GRAND PARADE
INVESTMENTS LIMITED

Highlights

- Concluded agreement with Sun International to restructure certain common assets
- ↑ Revenue by 33%
- ↑ LPM GGR by 25%
- ↑ Net profit after tax by 1 206%
- ↑ Adjusted HEPS by 30%
- Net cash generated of R335,9 million
- Special dividend of 60 cents per share paid during January 2012 from the proceeds of the Sun International deal
- Final ordinary dividend of 12,5 cents per share and a special dividend of 7,5 cents per share totalling 20 cents per share, recommended, representing 100% ↑

Grand Parade Investments Limited Reviewed results for the year ended 30 June 2012

CONDENSED GROUP STATEMENT OF COMPREHENSIVE INCOME

	Notes	Reviewed 30 June 2012 R000's	Audited 30 June 2011 R000's	% change
Revenue	1	435 667	326 442	33%
Cost of sales	2	(231 248)	(184 343)	25%
Gross Profit		204 419	142 099	44%
Operating costs	3	(146 209)	(124 539)	17%
Profit from operations		58 210	17 560	231%
Profit from equity-accounted investments	4	130 465	119 566	9%
Profit on disposal of investments	5	60 248	151	–
Reversal of impairment of investment	6	336	15 000	–
Realisation of fair value reserve	7	35 588	–	–
Impairment of investment		–	(128 485)	–
Net income before finance costs and taxation		284 847	23 792	1 097%
Finance income		1 781	1 745	2%
Finance costs	8	(24 225)	(32 916)	(26%)
Net profit/(loss) before taxation		262 403	(7 379)	3 656%
Taxation	9	(11 598)	(15 292)	(24%)
Net profit/(loss) for the year		250 805	(22 671)	1 206%
Other comprehensive income				
Unrealised fair value losses on available-for-sale investments, net of tax		(5 676)	(4 491)	
Realisation of fair value reserve		(35 588)	–	
Changes in reserves from equity accounted investments, net of tax		–	13 197	
Total comprehensive income/(loss) for the year		209 541	(13 965)	
Net profit/(loss) for the year attributable to:				
– Ordinary shareholders		250 805	(22 671)	
		250 805	(22 671)	
Total comprehensive income/(loss) attributable to:				
– Ordinary shareholders		209 541	(13 965)	
		209 541	(13 965)	
Basic and diluted earnings/(loss) per share (cents)		53,45	(4,89)	1 193%
Adjusted basic and adjusted diluted earnings/ (loss) per share (cents)		53,68	(4,95)	1 184%
Headline and diluted headline earnings per share (cents)	10	34,75	19,13	82%
Adjusted headline and diluted adjusted headline earnings per share (cents)	10	29,09	22,38	30%
Dividends paid per share (cents)*		70,00	7,50	833%

* Final dividend declared in respect of the previous financial year and paid in December, which include the special dividend of 60 cents paid in January 2012.

Headline earnings reconciliation	Reviewed 30 June 2012 R000's	Audited 30 June 2011 R000's
Net profit/(loss) attributable to ordinary shareholders	250 805	(22 671)
Realisation of fair value reserve	(35 588)	–
Reversal of impairment of investment	(336)	(15 000)
Profit on disposal of investments	(60 248)	(151)
Loss on sale of property, plant and equipment	447	759
Impairment of investment	–	128 485
Adjustments by jointly-controlled entities	–	412
– Loss on disposal of plant and equipment	–	412
Adjustments by associates	–	(2 855)
– Realised investment profits	–	(1 987)
– Profit on sale of investment	–	(868)
Tax effect of above	7 950	(285)
Headline earnings	163 030	88 694
Reversal of employee share trust	(95)	751
Reversal of transaction costs	13 907	2 133
Change in intended recovery of jointly-controlled entity	(10 918)	10 918
Preference share redemption fee	2 100	–
Reversal of cancellation fees	(32 271)	–
Tax effect on above	170	–
Adjusted headline earnings	135 923	102 496
Reconciliation of shares		
Shares in issue (before deducting treasury shares) (000's)	460 680	470 460
Shares in issue (after deducting treasury shares) (000's)	459 510	468 240
Weighted average number of shares in issue (000's)	469 195	463 757
Adjusted weighted average number of shares in issue (000's)	467 166	457 937

The shares in issue and weighted average number of shares in issue have been reduced by 1 170 000 treasury shares held by the GPI Share Incentive Trust.

