



PEERMONT

HOTELS CASINOS RESORTS

PeerMont Global (Proprietary) Limited
(formerly Opalton Investments (Proprietary) Limited)
Registration number 2006/006340/07
("PeerMont" or "the company")
SEDOL: B1W6GY8 ISIN code: XS0296654600

PRO FORMA UNAUDITED GROUP INFORMATION

for the quarter ended 31 March 2007

EBITDA increased by
30,6%
to R222,5 million

Gaming revenue up
20,5%
to R456,5 million

Hotel & resort revenue up
28,5%
to R98,2 million

Revenue (Emperors Palace)
grew by
19,9%
to R393,7 million

EBITDA (Emperors Palace)
grew by
31,5%
to R154,6 million

Revenue (balance of group
operations) grew by
26,8%
to R161,0 million

EBITDA (balance of group
operations) grew by
28,6%
to R67,9 million





GROUP INCOME INFORMATION

for the quarter ended 31 March 2007

	Pro forma unaudited quarter ended 31 March 2007 R'm	Change %	Pro forma unaudited quarter ended 31 March 2006 R'm
Group income information			
Revenue	554,7	21,8	455,3
Gaming	456,5	20,5	378,9
Rooms	43,6	44,3	30,2
Food and beverage	37,3	21,6	30,7
Other	17,3	11,9	15,5
Reconciliation of operating profit to EBITDA			
Operating profit	196,6	34,0	146,7
Depreciation and amortisation	25,9	9,5	23,7
EBITDA	222,5	30,6	170,4
Group capital expenditure information			
Expansion capital expenditure	1,9		16,4
Replacement capital expenditure	29,4		4,9
	31,3	46,9	21,3



BASIS OF PREPARATION

Peermont Global (Proprietary) Limited ("Peermont") was recently formed to acquire all of the issued ordinary share capital of Peermont Global Limited ("Old Peermont Global") pursuant to a scheme of arrangement between Old Peermont Global and its shareholders (the "scheme"). The scheme became operative on 24 April 2007. As a result of the scheme, Old Peermont Global became a wholly owned subsidiary of Peermont effective 24 April 2007. Prior to 24 April 2007, Peermont did not have any assets or operations.

Accordingly, the pro forma unaudited consolidated income statement information for each of the three-month periods ended 31 March 2006 and 2007 presented above is based on the historical consolidated income statements of Old Peermont Global, prepared in accordance with International Financial Reporting Standards (IFRS), adjusted to reflect the following transactions:

- ◆ *Tusk acquisition:* On 1 September 2006, Old Peermont Global, through Peermont Global Tusk Holdings (Proprietary) Limited ("Tusk Holdings"), of which at the time Old Peermont Global owned 79%, acquired an interest of approximately 74% in the Tusk Casino and Resort Group (the "Tusk Group"). We refer to this transaction as the "Tusk acquisition". As a result of the Tusk acquisition, the results of the Tusk Group were included in the results of operations of Old Peermont Global on a fully consolidated basis from 1 September 2006.
- ◆ *Emperors Palace reorganisation:* In connection with the scheme, certain minority BEE shareholders of Old Peermont Global's joint venture that owned the Emperors Palace asset exchanged their joint venture interests for shares in a parent company of Peermont (the "Emperors Palace reorganisation"). As a result of the Emperors Palace reorganisation, which became effective in April 2007, the joint venture entity became a wholly owned subsidiary of Peermont which is accounted for on a fully consolidated basis from that date.

The pro forma unaudited consolidated income statement information for each of the three-month periods ended 31 March 2006 and 2007 gives pro forma effect to the above transactions as if they occurred on 1 January 2006. The pro forma unaudited consolidated income statement information does not reflect the offering by Peermont of €520 million of 7³/₄% Senior Secured Notes due 2014, or the acquisition of the operations, assets and liabilities of Old Peermont Global and substantially all of its subsidiaries by Peermont and certain of its newly incorporated subsidiaries.

