GRAND PARADE
INVESTMENTS LIMITED

UNAUDITED INTERIM RESULTS PRESENTATION OF
GRAND PARADE INVESTMENTS LIMITED (GPI)
FOR THE SIX MONTHS ENDED **31 DECEMBER 2016**

COMPANY SECRETARY

Lazelle Christian Parton

BUSINESS ADDRESS AND REGISTERED OFFICE

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(PO Box 6563, Roggebaai, 8012)

LISTING

JSE Limited

Sector: Financial Services

ISIN: ZAE000119814

TRANSFER SECRETARIES

Computershare Investor Services (Pty) Ltd

Rosebank Towers, 15 Biermann Avenue
Rosebank, 2196

(PO Box 61051, Marshalltown, 2107)

SPONSORS

PSG Capital (Pty) Ltd

(PO Box 7403, Stellenbosch, 7599)

AUDITORS

Ernst & Young Inc.

ATTORNEYS

Bernadt Vukic Potash & Getz

HIGHLIGHTS

- 67% increase in annual dividend paid
- Repaid R281.2 million of debt and reduced debt equity ratio to 16.5%
- Received R262.1 million in proceeds from the sale of 19.9% of GPI Slots
- Received R547.5 million in proceeds from the sale of 10% of SunWest and Worcester
- Cash on hand increased to R347.3 million
- Intrinsic Net Asset Value per share constant at 682 cents
- Repurchased 24.5 million GPI Shares at an average price of 365 cents per share
- Burger King reached profitability at a Company EBITDA level for the period
- Opened four new Burger King restaurants
- Opened five new Dunkin' Donuts restaurants
- Opened two new Baskin Robbins stores

SALIENT FEATURES

▲ **25%** increase in basic earnings per share to 7.07 cents	▼ **59%** decrease in headline earnings per share to 0.84 cents

INTRODUCTION

GPI's results for the six months ended 31 December 2016 clearly highlight a limited exit from its gaming and leisure investments and a continued investment into its food investments. GPI's gaming and leisure investments operate in an onerous and changing regulatory environment which is exposed to the risk of potential taxes in the future, however, they are mature investments that have strong annuity cash flows. Therefore in order to reduce the risk presented by the regulatory environment yet still benefit from the strong annuity cash flows, GPI's strategy has been to exit its gaming and leisure investments on a limited basis with the sale of a 10.0% holding in SunWest International (Pty) Ltd (**SunWest**) and Worcester Casino (Pty) Ltd (**Worcester**) to Tsogo Sun Limited (**Tsogo**) and a staged sale of 70.0% of GPI Slots (Pty) Ltd (**GPI Slots**) to Sun International Limited (**Sun**). These sales were concluded at attractive multiples and have realised significant investment returns. However the sales have also had a significant impact on GPI's earnings profile, the most significant being the earnings from SunWest which decreased by R20.5 million to R37.4 million for the period compared to the prior period earnings of R58.0 million. However, the decrease in earnings must be viewed in conjunction with the effect the investment disposals have had on GPI's statement of financial position. During the period GPI received proceeds of R547.5 million from the part disposal of its casino investments and a further R262.1 million from the disposal of a 19.9% holding in GPI Slots. GPI utilised the proceeds to repay R281.2 million in debt, which reduced the debt equity ratio to 16.5% from 27.1% at 30 June 2016. In addition, R112.0 million was utilised to pay a dividend of 25.0 cents per share on 28 December 2016. After the utilisation of the proceeds, GPI had R347.3 million in cash remaining on its statement of financial position at 31 December 2016.

In order to replace the annuity income of the sold gaming and leisure investments, GPI has been investing in its food investments, in particular, increasing its holding in Spur Corporation Limited (**Spur**), which like the gaming and leisure investments yields an attractive income annuity but operates in a far less onerous regulatory environment.

GPI continued with the expansion of its existing food investment portfolio during the period with the successful launch of Dunkin' Donuts and Baskin Robbins in the Western Cape. Both brands were received exceptionally well by the local consumer with sales in the first two months of trade exceeding the initial targets. At 31 December 2016, Dunkin' Donuts had opened five restaurants and Baskin Robbins had opened two stores. A total of R13.7 million was spent on setting up and launching the brands, inclusive of franchise cost and licensing fees.

Burger King South Africa (RF) (Pty) Ltd (BKSA) opened four new restaurants and closed two poor-performing restaurants during the period and reported a significant improvement in their operating results with a 211% increase in restaurant EBITDA and also reporting Company earnings before interest, taxation, depreciation and amortisation (EBITDA) profit, before restaurant closure costs, for the first time since commencing operations.

GPI's assessment of its intrinsic net asset value is significantly higher than its market capitalisation and as a result GPI repurchased 24.5 million shares during the period and a further 8.9 million shares subsequent to 31 December 2016. The share repurchases will have the effect of increasing GPI's earnings and dividends per share, but also highlights GPI's confidence in the earnings potential of its food investments. GPI will continue to consider share repurchases as a mechanism to improve its return to shareholders.

GPI has made a decision to focus on its gaming and leisure and food investments and as a result will continue to exit its investments classified as non-core in the previous financial year. To this extent GPI has exited its investments in GrandLinkstate (Pty) Ltd, Grand Sport (Pty) Ltd and has entered into an agreement with its investment partners in Grand Tellumat Manufacturing (Pty) Ltd (**GTM**) to limit its exposure to this investment. As a result GPI is now able to dedicate more resources to its core investments.

REVIEW OF RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2016

GPI reported headline earnings for the period of R3.7 million compared to R9.6 million reported in the prior period. The main contributors to the reduction in earnings were:

- The disposal of a 10% holding in SunWest in the previous financial year which resulted in a R20.5 million decrease in SunWest's earnings contribution when compared to the prior period.
- Start-up and launch costs of R13.7 million related to Dunkin' Donuts and Baskin Robbins which commenced operations during the current reporting period.

While the overall headline earnings for the period were R5.9 million less than the prior period, the following investments reported an improvement in their contribution to headline earnings:

- BKSA reported a R7.2 million improvement in its loss contribution, with a R8.4 million loss for the period compared against a R15.6 million loss in the prior period. The loss included once-off costs incurred to close non-performing restaurants.
- GPI Slots reported a 28% improvement in its contribution with earnings of R16.8 million for the period compared against R13.2 million in the prior period.
- Worcester Casino reported an earnings contribution of R1.0 million which is the first time it has contributed earnings. This represents a R10.1 million improvement when compared against the R9.1 million loss reported in the prior period.
- Corporate costs for the period of R17.7 million were reduced by R7.6 million when compared against the prior period's costs of R25.3 million.

