slide.

Pro forma taxation for 2007 was estimated using the profit before taxation at the current taxation rate of 29%.

The net result is a pro forma loss for the year of R121,7 million. This is well below the projected loss modelled at the time of entering into the transaction.

SLIDE – Finance expenses

This slide gives a break down of the interest, derivative and foreign exchange movements.

With the weakening of the rand from the date of the transaction at R9,605 to approximately R10 to the Euro at year end, resulted in a substantial profit on the revaluation of the hedge derivatives of approximately R125,8 million.

Conversely, the weakening rand resulted in a loss on restating SSN liability to the year end R/Euro spot rate of R216,1 million.

The movement in the exchange rate has been far more volatile since year end with the R/Euro rate moving from approximately R10 to the Euro to the region of R12,50 to the Euro. This will bring substantial volatility to the quarter ending March 2008's income statement.

For the pro forma finance charge we have estimated a full year's interest expense for the debt in existence at year end. R420,2 million will be payable on the SSN's with a further 127,7 million being accrued for the write up of the issue costs and hedging costs. Interest of R170,3 million on the PIK Notes and R202,2 million on the PIK Equity loan is expected. Other interest is on the asset based borrowings in the group.

SLIDE – Cost split

We have discussed the detail of the costs earlier but this slide gives you a graphical breakdown of the costs and employee costs.

The employee cost split shows the breakdown of the 2007 employee costs with 84% being salaries and wages, 8% on provident fund contributions and 6% on incentive schemes.

SLIDE – Balance sheet

There is no significant change in the balance sheet from that reported at the September quarter.

The main assets comprise the Property, plant and equipment and casino licences. The largest liabilities are the SSN's and PIK Notes and Equity loans.

The equity has decreased from R381,2 million to 184,6 million due to the loss incurred in the period to December.

SLIDE – Capitalisation

The total gross senior debt was R5 228,9 million at year end and equal to 5,4 times pro forma EBITDA of R967,9 million. This was at 6,4 times at date of issue.

This is before the deduction of cash amounting to R462,1 million. The credit stats net of cash are reflected on the next slide.

Total gross debt through the PIK Notes was R6 209,3 million and 6,4 times pro forma EBITDA.

SLIDE – Credit Stats

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 it for:

- The unamortised bond costs that have to be written up over the life of the bonds are added to the liability
- The derivative asset related to the FEC contracts is deducted (as the loss on the spot exchange rate it hedges is in the SSN liability) and
- Cash is deducted

This gives the user a true picture of the Senior net debt to EBITDA ratio.

Cash pay interest to pro forma EBITDA has been calculated using the next two actual coupon payments plus an estimated interest charge on the non-SSN debt. At 2,3 times, it has improved substantially from the 1,9 times in pro forma 2006.

Similarly the ratio for the Total net debt through the PIK Notes is 6,1 times as compared to 7,7 times at 2006.

SLIDE – Cash flow

The cash flow presented is on a combined predecessor/successor basis and **not** a pro forma basis.

The financial expenses consist mainly of the first coupon of R211,5 million paid on the SSN's, interest on the asset based debt plus the break costs on the settlement of the debt at the time of the transaction.

The other items are fairly similar to that reported in September except for the build up of cash to R462,1 million at year end.

I will deal with the Capex figures on the next slide.

SLIDE – cash flow 2

The predecessor/successor combined EBITDA of R845 million less taxation paid and the increased source of cash from working capital results in a cash from operations of R838 million.

Our net maintenance capex for the year amounts to R131,5 million. This includes approximately R30 million exceptional maintenance capex spent on the refurbishment and upgrade of the Mmabatho and Venda operations as well as the normal maintenance capex on replacement of slots, etc.

If we exclude the abnormal capex Mmabatho and Venda, this is within the projected guideline for maintenance capex of 4-5% of pro forma revenues.

Expansion capex of R57,9 million was spent on:

- The New Metcourt hotel at EP R20,8m
- Gaming expansion at EP R13,1m
- The new Metcourt hotel at Rio R3,0m
- The land for the Burgersfort casino R21,0m

In addition we spent R6,7 million on acquiring the remaining rights to certain management fees for Rio and the Northern casino licences in Botswana.

SLIDE – Cash conversion

The group EBITDA cash conversion, excluding the discretionary expansion capex remains high in 2007 at 89%.