CONDENSED GROUP STATEMENT OF FINANCIAL POSITION

	Notes	Reviewed 30 June 2012 R000's	Audited 30 June 2011 R000's
ASSETS			
Non-current assets	11	1 405 914	1 631 715
Non-current asset held for sale	12	–	451 000
Current assets	13	461 804	112 179
Total Assets		1 867 718	2 194 894
EQUITY AND LIABILITIES			
Total equity	14	1 616 869	1 756 792
Non-current liabilities			
– Deferred tax liabilities		11 525	23 618
– Cumulative redeemable preference shares	15	101 670	193 157
– Interest–bearing loans and borrowings	15	37 134	89 500
– Provisions		173	126
Current liabilities	16	100 347	131 701
Total Equity & liabilities		1 867 718	2 194 894
Net asset value (before deducting treasury shares) (cents)		351	373
Adjusted net asset value (after deducting treasury shares) (cents)*		352	375
Tangible net asset value (before deducting treasury shares) (cents)		312	347
Adjusted tangible net asset value (after deducting treasury shares) (cents)*		313	349

* The adjusted net asset value and adjusted tangible net asset value have been reduced by goodwill and intangible assets.

CONDENSED GROUP STATEMENT OF CASH FLOWS

	Reviewed 30 June 2012 R000's	Audited 30 June 2011 R000's
Cash flows from operating activities		
Net profit/(loss) before taxation	262 403	(7 379)
Non cash flow items		
– Depreciation and amortisation	38 610	36 010
– Loss on sale of property, plant and equipment	447	759
– Profit on disposal of investments	(60 248)	(151)
– Reversal of impairment of investment	(336)	(15 000)
– Realisation of fair value reserve	(35 588)	–
– Impairment of loans	217	–
– Profit from equity-accounted investments	(130 465)	(119 566)
– Impairment of investment	–	128 485
– Realisation of expenses previously recognised against share premium	1 189	–
Adjustments for:		
– Finance costs per the statement of comprehensive income	24 225	32 916
– Finance income per the statement of comprehensive income	(6 797)	(3 405)
– Dividends received per the statement of comprehensive income	(26 971)	(2 009)
Net working capital changes	(18 342)	(28 491)
Income tax paid	(25 704)	(11 907)
Finance income – operations	1 781	1 745
Net cash inflow from operating activities	24 421	12 007
Cash flows from investing activities		
Acquisition of plant and equipment	(35 647)	(28 299)
Acquisition of land and buildings	(25 002)	–
Acquisition of intangible assets	(3 672)	(2 577)
Proceeds from the disposal of plant and equipment	117	127
Proceeds from the disposal of investments	733 935	–
Loans advanced	(1 257)	–
Proceeds from loan repayments	1 110	–
Net investments made in jointly controlled investment	–	(32 839)
Net cash paid for business combination	–	(5 976)
Finance income – investments	5 016	1 660
Dividends received	182 686	143 683
Net cash inflow from investing activities	857 286	75 779
Cash flows from financing activities		
Finance costs paid	(20 735)	(28 304)
Shares bought back	(24 321)	–
Preference shares redeemed	(125 726)	(24 163)
Dividends paid	(322 405)	(33 666)
Loans repaid	(52 000)	(16 000)
Finance lease raised	424	2 915
Finance lease repaid	(1 045)	(479)
Share issue expenses on new share issue	–	(33)
Net cash outflow from financing activities	(545 808)	(99 730)
Net increase/(decrease) in cash and cash equivalents	335 899	(11 944)
Cash and cash equivalents at the beginning of the year	69 248	81 192
Cash and cash equivalents at the end of the year	405 147	69 248

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. During the year management changed their approach to reviewing the performance of the group from an investment ownership approach to an industry approach. The approach was changed to review the risks of the group more effectively.