The table below details each investments contribution to the Group's headlines earnings for the period:

GROUP HEADLINE EARNINGS BY INVESTMENT	UNAUDITED 6 months ended 31 December 2016 R'000s	Restated 6 months ended 30 December 2015 R'000s	Var R'000s	Var %
Food	**(25 285)**	**(15 371)**	**(9 913)**	**(64)**
BKSA	(8 376)	(15 557)	7 181	46
Dunkin' Donuts	(8 723)	–	(8 723)	–
Baskin Robbins	(5 007)	–	(5 007)	–
Spur	(2 992)	(2 353)	(639)	(27)
Mac Brothers	2 267	2 661	(394)	15
Grand Foods Meat Plant	(2 454)	(122)	(2 332)	(1 911)
Gaming and Leisure	**55 270**	**62 052**	**(6 782)**	**(11)**
SunWest	37 443	57 991	(20 548)	(35)
– Retained portion (15.1%)	37 443	34 887	2 556	7
– Disposed portion (10.0%)	–	23 104	(23 104)	(100)
GPI Slots	16 849	13 196	3 653	28
Worcester Casino	978	(9 135)	10 113	111
Other	**(18 536)**	**(32 508)**	**13 972**	**43**
Corporate costs	(17 720)	(25 342)	7 622	30
GPI Properties	(816)	(7 166)	6 350	89
Non-core	**(7 707)**	**(4 529)**	**(3 178)**	**70**
Grand Sport	(3 058)	(4 005)	947	24
Grand Tellumat	(4 649)	242	(4 891)	(2021)
Grand Technology	–	(766)	766	(100)
Headline earnings for the year	**3 742**	**9 644**	**(5 902)**	**(61)**

REVIEW OF INVESTMENT ACTIVITIES

GPI received total proceeds of R891.1 million over the past six months as a result of investment disposals which consists of:

- R547.5 million in proceeds and related interest from the disposal of a portion of its investments in SunWest and Worcester Casino;
- R262.1 million for the disposal of a 19.9% equity interest in GPI Slots; and
- R81.5 million for the disposal of properties and non-core investment.

The proceeds were allocated as follows:

- To reduce the total debt by R281.2 million
- Paid a dividend of R112.0 million, net of treasury shares
- Repurchased 24.5 million GPI shares for R89.4 million
- To acquire an additional 1.6% of Spur Corporation Limited (**Spur**) for R57.8 million

Payment of deferred proceeds from the disposal of casino assets

In terms of the disposal of 10.0% of SunWest and Worcester, Tsogo had agreed to pay a total of R675.0 million for the investments by way of an upfront payment of R112.5 million and the balance by way of 15 equal monthly instalments of R37.5 million ending September 2017.

GPI received the R112.5 million upfront payment during the prior financial period and R187.5 million in instalments up to 30 November 2016.

On 30 November, GPI concluded an agreement with Tsogo to accelerate the payment of the remaining R375.0 million in deferred proceeds. A total payment of R360.0 million was made by Tsogo, which represented a R15.0 million discount on the outstanding balance of R375.0 million. However, as a result of being able to apply the proceeds to reduce the overall debt levels, GPI expects the accelerated proceeds to have a R7.0 million positive effect on its cash flows.

Disposal of 19.9% of GPI Slots (third and final tranche)

On 16 November 2016, GPI concluded the disposal of a 19.9% equity interest in GPI Slots, being the third and final tranche of the staged deal to dispose of a 70% equity investment in GPI Slots to Sun. GPI received proceeds of R262.1 million and recognised a profit on disposal of R48.5 million, net of Capital Gains Tax, in the profit and loss for the period.

Disposal of properties and non-core investments

During the period, GPI continued with its strategy of exiting its non-core investments with the disposal of three properties and its full holding in GrandLinkstate.

The two industrial properties tenanted by Mac Brothers were sold for R59.5 million which resulted in a profit of R4.3 million on the disposal. In addition, the office building tenanted by GPI Slots was sold for R21.0 million resulting in a R0.3 million loss being recognised.

On 12 August 2016, GPI sold its 51% stake in GrandLinkstate, including a loan receivable, to EOH Limited for R0.9 million, which resulted in a R7.9 million loss being recognised for the period.

Repayment of debt

GPI utilised a portion of the proceeds received from its investment disposals to reduce its overall debt to R361.6 million. This has resulted in the debt equity ratio reducing to 16.5%. The table below shows the Group's debt split between Holding Company Debt and Debt held by subsidiary companies:

		31 December 2016 R'000s	30 June 2016 R'000s	31 December 2015 R'000s
HOLDING COMPANY DEBT				
Security	**Type of debt**			
SunWest	Preference shares	–	–	132 892
SunWest	Credit facility	–	225 000	300 000
Spur	Preference shares	237 558	234 621	229 621
		237 558	**459 621**	**662 513**
SUBSIDIARIES DEBT				
Subsidiary	**Type of debt**			
GPI Properties	Term loans	78 357	131 999	105 852
Mac Brothers	Finance lease	14 986	16 486	18 080
Grand Foods Meat Plant	Finance lease	28 341	32 235	35 198
Various companies	Vehicle financing	2 340	2 471	1 740
BKSA	Related-party loan	–	–	29 899
		124 024	**183 191**	**190 769**
Total debt		**361 582**	**642 812**	**853 282**
Debt equity ratio (%)		**16.5**	**27.1**	**36.7**

Annual dividend

GPI paid its 2016 annual dividend of 25.0 cents per share on 28 December 2016, which represents a 66.7% increase from the 2015 dividend of 15.0 cents per share.

The total dividend amounted to R122.2 million. However, GPI received R10.2 million back as a result of the 43.8 million GPI shares held in treasury; therefore, the total dividend paid, net of treasury shares amounted to R112.0 million

Acquisition of Spur shares

GPI continued to increase its holding in Spur during the year by acquiring 1.7 million Spur shares for R57.8 million at an average price of R33.33 per share. As a result, GPI increased its holding in Spur to 11.6% at 31 December 2016.

Repurchase of GPI Shares

During the period, GPI repurchased 24.5 million of its own shares for a total of R89.4 million at an average price of R3.65 per share. 18.7 million of the repurchased shares are held as treasury shares, while the remaining 5.8 million shares were cancelled.

Impairment of investments

During the period, GPI impaired its investments in GTM.

GTM's future profitability and viability is reliant on securing a contract to manufacture set-top boxes. During the period the regulatory decision on set-top boxes was again delayed and as a result GPI has taken the view that the probability of set-top box production is unlikely. Therefore, on 1 October 2016, GPI impaired its R8.2 million investment in GTM to Rnil. In addition, GPI reached an agreement with its joint-control partners, Tellumat, whereby GPI will no longer fund the operations of GTM and further agreed that Tellumat will run the operations of GTM with a mandate of exploring all alternatives available to extract value from the business.