SLIDE – Board approved capex

We have set out the current board approved capex for 2008. The maintenance capex is that approved as part of our normal budgetary process for 2008. Anthony will deal with the refurbishment and standby power upgrade capex later in the presentation.

The projects set out in the lower half of the slide are all projects which have been disclosed previously, reflecting the total expected capex and the estimated timing of the related cash flows.

The only change is the increased budget for the Metcourt hotel at Rio from R65,5 to R70,0 million. This is mostly as a result of changes to the facilities.

SLIDE – Board approved capex 2

This slide sets out the expected asset based project debt to be raised against these projects

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

SLIDE

As regards key initiatives for 2007, 2008 and beyond, we have focused considerable energy on our property refurbishment and upgrade programme to ensure our product remains competitive.

During 2007, we focused on the most urgent needs being the refurbishment and upgrade of the Venda and Mmabatho properties. Whilst the Venda property benefited from significant improvements to the front of house facilities, the Mmabatho programme was mainly limited to essential replacement of major plant and equipment such as electrical and air-conditioning equipment. The Mmabatho property is 30 years old and has not undergone a major front-of-house refurbishment during its existence. The board has therefore approved a capex programme amounting to R17,6m in 2007 which will result in an upgrade of approximately 64 rooms, minor changes to the casino areas and a new indoor/outdoor destination restaurant. Once the effect of these improvements has been gauged, we will consider refurbishing the balance of the rooms and public areas in 2009.

In a previous slide, I had indicated to you that our major casino competitor in Botswana refurbished their casino product in Gaborone in 2006 which impacted adversely on our market share. We have therefore completed plans for a refurbishment of our Grand Palm casino, at an indicated cost of some pula 13 million during H2 2008. At the same time, we also plan to refurbish our fifth floor bathrooms and business lounge as well as our main buffet restaurant at a total cost of some pula 7.5 million. Again, we will finalise plans for the refurbishment of the balance of the rooms in 2009 once we have determined the impact of the current proposed programme. We anticipate this refurbishment being able to capitalise on the economic growth potential of Botswana.

SLIDE

We plan to reposition our Walmart Ambassador property in Gaborone as a 5 star property to benefit from the anticipated growth in discerning upmarket clientele expected to be attracted by the new diamond trading centre and general economic expansion. We also plan to reposition our Mondior hotel at Emperors from a 3 star to a 4 star property in 2009 to differentiate it from the new three star hotel currently under construction and to yield better revenues from higher rates as the EP complex is currently trading at occupancy levels well in excess of 80%.

In light of the significant competitive pressures in Gauteng, we are undertaking a research project focusing on extracting the best use of our existing entertainment, dining and gaming space at Emperors Palace. The project will focus on improving the tenant mix at our Emporium, providing new entertainment attractions and a wider choice of dining facilities for patrons to attract more visitors to the complex.

We have already mentioned our energy efficiency drive and the associated costs as well as our enhanced standby power plan.

During 2008, we have changed the casino management system in place at Graceland and we now use the same system across all our smaller properties. We also plan to upgrade our casino management software in use at EP to the latest version in H2 2008.

The construction of the 248 bedroom Metcourt at EP is progressing well and is on schedule and within budget of R170 million. The hotel is expected to commence opening in December this year, with full opening taking place in March 2009.

We have decided to increase the budget for the new Metcourt and conference facilities at our Rio property from R65.5 m to R70m mainly to allow for slightly improved facilities. This property will be well poised to benefit in the event that illegal casinos are shut down in the North West. Mining activity in the region also appears to be escalating in the region.

The relocation of the Umfolozi Casino is expected to remain within the budget of R220m. At this stage, we are currently finalising the land purchase agreement with the Local Council and expect to start construction before the end of 2008.

As regards new licences in South Africa, we have discussed the Mthatha and Burgersfort projects and may consider participating in the remaining new licences depending on their location and the process involved.

As can be seen, our current growth projects largely focus on optimising revenues from our existing property portfolio. With the number of casino licences in South Africa fast approaching the maximum of 40, we are looking further afield at gaming and hospitality opportunities outside of South Africa to sustain our longer term growth plans and to achieve our objective of diversifying revenue sources such that EP contributes a max of 50% by 2012.

That brings me to the end of our presentation and I will now open the floor for questions.