	Revenue		Finance Income	
	Reviewed 30 June 2012 R000's	Audited 30 June 2011 R000's	Reviewed 30 June 2012 R000's	Audited 30 June 2011 R000's
Land Based Casinos	18 821	2 009	–	–
Limited Payout Machines	403 583	322 222	1 500	1 443
Management Services[1]	96	532	281	302
Property	–	–	–	–
Other	13 167	1 679	–	–
	435 667	326 442	1 781	1 745

[1] The intercompany charges have been set off against this amount.

	Finance Costs		Depreciation and Amortisation	
	Reviewed 30 June 2012 R000's	Audited 30 June 2011 R000's	Reviewed 30 June 2012 R000's	Audited 30 June 2011 R000's
Land Based Casinos	–	–	–	–
Limited Payout Machines	(195)	(844)	(15 661)	(13 295)
Management Services	(5 429)	(7 199)	(22 785)	(22 604)
Property	–	–	–	–
Other	(18 601)	(24 873)	(164)	(111)
	(24 225)	(32 916)	(38 610)	(36 010)

	Profit from Equity-accounted Investments		Taxation	
	Reviewed 30 June 2012 R000's	Audited 30 June 2011 R000's	Reviewed 30 June 2012 R000's	Audited 30 June 2011 R000's
Land Based Casinos	130 465	119 566	–	–
Limited Payout Machines	–	–	(9 826)	(6 259)
Management Services	–	–	(3 015)	2 948
Property	–	–	55	–
Other	–	–	1 188	(11 981)
	130 465	119 566	(11 598)	(15 292)

	Profit After Tax		Total Assets	
	Reviewed 30 June 2012 R000's	Audited 30 June 2011 R000's	Reviewed 30 June 2012 R000's	Audited 30 June 2011 R000's
Land Based Casinos	231 032	4 514	1 109 060	1 811 118
Limited Payout Machines	24 026	18 479	273 277	254 448
Management Services	7 741	(4 620)	72 270	77 914
Property	(140)	–	28 574	–
Other	(11 854)	(41 044)	384 537	51 414
	250 805	(22 671)	1 867 718	2 194 894

	Total Liabilities	
	Reviewed 30 June 2012 R000's	Audited 30 June 2011 R000's
Land Based Casinos	(1 769)	(13 697)
Limited Payout Machines	(38 982)	(39 266)
Management Services	(70 570)	(82 862)
Property	(216)	–
Other	(139 312)	(302 277)
	(250 849)	(438 102)

ACCOUNTING POLICIES AND BASIS OF PREPARATION

The condensed consolidated annual financial information has been prepared on the historical cost basis, except where stated otherwise, and in accordance with International Financial Reporting Standards (IFRS) and the Listings Requirements of the JSE, and is presented in terms of disclosure requirements set out in IAS 34: Interim Financial Reporting and the Companies Act of South Africa No. 71, of 2008, as amended. The accounting policies applied are consistent with those applied in the financial results for the year ended 30 June 2011, with the exception of the following new and amended standards which are effective for the financial year beginning on or after 1 January 2011:

- *IAS 24 – Related Party Transactions (Amendment)*, which clarifies the definitions of a related party. The adoption of the amendment did not have any impact on the financial position, performance, cash flows or disclosure of the group.
- *IFRIC 14 – Prepayments of a minimum Funding Requirement (Amendment)*, which permits a prepayment of future service costs by the entity to be recognised as a pension asset. The group is not subject to minimum funding requirements, and therefore the amendment of the interpretation has no effect on the financial position or performance of the group.
- *IFRS 7 – Financial Instruments: Disclosures (Amendment) Transfers of Financial Assets*, which requires additional quantitative and qualitative disclosures relating to transfers of financial assets. The amendment is not expected to impact the group.