SUBSEQUENT EVENTS

The following significant transactions were concluded subsequent to 31 December 2016:

Sale of properties

On 31 January 2016, GPI concluded an agreement to sell its industrial property situated in Atlantis for R35.0 million which will result in a profit of R12.2 million. The sale has been lodged for transfer.

Disposal of Grand Sport

On 24 January 2017, GPI disposed of its entire holding in Grand Sport to GPI Slots for R10.0 million.

Repurchase of GPI shares

GPI acquired a further 8.9 million of its own shares for R31.6 million since 31 December 2016. The repurchases were done at an average price of R3.55 per share and all 8.9 million shares repurchased have been cancelled.

Acquisition of Spur shares

Since 31 December 2016, GPI has acquired a further 1.6 million Spur shares for R52.7 million. The shares were acquired at an average price of R32.94 per share and increases GPI's overall holding in Spur to 13.1%.

INTRINSIC NET ASSET VALUE (INAV)

Management's assessment of the Group's INAV at 31 December 2016 amounts to 682 cents per share, which is 1 cent more than the 681 cents per share reported at 30 June 2016. The INAV is before head office costs and capital gains tax implications.

The valuation methods used to determine the INAV remained consistent to those applied in the 30 June 2016 assessment, with the exception of Dunkin' Donuts and Baskin Robbins where the value reported at 31 December 2016 was based on the cost of their respective master franchise licences. In the last reported INAV both investments were carried at a Rnil value.

Company	Notes	% holding	31 Dec 2016 Intrinsic NAV R'000s	% of portfolio	30 June 2016 Intrinsic NAV R'000s	% of portfolio	Increase/ (decrease) R'000s
Food			**992 503**	**34**	**834 987**	**27**	**157 516**
BKSA		91.1	660 478	22	600 721	19	59 757
Dunkin' Donuts	1	100	11 123	–	–	–	11 123
Baskin Robbins	1	100	5 451	–	–	–	5 451
Spur	2	11.6	135 791	5	66 179	2	69 612
Mac Brothers		100	117 043	4	117 790	4	(747)
Grand Foods Meat Plant		96.9	62 617	2	50 297	2	12 320
Gaming and Leisure			**1 502 928**	**50**	**1 161 554**	**37**	**341 374**
SunWest	3	15.1	872 275	28	604 999	19	267 276
GPI Slots		30	605 098	21	535 562	17	69 536
Worcester		15.1	25 555	1	20 993	1	4 562
Other investments			**189 324**	**6**	**215 174**	**7**	**(25 850)**
Properties		100	189 324	6	215 174	7	(25 850)
Non-core			**12 319**	**–**	**32 625**	**1**	**(20 306)**
GTM		51	–	–	30 306	1	(30 306)
Atlas Gaming		4.95	2 319	–	2 319	–	–
Grand Sport	4	100	10 000	–	–	–	10 000
Other Group companies cash and cash equivalents			364 438		57 958		306 480
Other Group companies net (liabilities)/assets			(63 780)		856 891		(920 671)
INAV: Ordinary shareholders (pre-head office costs)			2 997 732		3 159 189		(161 457)
Number of issued ordinary shares ('000s) excluding treasury shares			439 237		464 005		
INAV per share (cents)			**682**		**681**		**1**

Notes:

[1] *The value of the investment in the current period is based on the cost to acquire the respective master franchise licences.*

[2] *The increase in value is as a result of an increase in the overall holding in Spur during the current period and the reduction of the BEE lock-in discounts as the lock-in period reduces.*

[3] *The increase in value is as a result of the repayment of the R225.0 million head office debt facility during the period, which had been netted off against the value of the investment in the prior period.*

[4] *The value in the current period has been based on the agreed transaction value to sell the full investment.*

REVIEW OF INVESTMENTS' OPERATIONS

FOOD

BKSA

(Effective holding 91.1%)
BKSA opened four new restaurants during the period, which was made up of three corporate-owned restaurants and one franchised restaurant. Two corporate restaurants were closed during the period as a result of their poor performance predominantly as a result of their location. The total number of restaurants at 31 December 2016 amounted to 68 made up of 61 corporate and seven franchised restaurants. An additional three poor-performing corporate restaurants were closed in January 2017 also as a result of their location. A total cost of R12.4 million, consisting of once-off restaurant closure costs and related asset impairments, has been recognised in the profit and loss for the period as a result of the closures.

The average CAPEX of the three new corporate restaurants amounted to R4.7 million per restaurant which is significantly lower than the previous period's average of R8.5 million. This is mainly as a result of a R1.0 million fit-out allowance provided by one of the restaurants landlords and a relocation of assets from store closures.

Sales for the period from the corporate restaurants of R317.6 million were significantly up by 41.5% from R224.4 million in the prior period. The increase is as a result of an 11% improvement in the average monthly restaurant sales and an increase in store numbers. The sales trends over the period have been positive and in particular the three-month period between 1 October 2016 and 31 December 2016, where same store sales increased by 1% compared against a decline of 30.4% for the same period of last year. During December 2016, same store sales increased by 9.5% compared against a decline of 26.9% during December 2015.

The BKSA Operations team continued to build on the initiatives they introduced during the last financial year to optimise the restaurant operating model which resulted in a 211% increase in the Restaurant EBITDA for the period from a loss of R9.4 million in the last period to a profit of R29.2 million in the current period.

BKSA reached profitability at a Company EBITDA level, before once-off closure costs, for the first time since it commenced operations. The Company EBITDA for the period of R5.6 million is 142% higher than the R13.4 million EBITDA loss reported in the prior period.

Depreciation for the period amounted to R31.0 million which is 67% higher than last period as a result of restaurant openings. After taking the R12.4 million once-off closure costs into account, the Company reported an EBIT loss of R37.9 million for the period, which is 18% higher than the loss of R32.0 million reported last period.

DUNKIN' DONUTS

(Effective holding 100.0%)
Dunkin' Donuts opened its first restaurant on 13 October 2016 and the response from the local consumer was overwhelming with over 330 000 doughnuts sold in the restaurant's first month of trade. A further four restaurants were opened subsequently, bringing the total restaurants to five at 31 December 2016. All the restaurants are corporate-owned.

The restaurants reported sales of R11.2 million and a gross profit of R4.0 million for the period. The gross profit percentage of 35.6% is well below the target as a result of the doughnuts being imported during the initial period. The Restaurant EBITDA for the period was R1.0 million. However, after head office cost and marketing cost spent on launching the brand, a Company EBITDA loss of R10.4 million was reported for the period.

Depreciation for the period amounted to R0.8 million resulting in an EBIT loss for the period of R11.2 million.