The pro forma unaudited group financial information presented above has been prepared in accordance with Peermont's accounting policies consistently applied during the periods presented. There have been no changes to accounting policies from those applied in the preparation of Old Peermont Global's annual financial statements for the year ended 31 December





BASIS OF PREPARATION CONTINUED

2006, except for the proportional consolidation of Peermont Global (Southern Highveld) (Pty) Ltd (“Graceland” or “PGSH”) that was reduced from 97% to 75%. Peermont currently owns 50% of the issued ordinary shares of PGSH, the entity that owns and operates Graceland. Under the terms of the shareholders’ agreement entered into with our joint venture partners in respect of Graceland, we are entitled to dilute our joint venture partners’ holdings so that we will own up to approximately 97% of the issued share capital of PGSH, any such dilution being subject to the approval of the Mpumalanga Gaming Board (“MGB”). Having regard to the MGB’s requirements, we may not be able to exercise our rights in full. Subject to the approval of the MGB, we intend to partially exercise these rights so that we will, directly or indirectly, hold approximately 75% of the issued share capital of PGSH.

The information for the current period includes the following operations:

- ◆ 100% of PGER Holdings (Pty) Ltd group (Emperors Palace operation);
- ◆ 100% of Peermont Global (Botswana) (Pty) Ltd (all operations based in Botswana including the Grand Palm Hotel and Casino, Mondior Summit, Metcourt Lodge, Metcourt Inn and the Gaborone International Convention Centre);
- ◆ 100% of PGEFS Holdings (Pty) Ltd group (Frontier operation);
- ◆ 75% of Peermont Global (Southern Highveld) (Pty) Ltd (Graceland operation);
- ◆ 100% of Mondazur Resort Hotel (a division of PGL);
- ◆ 100% of Tusk Resorts (Pty) Ltd (including Tusk Rio, Tusk Mmabatho and Tusk Taung operations);
- ◆ 100% of Emanzini Leisure Resorts (Pty) Ltd (Umfolozi operation); and
- ◆ 100% of the management and holding companies in the PGL Group.

The pro forma adjustments are based on preliminary estimates, information currently available and certain assumptions that we believe are reasonable, and may be revised as additional information becomes available.

The pro forma unaudited group information is presented for illustrative purposes only and does not purport to represent what the results of operation of Old Peermont Global would have been had the events listed above occurred on 1 January 2006 or to project the future results of operations of Peermont for any future period.



OPERATIONS

Emperors Palace

Revenue at Emperors Palace grew by 19,9% to R393,7 million compared to R328,3 million in the same quarter of the prior year. Gross gaming revenue (“GGR”) grew by 16,8% to R336,9 million, largely due to strong tables revenue growth which was 25,4% up on the same period in the prior year. Slots revenue increased by R30,1 million or 14,1% to R243,0 million.

Rooms revenue increased by 76,6% to R22,6 million compared to R12,8 million in the comparable period of 2006. Included in the current quarter is revenue of R6,4 million from the Mondior Concorde hotel which opened during March 2006.

EBITDA at Emperors Palace increased by 31,5% to R154,6 million. EBITDA growth was positively impacted by:

- ◆ strong tables revenue,
- ◆ Mondior Concorde revenue,
- ◆ the transfer of certain payroll costs to head office, and
- ◆ deferral of marketing expenditure to later in the year.

The EBITDA margin has improved from 35,8% as at March 2006 to 39,3% as at 31 March 2007.

Graceland

Graceland revenues were strong and grew by 27,9% to R34,8 million compared to R27,2 million in the first quarter of 2006. GGR grew by 30,2% to R25,8 million. Tables and slots achieved growth of 50,6% and 30,2% respectively. We attribute the growth to the positive impact on the local economy of investment activity by Sasol, a large industrial conglomerate operating near Secunda, Mpumalanga province, where Graceland is located.

As a result of good cost control, overhead expenses remained relatively flat quarter-on-quarter. This, combined with the significant revenue growth, assisted EBITDA to grow by 124,4% to R9,2 million from R4,1 million in the same period in the prior year. This resulted in a healthy margin improvement from 15,2% for the quarter ended 31 March 2006 and 21,9% for the year ended 31 December 2006, to 26,4% for the quarter ended 31 March 2007.

