GRAND PARADE
INVESTMENTS LIMITED

INTEGRATED ANNUAL REPORT 2017

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OUR VISION

TO BE THE LEADING GROWTH STORY ON THE JSE, WHILE ACHIEVING PROFITABLE AND SUSTAINABLE INVESTMENTS AND EMPOWERMENT OPPORTUNITIES

GRAND PARADE INVESTMENTS LIMITED

OUR PURPOSE

We are an established empowerment company with current investments in the Food, Gaming and Leisure industries.

OUR STRATEGIC OBJECTIVES

ENSURE SHAREHOLDER RETURNS

- Provide consistent return to shareholders
- Clear policies and practices
- Effective investor communication

BE A RESPONSIBLE CORPORATE CITIZEN

- Deliver on BBBEE ownership targets
- Implement strategic corporate social investment (CSI) initiatives
- Work with the future in mind, to leave a legacy for future generations

FOCUS ON A DIVERSIFIED PORTFOLIO

- Diversify across industry
- Balance listed and non-listed assets
- Identify exit strategies so as to time exits to maximise returns

MAINTAIN INVESTMENT GROWTH

- Intrinsic net asset value growth
- Optimal capital allocation
- Provide strategic direction

OUR CORE VALUES

1 / Sustainable

2 / Ethical

3 / Respect

4 / Entrepreneurial

5 / Excellence

REPORT SCOPE, BOUNDARY

Grand Parade Investments Ltd's (GPI's) Integrated Annual Report 2017 provides a succinct review of our strategy and business model, operating context, material stakeholder interests, key risks, and performance and governance practices, covering the financial year ending 30 June 2017. This report is supplemented by our separate Consolidated Annual Financial Statements (AFS) 2017. The report focuses on the activities of GPI as an investment holding company, and includes an analysis of our underlying investments, both in the Executive Reviews section (pages15 – 30) and the Investment Reviews section (pages 31 – 49, focusing on the most material investments only). Since last year there have been no significant changes to the Group's organisational structure, and no material restatements of data during the year.

REPORTING PRINCIPLES

This report was prepared in accordance with International Financial Reporting Standards (IFRS), the JSE Listings Requirements and the Companies Act, No. 71 of 2008, as amended (the Companies Act), where relevant. The report has sought to apply the International <IR> Framework of the International Integrated Reporting Council (IIRC). GPI has applied the majority of the principles and recommendations outlined in the King Report on Governance for South Africa 2016 (King IV); a summary of those principles that were not fully applied is presented on our website.

TARGET AUDIENCE AND MATERIALITY

This report has been prepared primarily for current and prospective investors, although it is also relevant for any other stakeholder who has an interest in GPI's performance and prospects. This report focuses on those issues that we have identified as being most material to our capacity to create value and deliver on our strategic growth objectives. In addressing these material issues, we review what we do (page 5), describe our business model (page 7), identify the material interests of priority stakeholders (page 10), assess the principal risks and opportunities arising from the operating context (page 11), and review our performance (pages 31 – 49) and governance practices (page 56) aimed at ensuring value.

EXTERNAL ASSURANCE

Independent external auditors, EY, audited the Consolidated Annual Financial Statements in accordance with the International Standards on Auditing. The opinion of the external auditors is provided on page 3 of the full AFS. The Group has not sought external assurance on the contents of this report.

FORWARD-LOOKING STATEMENT

The Integrated Annual Report contains certain forward-looking statements that relate to the financial position and results of the operations of GPI and its investments. These statements, by their very nature, involve risk and uncertainty as they relate to future events and depend on circumstances that may or may not occur in the future. Factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to, global and national economic conditions, interest rates, exchange rates and regulatory delays or changes. The forward-looking statements have not been reviewed or reported on by the Group's external auditors.

APPROVAL OF THE INTEGRATED ANNUAL REPORT

The Board acknowledges its responsibility to ensure the integrity of the Integrated Annual Report. The directors confirm they have collectively assessed the content of the report and believe that it is a fair representation of the Group's material issues, performance and prospects. The Board has therefore approved the Integrated Annual Report 2017 for release to stakeholders.

SALIENT FEATURES

25% / **R963 million**

INCREASE IN **REVENUE**

331% / **4.59 cents loss**

DECREASE IN **HEADLINE EARNINGS PER SHARE**

90% / **4.39 cents**

DECREASE IN **BASIC EARNINGS PER SHARE**

2.5% / **698 cents**

INCREASE IN **INTRINSIC NET ASSET VALUE PER SHARE**

38% / **16.8%**

REDUCTION IN **DEBT EQUITY RATIO**

Successfully launched DUNKIN' DONUTS® and BASKIN-ROBBINS® in the Western Cape with **330 000 donuts** sold in the first month of trade

Increased shareholding in Spur by **7.48%** to **17.48%** by year end

Concluded the **disposal** of **10%** in each of **Sunwest** and **Worcester Casino** by receiving the remaining deferred payment of **R360 million** on 30 November 2016