BASKIN ROBBINS

(Effective holding 100.0%)

Following on the success of the Dunkin' Donuts launch, Baskin Robbins opened its first store on 9 December 2016. An additional store was opened in December taking the total number of stores to two at the end of December 2016.

The first two stores reported revenue of R0.9 million and a Restaurant EBITDA of R0.1 million for the period. Similarly to Dunkin' Donuts, after taking into consideration the head office, store set-up and marketing costs incurred during the period, Baskin Robbins reported a Company EBITDA loss for the period of R5.6 million.

Depreciation for the period amounted to R0.2 million resulting in an EBIT loss for the period of R5.8 million.

SPUR

(Effective holding 11.6%)

GPI received a dividend of R7.9 million during the period and with related finance charges of R10.9 million, a R3.0 million net loss for the period, related to the investment in Spur, was reported.

GRAND FOODS MEAT PLANT

(Effective holding 96.9%)

Grand Foods Meat Plant increased its revenue by 7.8% to R48.7 million and its EBITDA decreased from R4.5 million to R0.1 million. The decrease is as a result of a reduced margin charged indirectly to BKSA. During the period, Grand Foods Meat Plant started exporting products to Kenya. Further opportunities are being explored in other African states and the Middle East.

MAC BROTHERS

(Effective holding 100.0%)

Mac Brothers experienced tough trading conditions over the period as a result of a slower roll-out of restaurants by BKSA compared to the last period and a number of clients putting their kitchen refurbishment and installation projects on hold until the 2017 calendar year. This was particularly evident in the Gauteng market. This was offset by increased investment by the hotel and leisure industry, due to the increase in tourist figures. As a result, revenue for the period decreased by 16.9% to R132.1 million, which is R26.9 million lower than previous period's revenue of R159.0 million.

The management team focused on limiting the impact of the slow-down in sales by controlling their operating expenses and as a result limited the reduction in EBITDA to 6%. The EBITDA for the period amounted to R12.2 million compared against R13.0 million for the prior period.

EBIT for the period amounted to R10.1 million which is a 6.5% decrease compared to the EBIT for the prior period of R10.8 million.

The Mac Brothers' forward order book at 31 December 2016 is very positive and the management team is confident that they will make up their lost revenue during the second half of the financial year.

GAMING AND LEISURE

SUNWEST

(Effective holding 15.1%)

SunWest's revenue decreased by 0.2% to R1.29 billion as a result of consumer spending being under pressure. Net profit after tax reduced by 3.2% to R248.0 million mainly due to an increase in finance costs of 11.1%.

The dividend reduced from R380.0 million to R240.0 million in the current period due to a R120.0 million special dividend declared in the prior period.

GPI recognised R37.4 million in equity-accounted earnings for the period and received R36.2 million in dividends.

GPI SLOTS

(Effective holding 30.0%)

GPI Slots continued to outperform the overall gaming market and reported a R126.1 million EBITDA which is a 9% improvement when compared to the prior period. Revenue for the period increased by 9% to R515.5 million and net profit after tax increased by 14% to R56.1 million.

GPI recognised R16.8 million in equity-accounted earnings, which are up by 27% from R13.3 million in the prior period.

WORCESTER

(Effective holding 15.1%)

Worcester's revenue increased by 1.7% to R89.6 million and its EBITDA improved by 30.4% to R17.4 million as a result of improvements made in its operating model. Finance charges decreased by 93% as a result of a reduction in its debt facilities which resulted in a net profit after tax of R6.6 million.

During the period, GPI recognised R1.0 million in equity-accounted earnings, which are significantly up on the prior corresponding period losses recognised of R9.1 million.

RELATED-PARTY TRANSACTIONS

On 9 November 2016, GPI sold the office building tenanted by GPI Slots to GPI slots for R21.0 million.

In addition to this transaction, the Group, in the ordinary course of business, entered into various transactions with related parties consistent with those as reported at 30 June 2016. During the period, employees exercised share options with the strike price settled by loan financing.

DIRECTORATE

On 9 September 2016, Tasneem Karriem was appointed as an Executive Director. Tasneem joined the GPI executive team in July 2015 to head up the Group's corporate finance activities. Tasneem will continue to lead the corporate finance activities of the Group in her role as an Executive Director.

PROSPECTS

GPI's food brands have been built around the common objective of achieving superior quality which will allow them to continue to grow against the backdrop of a negative local economy. GPI's immediate focus is to move its existing food investments to sustainable profitability by:

- Continuing to improve the efficiencies of its food operations;
- Increasing its holding in Spur;
- Establishing a doughnut production facility for Dunkin' Donuts to localise doughnut production and reduce its overall food cost;
- Optimising operating costs through the rationalisation of costs and integrating Mac Brothers into the shared services company; and
- Opening profitable restaurants and outlets, in line with the legal commitments of the respective food brands.

Burger King is in its 4th year of operations and has reached sufficient critical mass, which allows effective rationalisation of costs through the shared services company. Having already achieved profitability at a Company EBITDA level and with 12 new drive-through restaurants in the pipeline, the expansion of the Burger King Restaurant network will start gaining momentum over the next year, which will ensure that a bottom line profit is attained.

The introduction of Dunkin' Donuts and Baskin Robbins into the South African market is a huge success and by leveraging the knowledge gained from operating Burger King, GPI is confident that it can reach profitability in the two new brands over a much shorter time frame than Burger King. This will ensure that the earnings from its food investments will replace the earnings of the gaming and leisure investments, which have recently been sold.

GPI will continue to be a dividend active company and will look to improve its return to shareholders.

For and on behalf of the Board

H Adams
Executive Chairman

A Keet
Chief Executive Officer

16 March 2016

Prepared under the supervision of: Financial Director, D Pienaar CA(SA)

Directors
H Adams (Executive Chairman), A Abercrombie#, T Karriem, A Keet (Chief Executive Officer), W Geach#*, R Hargey#*, Dr N Maharaj#*, N Mlambo#, D Pienaar (Financial Director), C Priem#*
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Company Secretary
Lazelle Parton