Audit opinion

Our auditors, Ernst & Young Inc., have reviewed the condensed consolidated financial information contained herein. Their reviewed report in which they expressed their unqualified opinion is available for inspection at the company's registered office.

NOTES TO THE FINANCIAL STATEMENTS

1. **Revenue**

Revenue comprises Gross Gaming Revenue ("GGR") from our Limited Payout Machines ("LPM") operations, dividends received from National Casino Resort Manco (Proprietary) Limited ("National Manco") and Real Africa Holdings Limited ("RAH"), interest earned on positive cash balances and other LPM operating cost recoveries.

GGR is the term used for the net revenue generated by an LPM from the amount of cash played through the LPM less pay-outs to players.

	Reviewed 30 June 2012 R000's	Audited 30 June 2011 R000's
Gross Gaming Revenue	395 606	316 192
– Grandslots	249 634	213 597
– Kingdomslots	119 259	99 550
– Grand Gaming: Slots	26 713	3 045
Other operating income	8 074	6 581
Other investment income	31 987	3 669
Revenue	435 667	326 442

Other investment income increased from the prior year due to dividends of R13,2 million received from RAH, dividends of R4,4 million received from National Manco and dividends of R1,2 million received from Winelands Manco. In addition R8,1 million of preference share dividends was received and interest earned on positive cash balances.

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, and has increased by 25.4% in line with the increase in GGR.

3 **Operating costs**

Operating costs include transaction costs of R13,9 million, which are expensed and reversed for adjusted headline earnings per share.

4. **Profit from equity-accounted investments**

Profit from equity-accounted investments comprises profits from jointly-controlled entities and profits from associates. Overall profits from equity-accounted investments for the financial year increased by R10,9 million or 9.1% from the prior year.

Profit from jointly-controlled entities

SunWest International (Proprietary) Limited ("SunWest") attributable earnings consists of attributable earnings from GrandWest Casino and Entertainment World ("GrandWest") and The Table Bay Hotel. Western Cape Casino Resort Manco (Proprietary) Limited ("Western Cape Manco") attributable earnings consist of management fees received from SunWest.

Profit from associates

Profit from associates consists of attributable earnings from Akhona Gaming Portfolio Investments (Proprietary) Limited ("Akhona GPI").

5. **Profit on disposal of investments**

As disclosed in the interim results, the restructure of common assets with Sun International Limited ("SUI") ("restructure") was concluded on 2 December 2011. The group received proceeds of R733,9 million from SUI for the disposal of these investments and recognised a profit on the disposal of R60,3 million.

6. **Reversal of impairment of investment**

In terms of IAS 36 – Impairment of Assets, an entity must determine whether there is any indication of impairment at each reporting date. IAS 36 requires assets to be impaired to the higher of market value or value in use based on discounted cash flow valuations. At year-end there is no indication that any investment must be impaired.

As disclosed in the interim results, the group reversed R0,3 million of previously recognised impairment losses of its investment in Worcester Casino (Proprietary) Limited ("Golden Valley Casino").

7. **Realisation of fair value reserve**

As a result of the disposal of the group's interest in RAH and in terms of IAS39 – Financial instruments Recognition and Measurement, R35,6 million of previously recognised fair value adjustments were realised through the statement of comprehensive income.

8. **Finance costs**

Finance costs decreased by 26.4% due to lower debt levels. The group repaid its R40,0 million term loan with Grindrod Bank Limited ("Grindrod") and redeemed R125,7 million preference shares with Sanlam Capital Markets ("SCM") from the cash received from the restructure. The group also repaid R12,0 million of its term loan with SCM.

9. **Taxation**

The taxation in the statement of comprehensive income is relatively low compared to the profit before taxation due to exempt income earned, permanent differences as well as differences between the accounting and tax values of the investments sold in the restructure.