GPI bought back and cancelled **15 million shares** during the year at an average price of **R3.52**

GPI **exited two non-core investments** being Grand Sport (Pty) Ltd and Grand Linkstate (Pty) Ltd

GPI **disposed of the Mac Brothers** properties in Epping and Sebenza at a **R4.5 million** profit before tax and a property in Atlantis at a **R12.9 million** profit before tax

Disposed 19.9% of **Sun Slots** for **R262.5 million**, with a remaining shareholding of 30% in Sun Slots

13.3 million customers' served in Burger King in 2017 (2016: 10.9 million, 2015: 4.9 million)

WHAT WE DO

Grand Parade Investments (GPI) is an empowered investment holding company that actively manages investments in its current focus areas of food and gaming. The company was founded in 1997 for the express purpose of partnering with Sun International South Africa (Pty) Ltd as its primary black economic empowerment partner in the Western Cape. Since then we have grown our investment portfolio within the gaming industry, and more recently have diversified into food, having acquired the South African master franchise licences for BURGER KING ®. Dunkin' Donuts ®, and Baskin-Robbins ®. GPI listed on the main board of the JSE in 2008. Our current investment portfolio comprises the following material investments:

FOOD INVESTMENTS

BURGER KING SOUTH AFRICA (BKSA)

Has a long-term master franchise and development agreement with Burger King Europe GmbH, obtaining exclusive rights to expand the BURGER KING® brand in the country. BURGER KING® is a global quick-service restaurant (QSR) brand with stores in 86 countries.

There are currently 61 restaurants in South Africa across five provinces.

GRAND FOODS MEAT PLANT

An established supplier of quality Halaal products to wholesalers and retailers in South Africa. Runs a Halaal-certified export-approved production plant in Cape Town, built according to EU standards, supplying approximately 167 tons of beef burger patties to Burger King SA and Spur restaurants every month. Has the capacity to produce 700 tonnes of patties per month.

MAC BROTHERS CATERING EQUIPMENT

A leading supplier of catering equipment and associated services. Owns a catering and refrigeration equipment manufacturing facility in Cape Town, with branches in South Africa and Zimbabwe, and agent offices throughout Africa. Became a wholly-owned subsidiary of GPI in January 2015.

SPUR CORPORATION

Operates the Spur Steak Ranches, Panarottis Pizza Pasta, John Dory's Fish Grill Sushi, Captain DoRegos, The Hussar Grill and RocoMamas restaurant franchises targeting consumers across various income levels. Has 591 outlets worldwide, with restaurants in various parts of Africa, Mauritius, the UK and Australia.

GAMING INVESTMENTS

SUNWEST INTERNATIONAL

Holds 100% of GrandWest Casino and Entertainment World (the largest entertainment destination of its kind in South Africa, operating the only casino in Cape Town), and 100% of The Table Bay Hotel (a five-star luxury hotel located at the Victoria & Alfred Waterfront in Cape Town).

WORCESTER CASINO

Owns 100% of the Golden Valley Casino in the Breede River Valley, an hour's drive from Cape Town. The Casino is one of the most intimate casinos in the Western Cape.

SUN SLOTS

Installs and operates Limited Pay-out Machines (LPMs) in the premises of licenced sites, primarily with age-controlled access. LPMs function in the same way as casino slot machines, though with limited pay-out capacity, in line with prevailing gambling laws.

NON-CORE

GRAND TELLUMAT MANUFACTURING (GTM)

A leading South African contract electronics manufacturer, offering from 'labour only' to full turnkey electronic manufacturing and product integration for all levels of complexity, including design, procurement, manufacturing and after-sales service.

GPI PROPERTIES

Operates as a property holding and project management company. The properties are leased to subsidiaries of GPI, including the GPI Slots Group, Grand Tellumat Manufacturing, BURGER KING® and Mac Brothers Catering Equipment.

INVESTMENT AND EFFECTIVE HOLDING

FOOD

SPUR CORPORATION LTD	17.48%
BURGER KING SOUTH AFRICA	91.1%
GRAND FOODS MEAT PLANT	96.9%
DUNKIN' DONUTS	100%
BASKIN-ROBBINS	100%
MAC BROTHERS CATERING EQUIPMENT	100%

GAMING

SUNWEST INTERNATIONAL	15.1%
WORCESTER CASINO	15.1%
SUN SLOTS	30.0%

NON-CORE

ATLAS GAMING	4.95%
GRAND TELLUMAT MANUFACTURING	51.0%
GPI PROPERTIES	100%

OUR BUSINESS MODEL

As an empowered investment holding company, we create value by actively managing our investments. Our investment philosophy is to invest in the equity of those listed and unlisted companies where we can use our strengths to add value to the investee company's underlying business, by providing capital, empowerment, management expertise and synergies with its existing investments.