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Share code
GPL

APPENDIX 1 – INTRINSIC NET ASSET VALUE

at 31 December 2016

Company	Valuation methodology	100% Equity value R'000s	GPI holding %	GPI equity value R'000s	Related holding co borrowings R'000s	Intrinsic NAV R'000s	% of portfolio
FOOD INVESTMENTS				**1 230 786**	**(238 284)**	**992 502**	**33**
BKSA	DCF	725 003	91.1	660 478	–	660 478	22
Dunkin' Donuts	Cost of MFA and licences (amortised)	11 123	100.00	11 123	–	11 123	0
Baskin Robbins	Cost of MFA and licences (amortised)	5 451	100.00	5 451	–	5 451	0
Spur	Traded price	3 476 814	11.6	374 075	(238 284)	135 791	5
Mac Brothers	DCF	117 043	100.00	117 043	–	117 043	4
Grand Foods Meat Plant	DCF	64 630	96.9	62 617	–	62 617	2
GAMING AND LEISURE				**1 502 928**	**–**	**1 502 928**	**50**
SunWest International	EV/EBITDA	5 776 656	15.1	872 275	–	872 275	29
Worcester Casino	EV/EBITDA	169 239	15.1	25 555	–	25 555	1
GPI Slots	EV/EBITDA	2 016 994	30.0	605 098	–	605 098	20
OTHER INVESTMENTS				**268 074**	**(78 750)**	**189 324**	**6**
GPI Properties	Various	268 074	100.00	268 074	(78 750)	189 324	6
NON-CORE INVESTMENTS				**–**	**–**	**12 319**	**0**
Grand Tellumat Manufacturing	DCF		51.00	–	–		0
Atlas Gaming	EV/EBITDA	46 848	4.95	2 319	–	**2 319**	0
Grand Sport	Recent transaction	10 000	100.00	10 000	–	**10 000**	0
Other Group companies' cash and cash equivalents						364 438	
Other Group companies' net liabilities						(63 780)	
INAV: Ordinary Shareholders (pre-head office costs)						**2 997 732**	
Number of issued ordinary shares ('000s) excluding treasury shares						439 237	
INAV per share (cents)						**682**	

The INAV per share is before CGT and head office cost implications.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period ended 31 December 2016

	Note	Unaudited 6 months ended 31 Dec 2016 R'000s	Unaudited 6 months ended 31 Dec 2015 R'000s	Audited 12 months ended 30 June 2016 R'000s
CONTINUING OPERATIONS				
Revenue		506 757	363 156	772 344
Cost of sales		(266 554)	(172 143)	(385 229)
Gross profit		**240 203**	**191 013**	**387 115**
Operating costs		(262 246)	(215 199)	(462 788)
Loss from operations		**(22 043)**	**(24 186)**	**(75 673)**
Profit from equity-accounted investments		50 596	68 709	144 168
Profit on disposal of investments	4	83 086	–	270 565
Reversal of impairment of investment		–	–	21 362
Impairment	5	(18 389)	–	(3 468)
Remeasurement of investments		–	18 687	18 687
Depreciation		(33 692)	(22 193)	(45 876)
Amortisation		(2 290)	(1 090)	(2 975)
Profit before finance costs and taxation		**57 268**	**39 927**	**326 790**
Finance income		24 227	11 241	23 660
Finance costs		(30 045)	(32 095)	(72 537)
Profit before taxation		**51 450**	**19 073**	**277 913**
Taxation		(23 922)	4 879	(85 394)
Profit for the period		**27 528**	**23 952**	**192 519**
OTHER COMPREHENSIVE INCOME				
Items that will be reclassified subsequently to profit				
Unrealised fair value adjustments on available-for-sale investments, net of tax	7	7 324	(24 069)	(37 009)
Total comprehensive income for the period		**34 852**	**(117)**	**155 510**
Profit for the period from continuing operations attributable to:				
– Ordinary shareholders		31 585	26 750	202 809
– Non-controlling interest		(4 057)	(2 798)	(10 290)
		27 528	23 952	192 519
Total comprehensive income attributable to:				
– Ordinary shareholders		38 909	2 681	165 800
– Non-controlling interest		(4 057)	(2 798)	(10 290)
		34 852	(117)	155 510
		Cents	Cents	Cents
Basic earnings per share	6	7.07	5.67	43.01
Diluted basic earnings per share	6	7.07	5.62	42.80
Headline earnings per share	6	0.84	2.05	1.99
Diluted headline earnings per share	6	0.84	2.03	1.98
Ordinary dividend per share		25.00	–	15.00

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 December 2016

	Note	Unaudited 31 Dec 2016 R'000s	Unaudited 31 Dec 2015 R'000s	Audited 30 June 2016 R'000s
ASSETS				
Non-current assets		**2 215 001**	**2 517 087**	**2 189 326**
Investments in jointly controlled entities		617 918	1 346 462	629 635
Investments in associates		345 724	–	327 768
Available-for-sale investment		374 595	326 256	307 355
Investment properties		46 981	84 285	69 798
Property, plant and equipment		575 288	586 281	626 045
Intangible assets		46 050	23 181	40 599
Goodwill		92 508	92 885	92 885
Deferred tax assets		115 937	57 737	95 241
Assets classified as held-for-sale	2	22 817	386 139	192 479
Current assets		**592 877**	**472 092**	**842 970**
Inventory		86 144	86 420	91 231
Deferred proceeds		–	–	528 445
Trade and other receivables		100 095	89 562	106 794
Related-party loans		48 215	201 598	36 452
Cash and cash equivalents		354 039	81 325	65 594
Income tax receivable		4 384	13 187	14 454
Total assets		**2 830 695**	**3 375 318**	**3 224 775**
EQUITY AND LIABILITIES				
Capital and reserves				
Total equity		**2 244 242**	**2 345 351**	**2 397 492**
Ordinary share capital		839 465	859 517	859 517
Treasury shares		(169 495)	(65 806)	(105 971)
Accumulated profit		1 549 027	1 520 871	1 626 255
Available-for-sale reserve at fair value		15 379	20 995	8 055
Share-based payment reserve		9 866	9 473	9 636
Capital redemption reserve fund		–	301	–
Non-controlling interest		(25 483)	(18 130)	(28 038)
Total shareholder's equity		**2 218 759**	**2 327 221**	**2 369 454**
Non-current liabilities		**350 975**	**488 770**	**381 448**
Preference shares		236 973	334 559	232 560
Interest-bearing borrowings		70 131	98 352	102 096
Finance lease liabilities		35 308	45 218	38 103
Deferred tax liabilities		7 614	9 935	6 245
Provisions		949	706	2 444
Liabilities associated with assets held-for-sale	2	–	31 379	16 690
Current liabilities		**260 961**	**527 948**	**457 183**
Trade and other payables		154 778	134 361	149 955
Provisions		11 944	9 062	16 636
Bank overdraft		6 707	–	7 919
Preference shares		1 311	28 044	2 111
Interest-bearing borrowings		7 500	307 500	254 903
Finance lease liabilities		10 360	9 800	13 089
Related-party loans		–	29 899	–
Dividends payable		8 419	7 900	8 826
Income tax payable		59 942	1 382	3 744
Total equity and liabilities		**2 830 695**	**3 375 318**	**3 224 775**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period ended 31 December 2016