Botswana

In light of the improved economic conditions in the country, the Botswana operations experienced revenue growth of 13,3% in Pula terms from Pula 28,6 million (R33,7 million) for the quarter ended 31 March 2006 to Pula 32,4 million (R36,5 million) for the comparable period in 2007. Gaming revenues improved by 6,6% on the prior period with slots contributing growth of 14,5%. Hotel and resort revenues were buoyant and grew by 17,8% to Pula 21,2 million. The Walmont Ambassador and the Metcourt Lodge delivered the strongest revenue growth of 27,4% and 24,8% respectively. EBITDA grew in Pula terms by 14,3% to Pula 8,0 million (R9,0 million).





OPERATIONS CONTINUED

Tusk Rio

Tusk Rio in Klerksdorp grew revenue by 20,1% to R31,1 million. The strong revenue growth flowed down to an EBITDA of R14,3 million and resulted in a healthy EBITDA margin of 46,0%.

Tusk Mmabatho

Tusk Mmabatho achieved revenue of R16,4 million for the first quarter. The revenue performance was up 14,7% on the prior period. During the quarter a major roof and electrical repair programme was commenced and price competition with a hotel competitor in the area negatively impacted room rates. This, as well as increased local municipal charges, impacted on EBITDA resulting in growth of only 7,9% to R4,1 million (2006: R3,8 million) and a reduction in the EBITDA margin from 26,6% to 25,0%.

Tusk Venda

Tusk Venda grew revenue by 17,9% to R11,2 million. The strong revenue growth flowed down to an EBITDA of R3,7 million and resulted in an EBITDA margin of 33,0%, comparable to the 32,6% achieved in the same quarter in 2006.

Tusk Umfolozi

At Tusk Umfolozi in Emanzini, revenue growth exceeded expectations and was up by 34,9% to R26,3 million compared to the same period in the prior year. EBITDA at R9,6 million was 57,4% up on the comparable prior period. The EBITDA margin was 36,5% for the first quarter compared to 31,3% for the same period in 2006.

Frontier Inn

The operation opened in mid November 2006. The unit generated revenue of R9,1 million and achieved EBITDA of R1,3 million in its first full quarter of operations. The EBITDA margin at 14,3% includes R0,5 million of pre-opening costs that reduced the margin from 19,8%.

Head office and management companies (head office)

Head office revenue increased by 21%, from R30,0 million in the first quarter in 2006 to R36,3 million in the first quarter in 2007, mainly as a result of increased revenue and profitability at the managed casino and hotel units. The Frontier Inn operation contributed R0,7 million of the increase in management fees in 2007.

Head office expensed R0,8 million in respect of new casino licence applications and other business investigations in the current period. An amount of R1,3 million in transaction costs related to the scheme was expensed in the quarter.

The head office EBITDA increased by 4,7% from R17,1 million in the first quarter of 2006 to R17,9 million in the first quarter of 2007. The EBITDA growth was negatively impacted by transaction costs in relation to the scheme and increased head office payroll costs. The increased head office payroll costs were due mainly to new appointments made to increase our group marketing, sales and central reservations efforts as well as the transfer of certain staff from Emperors Palace to head office in line with our strategy of increased centralisation of functions such as reservations and sales. The combined EBITDA margin after adjustment for the once-off transaction costs was 52,9% (2006: 57%).



CAPITAL EXPENDITURE

Capital expenditure in the first quarter of 2007 grew by 47,4% on the same period in the prior year to R31,3 million.

R1,9 million in expansion capital expenditure was spent on the completion of the Frontier Inn in Bethlehem during the first quarter in 2007. The R16,4 million spent on expansionary projects in the first quarter of 2006 included the completion of the Mondior Concorde hotel at Emperors Palace and construction of the Frontier Inn.

During the first quarter of 2007, R29,4 million of capital expenditure was spent on the replacement cycle of property, plant and equipment for the group in the first quarter of 2007. Of this amount R17,1 million was incurred at Emperors Palace mainly on slots replacement.

Bryanston
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Registered office

Bridgeport House, Hampton Park, 20 Georgian Crescent East, Bryanston

Company Secretary

DL Petzer



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www.peermont.com

