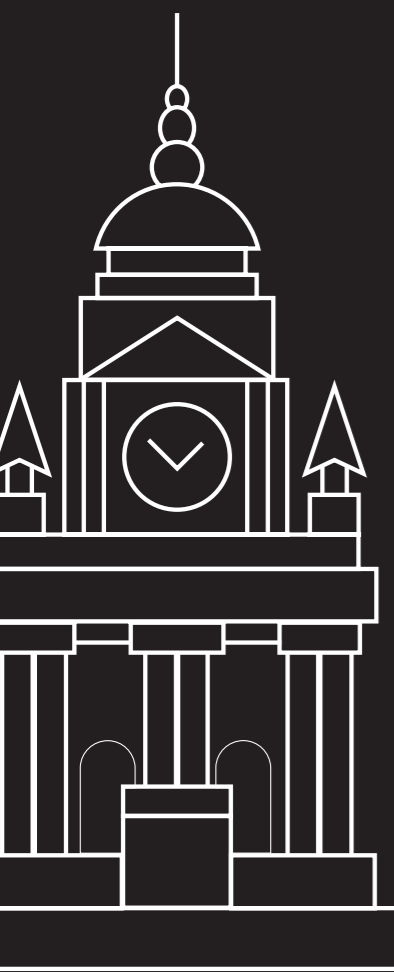




GRAND PARADE INVESTMENTS LIMITED

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, Heerengracht St, Foreshore,

Cape Town, 8001

(PO Box 6563, Roggebaai, 8012)

Transfer secretaries

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70 Marshall Street, Johannesburg, 2001

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Corporate advisers: Leaf Capital (Proprietary) Limited

Sponsor: PSG Capital (Proprietary) Limited

Company secretary: Lazelle Parton



Condensed group statement of comprehensive income

Table with columns for 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.

Condensed group statement of financial position

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

Group statement of changes in equity

Table with columns for Unaudited 31 Dec 2011, Unaudited 31 Dec 2010, Audited 30 June 2011. Rows include Balance at 30 June 2010, Total comprehensive income for the period, etc.

Segmental analysis

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

Condensed group statement of cash flows

Table with columns for Unaudited 31 Dec 2011, Unaudited 31 Dec 2010, Audited 30 June 2011. Rows include Profit/(loss) before taxation, Finance costs, Profit/(loss) for the period, etc.

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.

1. 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. Cost of sales has increased by 25.3% in line with the increase in GGR.
3. Profit from equity-accounted investments
Profit from equity-accounted investments comprises profits from jointly-controlled entities and profits from associates.

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 showing Shareholding % sold and Net consideration received R'000s for SunWest, RAH, and Golden Valley.

Cancellation of management contracts

Table showing 733 589 and 60 200 for cancellation of management contracts.

793 789

The cash received has been utilised as follows:

- re-payment of R125,7 million SCM preference share funding;
re-payment 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 one-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%.

A total of 1,670 LPMs were operational in the Western Cape at 31 December 2011 representing 24.4% of the national total of active LPMs. They contributed 35.4% (R40,6 million) to the national LPM GGR in December 2011. The Western Cape remains the best performing province in terms of LPM GGR in the country.

GrandSlots remains the market leader in the province in terms of active LPMs and GGR. It enjoyed a GGR market share of 56.7% at 31 December 2011 compared to 54.3% in the same month last year and an active LPM market share of 53.7%.

Kingdomslots (KwaZulu-Natal)
Kingdomslots' total GGR for the six months ended 31 December 2011 increased by 21.9% compared to the same period last year, whereas the total provincial GGR increased by 28.2%.

A total of 1,938 LPMs were operational in KwaZulu-Natal at 31 December 2011 representing 28.3% of the national total of active LPMs and the largest number in any single province. They contributed 23.8% (R27,3 million) to the national LPM GGR in December 2011.

Kingdomslots remains the market leader in KwaZulu-Natal in terms of active LPMs and GGR, enjoying an active LPM market share of 36.3% and a GGR market share of 41.5% at 31 December 2011 compared to 44.2% in the same month last year.

Grand Gaming: Slots (Gauteng)
A total of 1,191 LPMs were operational in Gauteng at 31 December 2011 representing 17.4% of the national total of active LPMs compared to just 620 (10.1%) at the end of December 2010. The provincial contribution in turn equated to 14.2% (R16,2 million) in December 2011 compared to 8.8% (R8,1 million) in December 2010.

Since acquiring the LPM route operator licence and licenced LPM sites of Playmeter Leisure Services (Proprietary) Limited at the end of April 2011, Grand Gaming: Slots has managed to increase its GGR market share from 13.6% at 30 June 2011 to 14.6% at 31 December 2011.

Despite the significant increase in the number of active LPMs over the 6 months ended 31 December 2011, the estimated average GGR per LPM in the province has remained extremely stable.

Overall, the LPM slots business operating contribution increased by 62.1% compared to the prior period.

Review of GPI's jointly-controlled entities

SunWest
In terms of the Restructuring concluded during December 2011, the Groups' interest in SunWest decreased to 25.1%.

GrandWest's revenue increased by 6.2% compared to the prior period while its attributable profit after the payment of the cancellation fees decreased by 41.1% to R86,4 million. Attributable

earnings from GrandWest would have increased by 1.0% compared to the prior period had the new method of management fees been applied retrospectively. GrandWest has shown consistent growth in revenues despite the slow recovery of the global economy and continues to maintain its position as one of the most profitable casinos in Africa.

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. The prolonged global economic recovery continues to have a negative impact on the luxury travel industry with the Table Bay Hotel as one of the premier luxury accommodation offerings in South Africa being unable to avoid this. The Table Bay Hotel has nevertheless maintained its status as being an aspirational destination amongst luxury travellers.

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. The decrease in attributable loss is mainly due to the lower level of debt and the decrease in finance costs.

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. Unless GPI can increase its effective interest in RAH to meaningful levels, it will exit this investment.

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. The Board wishes Mr Meyer well in his future endeavours and thanks him for his participation

to date.

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 loan in obligations. Letters have been sent to unit holders of the GPI Special Purpose Vehicle Trust ("GPI SPV Trust") and the GPI Broad Based Black Economic Empowerment Trust ("GPI BBEE Trust") advising them of the process that must be followed in order for the units to be redeemed and their new GPI share certificates to be issued. We urge those unit holders who have not yet responded to bring their relevant documents as requested to our GPI offices.

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. Further we will progress on our investment strategy in a careful and responsible manner.

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)