



GRAND PARADE INVESTMENTS LIMITED

Highlights

- Restructuring with SUI completed;
Special dividend of 60 cents per share paid subsequent to December 2011;
Increase in LPM slots business operating contribution by 62.1%;
Increase in LPM slots business Gross Gaming Revenue by 25%; and
Increase in HEPS by 71.9%, which resulted in an increase in adjusted HEPS by 17.7%.



Directors: H Adams (Executive Chairman), A Abercrombie #, A Bedford #, R Freese #, R Hopton CA (SA) (Executive), Dr N Maharaj #, N Mlambo #, F Samaai #, S Petersen CA (SA) (Financial Director)

(# non-executive * lead independent)

GRAND PARADE INVESTMENTS LIMITED

(Incorporated in the Republic of South Africa)

Registration number: 1997/003548/06

Share code: GPL

ISIN: ZAE000119814

Registered office

12th Floor, Convention Tower, Heerenracht St, Foreshore,

Cape Town, 8001

(PO Box 6563, Roggebaai, 8012)

Transfer secretaries

Computershare Investor Services (Proprietary) Limited

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Sponsor: PSG Capital (Proprietary) Limited

Company secretary: Lazelle Parton



GRAND PARADE INVESTMENTS LIMITED UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2011



Condensed group statement of comprehensive income

Table with 3 columns: Unaudited 31 Dec 2011, Unaudited 31 Dec 2010, Audited 30 June 2011. Rows include Revenue, Cost of sales, Gross profit, Operating costs, Profit from operations, etc.

Table with 3 columns: Unaudited 31 Dec 2011, Unaudited 31 Dec 2010, Audited 30 June 2011. Rows include Basic and diluted earnings/(loss) per share, Headline earnings reconciliation, etc.

Table with 3 columns: Unaudited 31 Dec 2011, Unaudited 31 Dec 2010, Audited 30 June 2011. Rows include Reconciliation of shares, Adjusted weighted average number of shares, etc.

Restructure with SUI ("Restructuring")

The Restructuring with SUI has been completed resulting in our economic interests in SunWest and Golden Valley reducing to 25.1% each.

The cash received from this Restructuring is analysed as follows.

Table with 3 columns: Shareholding % sold, Net consideration received R'000s. Rows include SunWest, RAH, Golden Valley, Cancellation of management contracts.

The cash received has been utilised as follows: - repayment of R125.7 million SCM preference share funding; - repayment of R40.0 million Grindrod Bank Limited term loan; and - paid a special dividend of 60c per share totalling R282.3 million (subsequent to 31 December 2011).

The final cash consideration received for RAH amounted to 422 cents per RAH share. The adjustment to the initial offer of 408 cents per RAH share arose from the delay in the completion of the Restructuring together with RAH's portion of the cancellation fee which was paid to RAH shareholders.

The cancellation fees received by the Group relates to GPI's portion through its 50.0% interest in Western Cape Manco and its interest in Worcester Manco. The once-off payment of the management contract's cancellation fees included in the profits recognised from jointly-controlled entities has been reversed in adjusted headline earnings.

We are pleased to report that notwithstanding the Restructuring, the net asset value per share has increased by 2.9% from 383 cents per share to 394 cents per share. The net asset value per share will be affected subsequent to the payment of the 60 cents special dividend.

Performance of GPI's LPM slots operations

During the first six months of the financial year, the LPM business generated R194.4 million in GGR which has exceeded the prior period by 25.0% or R38.8 million.

GrandSlots (Western Cape) GrandSlots' total GGR for the six months ended 31 December 2011 increased by 15.2% compared to the same period last year, whereas the total provincial GGR increased by 13.7%.

Condensed group statement of financial position

Table with 3 columns: Unaudited 31 Dec 2011, Unaudited 31 Dec 2010, Audited 30 June 2011. Rows include ASSETS, EQUITY AND LIABILITIES, Total equity & liabilities.

Condensed group statement of cash flows

Table with 3 columns: Unaudited 31 Dec 2011, Unaudited 31 Dec 2010, Audited 30 June 2011. Rows include Cash flows from operating activities, Investing activities, Financing activities, etc.

Group statement of changes in equity

Table with 5 columns: Capital redemption reserve fund R'000s, Ordinary share capital R'000s, Share premium R'000s, Treasury shares R'000s, Available-for-sale reserve R'000s, Non-controlling interest R'000s, Accumulated profits R'000s, Total R'000s. Rows include Balance at 30 June 2010, Balance at 31 December 2010, etc.

Segmental analysis

IFRS 8: Operating Segments require a "management approach" whereby segment information is presented on the same basis as that used for internal reporting purposes to the chief operating decision maker/s who have been identified as the Board of directors.

Table with 3 columns: Unaudited 31 Dec 2011, Unaudited 31 Dec 2010, Audited 30 June 2011. Rows include Fully controlled assets, Operations, Investments, etc.

Headline earnings 93 480, Reversal of employee share trust (200), Reversal of cancellation fees (32 271), etc.

Adjusted headline earnings 66 098, 54 765, 102 496. * Transaction costs include the transaction costs expensed as part of the operating costs and the finance costs.

