

Phumelela Gaming and Leisure Limited
(Incorporated in the Republic of South Africa)
(Registration number: 1997/016610/06)
Share Code: PHM ISIN: ZAE000039269
("the Company")

Trading statement, notice of postponement of release of 2019 annual results and renewal of cautionary announcement

Trading statement

Further to the voluntary trading update and trading statement released on SENS on 12 July 2019, shareholders are advised that the Board is now reasonably certain that the Company will make a basic loss and a headline loss for the year, as follows:

- a basic loss is expected of between R80 million and R100 million, compared with a basic profit of R155.1 million in the prior year;
- a basic loss per share is expected of between 80 cents and 100 cents, compared with a basic profit of 153.78 cents in the prior year;
- a headline loss is expected of between R90 million and R100 million, compared with a headline profit of R155.6 million in the prior year; and
- a headline loss per share is expected of between 90 cents and 100 cents, compared with a headline profit of 154.23 cents in the prior year, which equates to a decrease of between 158% and 165%.

Included within the basic loss and headline loss are the following material items which collectively amount to R110 million:

- R30 million in restructuring costs;
- R32 million for a franchise provision in the North West province;
- R26 million in lost income for four months of the financial year due to the withholding of the Gauteng betting levy, as referenced in previous SENS announcements;
- R12 million annual cost due to the increase in VAT to 15% in April 2018, which is an ongoing reduction in income as there is no relief on the take-out ratio after provincial taxes and levies; and
- R10 million cost for the social responsibility development programme.

The estimated financial information contained in this announcement has not been audited, reviewed or reported upon by the Group's external auditors.

Notice of postponement of release of annual results for the twelve months ended 31 July 2019

Shareholders are advised that the Company is in the process of finalising results for the 12 months ended 31 July 2019 which is taking longer than anticipated. As a result, it is now expected that the audited results will be released on SENS on or before 29 November 2019.

Renewal of cautionary announcement

Further to the SENS announcement dated 12 September 2019, the Company remains under cautionary as engagements with the Gauteng Member of the Executive Council responsible for Economic Development, Environment, Agriculture and Rural Development ("the MEC") and the Gauteng Gambling Board are still in progress.

Shareholders are advised to continue to exercise caution when dealing in the Company's securities.

Turffontein
21 October 2019

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