10. **Headline and adjusted headline earnings**

Headline earnings per share increased by 81.7%, whilst adjusted headline earnings per share increased by 30.0% to 29.09 (2011: 22.38) cents per share. The increase primarily arises from the returns on available cash, the decreased finance charges as well as the improved performance of the Slots group.

11. **Non-current assets**

Non-current assets decreased mainly as a result of the SUI restructure.

During May 2012 GPI acquired an office building in a prime location in Adderley Street, Cape Town. The acquisition is focused on reducing the rental expense in the group and to establish a landmark Head Office for the GPI group. The building is currently being redeveloped and we expect to take occupation during February 2013.

12. **Non-current asset held for sale**

As disclosed in the results at 30 June 2011 the investment in RAH was reclassified as a non-current asset held for sale. The investment was sold as part of the restructure.

13. **Current assets**

Current assets have increased due to the cash received as part of the restructure and consists of cash and cash equivalents of R405,1 million, inventory of R2,1 million and other receivables of R54,6 million.

14. **Total equity**

GPI acquired 9,78 million (2.1%) of its own shares during the year at an average price of 249 cents per share.

15. **Non-current liabilities**

By utilising part of the R794,1 million cash received from SUI in terms of the restructure, the group repaid its R40,0 million term loan with Grindrod and redeemed R125,7 million preference shares with SCM.

The cumulative redeemable preference shares outstanding relate to the facility with The Standard Bank of South Africa Limited and Depfin Investments (Proprietary) Limited.

The balance on the interest-bearing borrowings mainly relates to the term loan with SCM, of which R12,0 million was repaid during the year.

16. **Current liabilities**

Current liabilities consist of the current portion of the SCM term loan of R16,0 million, the cumulative redeemable preference share current portion of R30,6 million and trade and other payables of R53,8 million.

CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY

	Capital redemption reserve fund R000's	Ordinary share capital R000's	Share premium R000's	Treasury shares R000's	Available-for-sale fair value reserve R000's	Non-controlling interest R000's	Accumulated profits R000's	Total R000's
Balance at 30 June 2010	277	115	727 186	(11 669)	40 690	4 978	1 010 803	1 772 380
Total comprehensive income/(loss) for the year	–	–	–	–	8 706	–	(22 671)	(13 965)
Dividends paid	–	–	–	–	–	–	(34 238)	(34 238)
Ordinary shares issued	–	2	23 168	–	–	–	–	23 170
Share issue expense	–	–	(33)	–	–	–	–	(33)
Transfer to capital redemption reserve fund	24	–	–	–	–	–	(24)	–
Treasury shares issued	–	–	3 726	7 218	–	–	–	10 944
Acquisition of non-controlling interest	–	–	–	–	–	(4 978)	3 512	(1 466)
Balance at 30 June 2011	301	117	754 047	(4 451)	49 396	–	957 382	1 756 792
Total comprehensive income/(loss) for the year	–	–	–	–	(41 264)	–	250 805	209 541
Dividends paid	–	–	–	–	–	–	(327 768)	(327 768)
Share bought back	–	(2)	(24 319)	–	–	–	–	(24 321)
Treasury shares issued	–	–	520	2 105	–	–	–	2 625
Balance at 30 June 2012	301	115	730 248	(2 346)	8 132	–	880 419	1 616 869

COMMENTARY

RESTRUCTURE WITH SUI

The restructure was the most significant transaction during the year and had a material effect on this year's results. The effects of this transaction have however been removed from the adjusted headline earnings for the year in order to normalise the earnings.

On 2 December 2011 the restructure with SUI was completed, resulting in our economic interests in SunWest and Golden Valley Casino reducing to 25.1% each and the disposal of our entire interest in RAH.

The group received R794,1 million in cash from the transaction, R733,9 million was received due to the sale of investments and R60,2 million via dividends from the Western Cape Manco as a result of it receiving management contract cancellation fees from SunWest. The proceeds were utilised to redeem R125,7 million in preference shares from SCM, repay a R40.0 million term loan from Grindrod and to pay a special dividend of 60 cents per share, totalling R282,3 million.

