



SOLID OPERATIONAL PERFORMANCE FOR THE YEAR TO 31 DECEMBER 2011

EBITDA EXCEEDS R1 BILLION

STRONG FINAL QUARTER RESULT – EBITDA UP 13.6%

The PeerMont Global Group (“PeerMont” or “the Group”) is pleased to report a solid set of results for the year to 31 December 2011. Excluding the once-off effects of the 2010 Soccer World Cup, earnings before interest, tax, depreciation, amortisation and other non-cash items (“EBITDA”) increased 7.6% to R1,015.7 million off a 3.5% increase in revenues to R2 668.7 million. The EBITDA margin increased from 37% to 38.1% as the Group kept a tight control over expenses, with total operating costs down 3.1%.

This solid performance was achieved in difficult trading conditions as consumers remained under pressure with inflation and municipal and utility cost increases absorbing higher wages.

The Group reported a particularly strong fourth quarter of the year with EBITDA up 13.6% and the margin up from 38.9% to 41.4%.

For the full year, all operations contributed positively to the Group’s performance. Hotel occupancies for the year were up at 71.6%, significantly above the national average and in challenging market conditions. Other than Emperors Palace, EBITDA was up 9% with particularly strong showings from Graceland, Umfolozi, Mmabatho Palms and Khoroni. Revenues at Emperors Palace were impacted by extensive road works in the area. Notwithstanding, Emperors Palace had a strong final quarter with revenues up 4.2% and EBITDA up 13.8% following a cost savings programme at this flagship property, with cash costs down by 5.3% for the year.

PeerMont remains strongly cash generative. Operating cash flow for the year was just under R1 billion at R997 million. The Group continues to invest in the business with capital expenditure of R134 million during the year.

Anthony Puttergill, CEO said:

“These are pleasing results and we were particularly encouraged by the strong performance in the last quarter of the year. With trading conditions remaining challenging, we have continued to focus on being efficient in all our operations including various energy savings projects. This is paying dividends with the strong increase in our EBITDA margin in the last quarter to a record 41.4%.”

The Group is continuing with the review of its capital structure in order to provide further cash flow headroom to take advantage of selective growth opportunities. PeerMont has the commitment of its key debt and equity holders to this process. Notwithstanding, the Group is able to cover its hedged and other cash pay interest expenses from operating cash flows and also has adequate

headroom under the Group's revolving credit facility. The focus remains on the restructuring and refinancing of the Group's debt.

Peermont is focused on increasing its revenues and generating strong margins. In this regard, clear objectives are in place at all properties. The Group will also selectively expand its operations where opportunities arise and as its capital structure permits.

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NOTES TO EDITORS:

Background

Peermont operates an attractive portfolio of 14 casino and hotel properties. Its properties include eight casino resorts with 12 integrated hotels, two stand-alone casinos and four stand-alone hotels in South Africa and Botswana. As at 31 December 2011, Peermont operated a total of 3 251 slot machines, 149 gaming tables and 1 675 hotel rooms. Their flagship property is Emperors Palace which is strategically located in the Johannesburg metropolitan area. Emperors Palace generated 62,0% of the revenue and 58,6% of the EBITDA in the 2011 financial year.

In addition to Emperors Palace, the property portfolio includes seven other casino resorts, two stand-alone casinos and four stand-alone hotels. The casino resorts offer guests a variety of distinct gaming areas containing a wide selection of slot machines and gaming tables, a selection of hotels ranging from three star select-services to five star luxury properties, various restaurants including popular recognised chains, as well as a variety of fine dining options, a number of differently themed bars, amusement arcades and child care centres. Many of the properties also offer convention and other facilities.

Company Strengths

- Strong market position in South Africa's largest casino market
- Attractive South African market with high barriers to entry
- Attractive diversified product offering
- Strong cash flow
- Strong BBBEE credentials
- Experienced management team

The Properties

Casino resorts

Emperors Palace Hotel Casino Convention Resort, Kempton Park
Graceland Hotel, Casino and Country Club, Secunda, Mpumalanga Province, South Africa
Mmabatho Palms Hotel Casino Convention Resort, Mafikeng, North West Province, South Africa
The Grand Palm Hotel Casino Convention Resort, Gaborone, Botswana
Khoroni Hotel Casino Convention Resort, Thohoyandou, Limpopo Province, South Africa
Frontier Inn and Casino, Bethlehem, Free State Province, South Africa
Rio Hotel Casino Convention Resort, Klerksdorp, North West Province, South Africa
Umfoloji Hotel Casino Convention Resort, Empangeni, KwaZulu-Natal Province, South Africa

Stand-alone casinos

Syringa Casino, Selebi-Phikwe, Botswana
Sedibeng Casino, Francistown, Botswana

Stand-alone hotels

Mondior Hotel, Gaborone, Botswana
Metcourt Lodge, Francistown, Botswana
Mondazur, San Lameer, KwaZulu-Natal Province, South Africa
Taung Hotel, Taung, North West Province, South Africa