	Ordinary share capital R'000s	Share-based payment reserve R'000s	Treasury shares R'000s	Accumulated profits R'000s	Available-for-sale reserve at fair value R'000s	Capital redemption reserve fund R'000s	Non-controlling interest R'000s	Total equity R'000s
Balance at 30 June 2015	**859 517**	**10 289**	**(76 222)**	**1 494 635**	**45 064**	**301**	**(17 575)**	**2 316 009**
Total comprehensive income/(loss) for the year	–	–	–	26 750	(24 069)	–	(2 798)	(117)
– Profit/(loss) for the year	–	–	–	26 750	–	–	(2 798)	23 952
– Other comprehensive income	–	–	–	–	(24 069)	–	–	(24 069)
Dividends declared	–	–	–	–	–	–	–	–
Options exercised by employees	–	(3 305)	10 416	1 729	–	–	–	8 840
Share-based payment expense	–	2 162	–	–	–	–	–	2 162
Decrease of interest on subsidiary	–	–	–	(2 243)	–	–	2 243	–
IFRS 2 charge relating to equity-accounted investments	–	327	–	–	–	–	–	327
Balance at 31 December 2015	**859 517**	**9 473**	**(65 806)**	**1 520 871**	**20 995**	**301**	**(18 130)**	**2 327 221**
Total comprehensive income/(loss) for the year	–	–	–	176 059	(12 940)	–	(7 492)	155 627
– Profit/(loss) for the year	–	–	–	176 059	–	–	(7 492)	168 567
– Other comprehensive income	–	–	–	–	(12 940)	–	–	(12 940)
Dividends declared	–	–	–	(71 455)	–	–	–	(71 455)
Treasury shares acquired	–	–	(40 330)	–	–	–	–	(40 330)
Share-based payment reserve expense	–	(247)	–	–	–	–	–	(247)
IFRS 2 charge relating to equity-accounted investments	–	2	–	–	–	–	–	2
Acquisition of non-controlling interest	–	–	–	(6 700)	–	–	4 700	(2 000)
Decrease of interest on subsidiary	–	–	–	7 116	–	–	(7 116)	–
Treasury shares allocated to employees	–	408	165	63	–	–	–	636
Release of capital redemption reserve	–	–	–	301	–	(301)	–	–
Balance at 30 June 2016	**859 517**	**9 636**	**(105 971)**	**1 626 255**	**8 055**	**–**	**(28 038)**	**2 369 454**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period ended 31 December 2016

	Ordinary share capital R'000s	Share-based payment reserve R'000s	Treasury shares R'000s	Accumu-lated profits R'000s	Available-for-sale reserve at fair value R'000s	Capital redemp-tion reserve fund R'000s	Non-controlling interest R'000s	Total equity R'000s
Total comprehensive income/(loss) for the period	–	–	–	31 585	7 324	–	(4 057)	34 852
– Profit/(loss) for the period	–	–	–	31 585	–	–	(4 057)	27 528
– Other comprehensive income	–	–	–	–	7 324	–	–	7 324
Dividends declared	–	–	–	(111 998)	–	–	–	(111 998)
Shares repurchased and cancelled	(20 052)	–	–	–	–	–	–	(20 052)
Treasury shares acquired	–	–	(69 317)	–	–	–	–	(69 317)
Treasury shares allocated to employees	–	(1 657)	5 793	3 081	–	–	–	7 217
Share-based payment expense	–	1 838	–	–	–	–	–	1 838
IFRS 2 charge relating to equity-accounted investments	–	153	–	–	–	–	–	153
Sale of a subsidiary	–	(104)	–	104	–	–	6 612	6 612
Balance at 31 December 2016	**839 465**	**9 866**	**(169 495)**	**1 549 027**	**15 379**	**–**	**(25 483)**	**2 218 759**

CONSOLIDATED STATEMENT OF CASH FLOWS

for the period ended 31 December 2016

	Unaudited 31 Dec 2016 R'000s	Unaudited 31 Dec 2015 R'000s	Audited 30 June 2016 R'000s
Cash flows from operating activities			
Net cash utilised from operations	(26 503)	(32 514)	(86 697)
Income tax refunded/(paid)	4 283	(6 923)	(145 145)
Finance income received	24 227	11 241	23 660
Net cash inflow/(outflow) from operating activities	2 007	(28 196)	(208 182)
Cash flows from investing activities			
Acquisition of plant and equipment	(47 779)	(129 674)	(179 926)
Acquisition of land and buildings	–	(10 375)	(23 027)
Acquisition of investment properties	–	(276)	(7 127)
Acquisition of intangibles	(4 397)	(10 844)	(30 269)
Proceeds from disposal of investment property	21 002	–	–
Proceeds from disposal of property, plant and equipment	59 500	716	1 724
Loans advanced	(5 901)	(4 209)	(4 842)
Loan repayment received	1 137	27 065	192 367
Cash paid through business combinations	–	(39 259)	(39 259)
Investments made	(57 800)	(35 906)	(35 906)
Net consideration received from the disposal of investment	262 492	–	382 760
Receipt of deferred proceeds	528 445	–	–
Dividends received	44 159	103 346	170 855
Net cash inflow/(outflow) from investing activities	**800 858**	**(99 416)**	**427 350**
Cash flows from financing activities			
Dividends paid	(112 405)	(376)	(70 905)
Consideration on exercise of employee options	–	1 658	1 658
Shares bought back and cancelled	(20 052)	–	–
Treasury shares acquired	(69 317)	–	(40 330)
Acquisition of minority interest	–	–	(2 000)
Loans received	–	176 015	400 000
Repayment of loans	(288 280)	(184 286)	(631 439)
Finance costs	(23 154)	(26 383)	(60 786)
Net cash outflow from financing activities	**(513 208)**	**(33 372)**	**(403 802)**
Net increase/(decrease) in cash and cash equivalents	**289 657**	**(160 984)**	**(184 634)**
Cash and cash equivalents at the beginning of the period	57 675	242 309	242 309
Total cash and cash equivalents at the end of the period	347 332	81 325	57 675
Total cash and cash equivalents at period-end comprises:	**347 332**	**81 325**	**57 675**
Cash and cash equivalents	354 039	81 325	65 594
Overdraft	(6 707)	–	(7 919)

NOTES TO THE FINANCIAL INFORMATION

for the period ended 31 December 2016

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The condensed consolidated interim financial statements are prepared in accordance with the requirements of the JSE Limited (JSE) Listings Requirements and the requirements of the Companies Act, No. 71 of 2008. The Listings Requirements require condensed interim financial statements to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS); the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee; Financial Pronouncements as issued by the Financial Reporting Standards Council; and to also, as a minimum, contain the information required by IAS 34 – *Interim Financial Reporting*. The accounting policies applied in the preparation of the condensed consolidated financial statements are in terms of IFRS and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements for the year ended 30 June 2016.

The interim financial statements have been prepared under the supervision of the Financial Director, Dylan Pienaar CA(SA).