REVIEW OF GPI'S JOINTLY-CONTROLLED ENTITIES

SunWest

GrandWest's revenue increased by 7.9% compared to the prior year whilst its attributable earnings after the payment of the once-off cancellation fee increased by 5.9% despite the adverse economic environment in the Western Cape over the last year. GrandWest's EBITDA margin recovered by 19.8% from R627,4 million last year to R751,7 million this year.

GrandWest's initial 10-year casino exclusivity in the Cape Metropole expired during December 2010. The Provincial Government of the Western Cape is still considering whether to permit the relocation of one of the other casino licenses in the Western Cape Metropole to the CBD. We continue to monitor any further developments in this regard.

The Table Bay Hotel's revenue increased by 4.0% compared to the prior year, whilst its attributable loss increased by 37.2% mainly due to a 5.3% drop in the average room rate year-on-year from R2 060 last year to R1 956 this year and the occupancy rate decreasing from 48.1% to 47.5%.

Golden Valley Casino

On 2 December 2011 the group sold 21.3% of its investment in Golden Valley Casino to SUI, which reduced its economic stake in Golden Valley Casino to 25.1% (2011: 45.4%).

Golden Valley Casino's revenue increased by 6.7% compared to the prior year,whilst its attributable earnings before the payment of the once-off cancellation fees increased by 158.4%. After the payment of the cancellation fees its attributable loss decreased by 66% compared to the prior year.

The investment is yet to produce a positive earnings contribution, however management expects this investment to generate earnings over the short term.

Western Cape Manco

Western Cape Manco attributable earnings increased by 421.2% for the year, due to the cancellation fee received in respect of the management contract with SunWest, which formed part of the restructure. Going forward Western Cape Manco will not exist.

REVIEW OF GPI'S ASSOCIATE INVESTMENTS

Akhona GPI

GPI's share of Akhona GPI's earnings decreased by 30.0% mainly as a result of GPI's decreased shareholding from 74.05% to 59.0%. Akhona GPI did not equity account its investment in Dolcoast due to the information not being available at this time. Akhona GPI recognised R6,5 million as its share of equity-accounted profit from Dolcoast during the prior year.

PERFORMANCE OF GPI'S LPM SLOTS OPERATIONS

Western Cape

The Western Cape LPM market continued to be the best performing province in the country in terms of LPM revenue. As at 30 June 2012, with two licensed operators in the Western Cape, Grandslots enjoyed a 56.8% (2011: 56.4%) market share.

With the Western Cape being the biggest contributor to our LPM revenues, it is very encouraging that Grandslots achieved a 16.9% increase in its revenue to R249,6 million, despite a 2.0% decrease in the number of active LPMs.

KwaZulu-Natal

Our KwaZulu-Natal based LPM operations, Kingdomslots, showed exciting growth during the year where it achieved a 19.3% increase in revenue to R119,3 million. Kingdomslots remained the market leader in the province: with four licensed operators Kingdomslots enjoyed a 41.2% (2011: 42.6%) market share at 30 June 2012. Kingdomslots increased its number of active LPM's slightly during the year by 1.9%.

Gauteng

Grand Gaming Slots achieved revenue of R26,7 million during its first full year of operations. Legislative delays at the Provincial Gambling Board resulted in a slow roll out of only 62 machines during the year. However it is encouraging that we were able to increase our overall market share in Gauteng by 1% to 14.5% at 30 June 2012 (2011: 13.6%).

RELATED PARTY TRANSACTIONS

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

DIVIDENDS

Notice is hereby given of the declaration of an ordinary cash dividend of 20 cents (gross) per share (2011: 10 cents per share), subject to the applicable tax levied in terms of the Income Tax Act (Act No 58 of 1962, as amended). The 20 cents dividend consists of a 12,5 cents ordinary dividend per share and a 7,5 cents special dividend per share.