Accounting policies and basis of preparation

The interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), AC 500 and comply with IAS 34 - Interim Financial Reporting and the Companies Act of South Africa, No. 71 of 2008, as amended.

Notes to the financial statements

1. Revenue Revenue comprises Gross Gaming Revenue ("GGR") from GPI's LPM business, dividends received from National Casino Resort Manco (Proprietary) Limited ("National Manco") and Real Africa Holdings Limited ("RAH") and interest earned on positive cash balances.

Table with 3 columns: Unaudited 31 Dec 2011, Unaudited 31 Dec 2010. Rows include LPM interests, GrandSlots, Kingdomslots, Grand Gaming: Slots, etc.

Disappointingly, the Table Bay Hotel's revenue decreased by 12.6% when compared to the prior period and the attributable loss increased by 42.8% to R33.7 million.

GrandWest's exclusivity expired during December 2010. We continue to monitor any further developments in this regard.

Golden Valley Casino Golden Valley Casino's revenue increased by 7.1% compared to the prior period with the attributable loss decreasing by 11.5% to R2.8 million.

Review of GPI's associates

Akhona GPI Through its interest in Akhona GPI, GPI's investment in Sibaya is an effective 3.3% (2010: 4.1%). GPI diluted its interest as a result of its reduced shareholding in Akhona GPI from 75% to 59% and the sale of shares in RAH which it had directly in Sibaya.

Related party transactions

The Group, in the ordinary course of business, entered into various transactions with related parties. All transactions were concluded at arm's length. Any intra-group related party transactions and outstanding balances are eliminated in the preparation of the consolidated financial statements of the Group as presented.

Subsequent events

Subsequent to the interim period GPI paid a special dividend of 60 cents per share on 16 January 2012.

Dividends

The directors are proud of their achievement of paying dividends during the economic downturn, and will continue to look for ways to remain a dividend active company.

Directorate

As announced on SENS, Mr Uys Meyer resigned as non-executive director with effect from 31 January 2012.

- 2. Cost of sales Cost of sales is directly related to GGR, and comprises direct costs such as commissions to site owners, gambling levies and monitoring fees.

3. Profit from equity-accounted investments Profit from equity-accounted investments comprises profits from jointly-controlled entities and profits from associates.

Profit from jointly-controlled entities consist of SunWest attributable earnings and Western Cape Manco attributable earnings.

4. Profit on disposal of investments On 2 December 2011 the remaining conditions regarding the Restructuring were met and the deal was concluded.

5. Realisation of fair value reserve In terms of IAS 39 - Financial Instruments Recognition and Measurement, the Group realised R35.6 million of fair value adjustments previously recognised and as a result of disposing its interest in RAH in the statement of comprehensive income.

6. Reversal of impairment of investment in jointly-controlled entity In terms of IAS 36 - Impairment of Assets, an entity must determine whether there is any indication of impairment at each reporting date.

7. Finance costs Finance costs decreased by 13% due to the lower level of debt. During the period R8.0 million was repaid on the Sanlam Capital Markets ("SCM") term loan.

8. Taxation The tax in the statement of comprehensive income is relatively low compared to the profit before tax due to exempt income earned, permanent differences as well as timing of the tax already provided on the profit of the Restructuring.

9. Headline and adjusted headline earnings Headline earnings per share ("HEPS") for the six-month period ended December 2011 increased by 71.9%, while adjusted HEPS increased by 17.7%.

10. Non-current assets held for sale At 30 June 2011 the investment in RAH was reclassified as a non-current asset held for sale.

11. Current assets Current assets have mainly increased due to the cash received as part of the Restructuring and consists mainly of cash and cash equivalents of R698.0 million, inventory of R2.2 million and other receivables of R41.0 million.

12. Non-current liabilities By utilising part of the R733.6 million proceeds received from SUI in terms of the Restructuring, the Group repaid the R40.0 million term loan with Grindrod Bank Limited and redeemed R125.7 million preference shares with SCM.

13. Current liabilities Current liabilities consist of the current portion of the SCM term loan of R16.0 million, finance lease liabilities of R1.0 million and other payables of R48.3 million.

Mr Alan Keet has been appointed as the Chief Executive Officer with effect from 10 April 2012. The Board would like to congratulate Mr Keet on his appointment and looks forward to his contribution to the company and Group.

Unbundling of the GPI SPV and the GPI BBEE Trusts

As indicated in the year-end results an important element to the Restructuring with SUI is the releasing of GPI from all employment lock in obligations.

Strategy

As previously reported, GPI's strategy now has three key focus areas namely:

- 1. Its investment in urban casinos, centred around our stake in GrandWest;
2. The investment in the LPM business where GPI expects significant growth in the years ahead and where GPI is also positioning itself to invest in new areas of gaming, for example, to be ready to participate in the online gaming arena should this be legislated in South Africa in the future; and
3. New investment opportunities. GPI is currently evaluating a number of interesting and exciting prospects, which when further developed, will be in a position to advise shareholders.

Prospects

We anticipate the LPM business to show continued growth in 2012, especially as the Gauteng operation develops. GrandWest remains a very solid performer and we look forward to ongoing good results from this investment.

For and on behalf of the Board

H Adams Executive Chairman, S Petersen Financial Director

Cape Town 27 February 2012, Prepared by: D Pienaar CA (SA)