

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

## UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 31 JANUARY 2020 AND FURTHER CAUTIONARY ANNOUNCEMENT.

### OPERATIONAL FEATURES FOR THE PERIOD

- Horse racing requires a national reorganisation as the current funding model is no longer functioning in the best long-term interests of the industry
- Betting turnovers remain under pressure in South Africa
- International operations performed satisfactorily

### FINANCIAL FEATURES FOR THE PERIOD

- Equity accounted profits R91,4 million (profits of R88,6 million)
- International profits of R113,1 million (profit of R113,5 million)
- Local operations lost a combined R115,1 million (loss of R61,4 million)
- Headline loss per share of 0,89 cents (headline earnings per share of 68,02 cents)
- Attributable profit per share of 0,08 cents (attributable profit of 70,05 cents per share)
- No interim dividend declared
- Net debt to equity ratio, including right of use asset, 38% (stable like for like)

### GOING CONCERN

Shareholders are referred to the long form SENS announcement in this regard.

### PROSPECTS

As at the date of this results announcement the prospects for horse-racing, other sports events and betting are uncertain and the Board is in no position to provide reliable guidance. The Group is operating under onerous conditions, much of which is beyond its influence. Phumelela seeks further negotiations with the broader horse racing community to find a resolution to the dire situation in horse racing and agree commercially sustainable solutions. The Group remains engaged in discussions aimed at raising capital. Should these discussions not prove conclusive soon, the Board will have to decide on whether there is any reasonable prospect that the Group's business can be rescued, or whether to make application for voluntary liquidation. The Board's current view is that even if financial relief can be obtained, a relief package should be negotiated as part of a business rescue plan. The Board will make an announcement in this regard in the near future.

Shareholders are reminded that Phumelela is under cautionary and are advised to continue to exercise caution when dealing in the Company's securities.

Any forward-looking statements or forecasts contained in these results have not been reviewed or reported on by the Group auditors.

### DIVIDEND TO SHAREHOLDERS

No interim dividend is declared.

## SHORT FORM ANNOUNCEMENT

This short-form announcement is the responsibility of the directors of the Company. It contains only a summary of the information in the full announcement ("full announcement") and does not contain full or complete details. The full announcement can be found at: <https://senspdf.jse.co.za/documents/2020/jse/isse/phm/H1F2020.pdf>

A copy of the full announcement is also available for viewing on the Company's website at [www.phumelela.co.za/investor-relations/annual-results](http://www.phumelela.co.za/investor-relations/annual-results) or may be requested in person, at the Company's registered office or the office of the sponsor, at no charge, during office hours.

Any investment decisions by investors and/or shareholders should be based on consideration of the full announcement.

By order of the Board

M Tembe Chairman 4 May 2020	JA Stuart Group Chief Executive
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Directors: M Tembe (Chairman), J A Stuart\* (Group Chief Executive),  
K C Khampepe, SA Mahlalela, N J Mboweni (Mrs),  
S H Muller, Dr E Nkosi, J B Walters  
(\*Executive)

Company Secretary: F. Moloji (Mrs)

Sponsor: Investec Bank Limited

Registered Office: Turffontein Racecourse, 14 Turf Club Street, Turffontein

Transfer Secretaries: Computershare Investor Services (Pty) Ltd

Share code: PHM

ISIN: ZAE000039269

Sponsor: Investec Bank Limited

Web site: [www.phumelela.com](http://www.phumelela.com)