In terms of paragraphs 11.17(a)(i) to (x) and 11.17(c) of the JSE Listing Requirements the following additional information are disclosed:

- The dividend has been declared out of income reserves;
- Local dividends tax rate is 15%;
- Gross local dividend amount is 20 cents per share;
- Net local dividend amount is 20 cents per share;
- GPI has Secondary Tax on Companies (STC) credits that it will utilise. The full dividend of 20 cents per share will be covered by the STC credits;
- Income tax reference number 9037038024; and
- Ordinary shares in issue 460 679 901.

In compliance with the requirements of Strate and the JSE Limited, the following salient dates will apply to the payment of the dividend:

– Dividend declared	Monday, 27 August 2012
– Last date to trade "cum" the dividend	Thursday, 20 September 2012
– Trading commences "ex" the dividend	Friday, 21 September 2012
– Record date	Friday, 28 September 2012
– Date of payment of the dividend	Monday, 01 October 2012

Shares certificates cannot be dematerialised or rematerialised between Friday, 21 September 2012 and Friday, 28 September 2012, both days inclusive.

SUBSEQUENT EVENTS

On 18 July 2012 Grand Gaming Slots opened the first Type B LPM licensed site in Gauteng. The Type B licence permits the site to operate up to 40 LPMs in a single venue as opposed to the current Type A licence which only permits the site to operate up to five LPMs per venue. This is the first license of its type in Gauteng.

Our offer to acquire the remaining 41% we do not already own in Akhona GPI, in order to give the group full control of this investment was concluded on 17 August 2012 for R27,8 million. The acquisition will give the group greater exposure to Sibaya Casino.

DIRECTORATE

Although there were some changes to the Board of GPI during the year, we believe that every member has contributed to the success and growth of our business.

Since the interim results, Mr Ralph Freese resigned as a non-executive director, and Mr Alex Abercrombie, a non-executive director, was appointed as an executive director. On 20 August 2012 Mr Colin Priem was appointed to the Board of Directors as a non-executive director.

PROSPECTS

The group is committed to investing in gaming operations in order to achieve its stated objective of becoming a major and respected force in the African gaming and leisure industry. To this extent we will continue to play an active role to maximise the value of our investments.

We will, via our Slots operations, look to increase our LPM footprint by investing in new and existing route operator licences in jurisdictions that prove to be economically viable. We will also look to expand our number of Type B licences to offer more widely based gaming entertainment facilities, to expand on our current client base and to increase our market share in the Gauteng market, and to maintain our status as the market leader in the Western Cape and KwaZulu-Natal.

Via Grand Capital we will look to invest in non-gaming assets that will have a positive impact on the overall value of the group.

Directors: H Adams (Executive Chairman), A Abercrombie, AE Keet CA(SA) (Chief Executive Officer), AW Bedford#, RJ Hoption CA(SA), Dr NV Maharaj#*, N Mlambo#, MF Samaai#, S Petersen CA(SA) (Financial Director), C Priem#
(# non-executive * lead independent)
Registered office: 12th Floor Convention Tower, Heerengracht Street, Foreshore, Cape Town, 8001. (PO Box 6563, Roggebaai, 8012)
Grand Parade Investments Limited
("GPI" or "the company" or "the group")
Registration number: 1997/003548/06
ISIN: ZAE000119814 **Share code**
Share code: GPL
Company Secretary: LC Parton
Transfer secretaries: Computershare Investor Services (Proprietary) Limited, 70 Marshall Street, Johannesburg, 2001
Attorneys: Bernadt Vukic Potash & Getz Attorneys
Corporate advisors: Leaf Capital (Proprietary) Limited
Sponsor: PSG Capital (Proprietary) Limited

For and on behalf of the board

H Adams	**AE Keet**	**S Petersen**
Chairman	Chief Executive Officer	Financial Director

Cape Town
27 August 2012

Prepared by D Pienaar CA(SA)