During the period, various new and revised accounting standards became effective, however, their implementation had no impact on the results of either the current or prior year.

2. ASSETS HELD-FOR-SALE

Atlantis

During the current year, the Group entered into an agreement to sell the property situated in Atlantis.

GPI Slots

On 16 November 2016, the last of the three tranches to dispose up to 70.0% of GPI Slots to Sun was concluded. In this tranche the Group sold a 19.9% holding to Sun for R262.1 million, which reduced the Group's shareholding to 30.0%.The carrying amount was R171.1 million, which gave rise to a profit on disposal of R91.0 million.

21 Friesland Drive

During the prior year, the Group entered into an agreement to sell the property situated at 21 Friesland Drive to GPI Slots .

The assets and liabilities included in assets classified as held-for-sale and liabilities associated with assets held-for-sale are as follows:

	Unaudited 31 Dec 2016 R'000s	Unaudited 31 Dec 2015 R'000s	Audited 30 June 2016 R'000s
ASSETS			
Non-current assets			
Investment in jointly controlled entities (GPI Slots)	–	386 139	–
Investment in associate (GPI Slots)	–	–	171 140
Investment property (Atlantis)	22 817		
Investment property (21 Friesland Drive)	–	–	21 339
Assets classified as held-for-sale	**22 817**	**386 139**	**192 479**
Non-current liabilities			
Deferred tax liabilities (GPI Slots)	–	31 379	16 690
Liabilities associated with assets-held-for sale	**–**	**31 379**	**16 690**
Net assets	**22 817**	**354 760**	**175 789**

NOTES TO THE FINANCIAL INFORMATION (continued)

3. BUSINESS COMBINATION

Prior year business combination

In the prior year, the Group acquired a further 65% of Grand Foods Meat Plant for R35.8 million, including R3.3 million for repayment of the shareholder loan, increasing its holding to 96.9%. The increased holding gave the Group control of the investment, which was previously accounted for as an investment in associate, and as a result Grand Foods Meat Plant was consolidated into the Group with effect from 26 October 2016. At the date of acquisition, the Group held an existing 35% investment, which was increased to its fair value of R17.5 million, resulting in a fair value gain of R18.7 million being recognised in profit or loss from continuing operations. All assets purchased and liabilities assumed in the acquisition were identified at their fair values and were recognised separately from Goodwill. No intangibles were recognised during the identification process. Goodwill of R53.9 million was recognised as part of the business combination and represents the expected value creation within Grand Foods Meat Plan as a result of the opportunity to trade with BKSA during their expansion. The key unobservable inputs were a discount rate of 10.0 % and a terminal growth rate of 5.5%.

4. PROFIT ON DISPOSAL OF INVESTMENTS

	Unaudited 31 Dec 2016 R'000s	Unaudited 31 Dec 2015 R'000s	Audited 30 June 2016 R'000s
Profit on disposal of GPI Slots	90 986	–	54 800
Loss on disposal of GrandLinkstate	(7 900)	–	–
Profit on disposal of SunWest and Worcester	–	–	215 765
Total	**83 086**	**–**	**270 565**

5. IMPAIRMENT

	Unaudited 31 Dec 2016 R'000s	Unaudited 31 Dec 2015 R'000s	Audited 30 June 2016 R'000s
Impairment of Grand Tellumat	8 271	–	–
Impairment of Atlas Gaming	–	–	3 468
Impairment of PPE	10 118	–	–
Total	**18 389**	**–**	**3 468**

6. BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing the net profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares (WANOS) in issue during the year.

Diluted earnings per share amounts are calculated by dividing the net profit for the year attributable to ordinary shareholders by the diluted WANOS in issue.

Headline earnings per share amounts are calculated by dividing the headline earnings for the year attributable to ordinary shareholders by the WANOS in issue for the year.

Diluted headline earnings per share amounts are calculated by dividing the headline earnings for the year attributable to ordinary shareholders by the diluted WANOS in issue for the year.

		Unaudited 31 Dec 2016 R'000s	Unaudited 31 Dec 2015 R'000s	Audited 30 June 2016 R'000s
6.1	**Reconciliation of the profit for the period**			
	Basic and diluted earnings per share reconciliation			
	Profit for the period	27 528	23 952	192 519
	Non-controlling interest	4 057	2 798	10 290
	Profit for the year attributable to ordinary shareholders	31 585	26 750	202 809
6.2	**Reconciliation of headline earnings for the period**			
	Profit for the period attributable to ordinary shareholders	31 585	26 750	202 809
	Profit on sale of investments	(40 656)		(158 621)
	Impairment of investments	8 271		2 691
	Reversal of impairments	–		(21 362)
	Loss on disposal and impairment of plant and equipment and intangibles	4 518		769
	Remeasurement of investment	–	(17 023)	(17 023)
	Adjustments by jointly controlled entities	24	(83)	122
	(Profit)/loss on disposal of plant and equipment	24	(83)	122
	Headline earnings	**3 742**	**9 644**	**9 385**
6.3	**Reconciliation of WANOS – net of treasury shares**	'000s	'000s	'000s
	Shares in issue at beginning of the period	461 732	466 171	470 076
	Shares bought and cancelled	(376)		
	Shares repurchased during period	(15 424)	(202)	(497)
	Shares issued during the period	557	2 853	2 003
		446 489	468 822	471 582

NOTES TO THE FINANCIAL INFORMATION (continued)

6. BASIC AND DILUTED EARNINGS PER SHARE (continued)

	Unaudited 31 Dec 2016 '000s	Unaudited 31 Dec 2015 '000s	Audited 30 June 2016 '000s
6.4 Reconciliation of diluted WANOS – net of treasury shares			
WANOS in issue – net of treasury shares	**446 489**	**468 822**	**471 582**
Effects of dilution from:			
– Share options	118	6 160	2 274
Diluted WANOS in issue – net of treasury shares	**446 607**	**474 982**	**473 856**
	Cents	Cents	Cents
6.5 Statistics			
Basic earnings per share	7.07	5.67	43.01
Diluted earnings per share	7.07	5.62	42.80
Headline earnings per share	0.84	2.05	1.99
Diluted headline earnings per share	0.84	2.03	1.98

7. FAIR VALUE MEASUREMENT

	Effective holding (%)			
Investment	31 Dec 2016	31 Dec 2015	30 June 2016	**Description of business**
Spur	11.61	10.00	10.00	Spur Corporation operates a franchise restaurant business with six brands in South Africa and internationally.
Atlas Gaming	4.95	4.95	4.95	Atlas Gaming is a gaming software and machine development company based in Melbourne, Australia.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value and are observable, either directly or indirectly.

Level 3: Techniques that use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

As at 30 June, the Group held the following instruments measured at fair value:

31 December 2016	Level 1 R'000s	Level 2 R'000s	Level 3 R'000s	Total R'000s
Available-for-sale investment – Spur SPV[1]	–	–	316 391	316 391
Available-for-sale investment – Spur (open market)[2]	55 885	–	–	55 885
Atlas Gaming	–	–	2 319	2 319
Total	**55 885**	**–**	**318 710**	**374 595**

31 December 2015	Level 1 R'000s	Level 2 R'000s	Level 3 R'000s	Total R'000s
Available-for-sale investment – Spur[1]	–	–	320 470	320 470
Available-for-sale investment – Atlas Gaming	–	5 786	–	5 786
Total	**–**	**5 786**	**320 470**	**326 256**

30 June 2016	Level 1 R'000s	Level 2 R'000s	Level 3 R'000s	Total R'000s
Available-for-sale investment – Spur[1]	–	–	305 036	305 036
Available-for-sale investment – Atlas Gaming	–	–	2 319	2 319
Total	**–**	**–**	**307 355**	**307 355**

[1] *Available-for-sale investment – Spur SPV*

The carrying value of the investment in Spur at 31 December 2016 of R316.4 million is made up of the original acquisition price of R294.7 million and fair value adjustments of R21.7 million (2015: R25.8 million). The Group's investment in Spur is subject to a trading restriction linked to the Group's empowerment credentials. The restriction expires on 29 October 2019, after which the instrument may be traded without restriction. The fair value of the investment has been measured by applying a tradability discount of 3% per year remaining on the restriction against the market price of Spur, as quoted on the JSE. The tradability discount was determined with reference to the agreements which govern the trading restrictions and industry standards applied to empowerment transactions. As the terms of the trading restrictions are unobservable the instrument has been classified under level 3, had the trading restrictions not been in place, the instrument would have been classified under level 1. A change of 1.0% in the discount rate used to determine the fair value at the reporting date would have increased/decreased other comprehensive income after tax by R2.7 million (2015: R3.2 million).

[2] *Available-for-sale investment – Spur (open market)*

The carrying value of the investment in Spur at 31 December 2016 of R55.9 million is made up of the original acquisition price of R57.8 million and fair value adjustments of (R1.9 million). The Group's investment in Spur is not subject to any trading restrictions and is therefore classified as level 1.

NOTES TO THE FINANCIAL INFORMATION (continued)

7. FAIR VALUE MEASUREMENT (continued)

	Spur			Atlas Gaming			Total		
	Unaudited 31 Dec 2016 R'000s	Unaudited 31 Dec 2015 R'000s	Audited 30 June 2016 R'000s	Unaudited 31 Dec 2016 R'000s	Unaudited 31 Dec 2015 R'000s	Audited 30 June 2016 R'000s	Unaudited 31 Dec 2016 R'000s	Unaudited 31 Dec 2015 R'000s	Audited 30 June 2016 R'000s
Opening balance	305 036	350 064	350 064	2 319	–	–	307 355	350 064	350 064
Acquisitions	57 800	–	–	–	5 787	5 787	57 800	5 787	5 787
Impairment	–	–	–	–	–	(3 468)	–	–	(3 468)
Unrealised fair value gains/(losses) on available-for-sale investments	9 440	(29 595)	(45 028)	–	–	–	9 440	(29 595)	(45 028)
	372 276	320 469	305 036	2 319	5 787	2 319	374 595	326 256	307 355

8. SEGMENT ANALYSIS

The chief decision-makers are considered to be the members of the GPI Executive Committee, who review the Group's internal reporting firstly by industry and secondly by significant business unit. The chief decision-makers do not review the Group's performance by geographical sector and therefore no such disclosure has been made. During the prior year the Group's internal reporting changed to reflect certain cost (mainly IT and rental costs) before the effect of consolidation eliminations and as a result the measurement basis for segment information changed. The chief decision-makers also reassessed the segments and as a results identified the following segments: Food, Gaming, Group costs and Non-core. The prior year results in the segment report have been restated to reflect these changes.

	External revenue			Intersegment revenue			Operating costs			Equity-accounted earnings		
	Unaudited		Audited	Unaudited		Audited	Unaudited		Audited	Unaudited		Audited
	31 Dec 2016 R'000s	31 Dec 2015 R'000s	30 June 2016 R'000s	31 Dec 2016 R'000s	31 Dec 2015 R'000s	30 June 2016 R'000s	31 Dec 2016 R'000s	31 Dec 2015 R'000s	30 June 2016 R'000s	31 Dec 2016 R'000s	31 Dec 2015 R'000s	30 June 2016 R'000s
Food	500 067	349 736	743 106	18 671	51 372	69 361	(233 972)	(176 928)	(378 995)	–	29	28
Gaming	–	–	–	–	–	–	(31)	(35)	(3 891)	55 245	68 438	149 258
Group costs	6 051	7 467	16 237	199 860	227 127	247 731	(26 812)	(30 512)	(64 124)	–	–	–
Non-core	639	5 953	13 001	–	2 785	9 873	(1 431)	(7 724)	(15 778)	(4 649)	242	(5 118)
Continuing	**506 757**	**363 156**	**772 344**	**218 531**	**281 284**	**326 965**	**(262 246)**	**(215 199)**	**(462 788)**	**50 596**	**68 709**	**144 168**

	Net profit/(loss) after tax			Total assets			Total liabilities		
	Unaudited		Audited	Unaudited		Audited	Unaudited		Audited
	31 Dec 2016 R'000s	31 Dec 2015 R'000s	30 June 2016 R'000s	31 Dec 2016 R'000s	31 Dec 2015 R'000s	30 June 2016 R'000s	31 Dec 2016 R'000s	31 Dec 2015 R'000s	30 June 2016 R'000s
Food	(20 277)	(501)	(26 193)	1 129 504	990 439	1 063 457	(444 498)	(473 971)	(458 493)
Gaming	55 246	68 438	83 014	963 643	1 493 572	1 472 928	–	(135 974)	–
Group costs	17 421	(39 201)	150 856	695 319	465 501	464 910	(166 768)	(404 857)	(377 619)
Non-core	(24 862)	(4 784)	(15 158)	20 412	39 667	31 001	(668)	(1 896)	(2 519)
Continuing	**27 528**	**23 952**	**192 519**	**2 808 878**	**2 989 179**	**3 032 296**	**(611 934)**	**(1 016 698)**	**(838 631)**
Gaming	–	–	–	–	386 139	171 140	–	(31 379)	(16 690)
Group costs	–	–	–	22 817	–	21 339	–	–	–
Held-for-sale/ discontinuing	**–**	**–**	**–**	**22 817**	**386 139**	**192 479**	**–**	**(31 379)**	**(16 690)**

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