We invest in companies that provide a combination of long-term growth, opportunities for value creation and a sustainable yield. We seek to minimise our investment holding costs by ensuring that management involvement is appropriate to the stage of growth of the asset. Over the short-term, we invest surplus cash in low-risk capital-guaranteed investments that provide money market returns as a minimum. Where we cannot deploy surplus cash into new investments over the short term, we return cash to shareholders in the form of dividends.

GPI has a track record of being an entrepreneurial investor that takes a long-term view on value growth. We have invested in a number of start-up or early stage companies, and participated in the establishment and growth of those companies. In some instances, such as Sun Slots, we have divested our holding to generate superior returns. Looking ahead we will build on this trajectory and continue to invest in companies that have the following characteristics, with a particular focus on the food sector:

- Market-leading brand
- Strong management team with a demonstrable track record
- Clearly defined growth strategy
- Robust corporate governance practices
- Strong investment partners that are aligned with GPI's strategic objectives

HOW WE MANAGE OUR INVESTMENTS

GPI manages its investments on a decentralised basis by ensuring that the company in which we invest has a strong management team and to whom we can provide support services, funding and strategic direction.
We are committed to aligning the strategic objectives of our investee companies with our own ambitions, ensuring that each investment has a remuneration structure that incentivises the attainment of our strategic objectives.
We monitor the performance of our investments on a monthly basis and provide support on strategic objectives and operational performance targets of the business.
We encourage management teams across investments to identify synergies between the respective businesses to ensure that maximum value is unlocked across our investment portfolio.

GPI has a track record of being an entrepreneurial investor that takes a long-term view on value growth.

VALUE CREATION – GRAND PARADE INVESTMENTS

OPTIMISING INVESTMENT TIMING AND MATURITY

OUR CORE ACTIVITIES
- Active investment management
- Allocation of capital
- Risk management
- Financial management
- Attraction, retention and development of talent

GROWING REVENUES
- Income from operations
- Dividend income
- Interest income
- Realisation of investments

MANAGING COSTS
- Operating costs
- Capital expenditure
- Finance costs
- Head office costs
- Taxes

FOCUSING RESOURCES
- Market-leading brands
- Highly motivated team
- Shared service centres
- Clear strategy and values

STRENGTHENING RELATIONSHIPS
- Investee companies and subsidiaries
- Management teams
- Master franchisors
- Funders
- Shareholders

MATERIALS RISKS IMPACTING VALUE
1/ Sluggish performance of South African economy/low consumer confidence

2/ Underperformance of investments

3/ Attraction and retention of talent

4/ BBBEE status

5/ Poor allocation of capital

6/ Reliance on a few investments

7/ Limited capital resources

CREATING SYNERGIES WITHIN DIVERSIFIED PORTFOLIOS

GRAND PARADE INVESTMENTS

An empowered investment holding company that actively manages investments in its current focus areas of gaming and food

FOOD	GAMING AND LEISURE

VALUE CREATION – FOOD INVESTMENTS

OUR CORE ACTIVITIES

- Securing franchise rights
- Securing strong trade locations
- Store design and development
- Supply chain management
- QSR management
- Food quality control
- Financial and cash flow management
- Franchise operations
- Partnership management

REVENUES

- Restaurant sales
- Retail sales
- Franchise royalties

POTENTIAL FOR REVENUE DIFFERENTIATION

- Quality global brands
- Integrated food services strategy
- Export opportunities

COSTS

- Food supplies
- Rent
- Royalties
- Labour
- Opex, including fuel and electricity
- Infrastructure investment
- Marketing and related spend
- Finance charges
- Regulatory costs
- Depreciation
- Taxation

POTENTIAL FOR COST DIFFERENTIATION

- Smaller footprint models
- Efficient store layouts
- Commercial deals with developers and landlords
- Optimisation of raw materials/ waste reduction
- Localisation of supply chain, including production
- Vertical integration of supply chains

CRITICAL RESOURCES AND RELATIONSHIPS

- Vertically integrated supply chain (GFMP, MBCE)
- Global brands/customer loyalty
- Convenient locations
- Brand owners (e.g. Burger King Europe GmbH)
- Sasol partnership/forecourt network
- Landlords
- Suppliers
- Certification (e.g. Halaal)

The customer value proposition varies across brands (with differing target markets)

MATERIAL IMPACTS ON VALUE

- ⇑ Employment opportunities, particularly for underskilled and previously unemployed
- ⇑ Sustained financial returns for shareholders
- ⇑ Positive contribution to transformation
- ⇑ Local procurement and enterprise development
- ⇑ Provision of convenient, affordable food
- ⇓ Health issues (salt, sugar, trans fats, obesity)
- ⇓ Waste management and packaging
- ⇓ Supply chain environmental impacts (e.g. feedlots)

OUR CRITICAL RELATIONSHIPS

Our capacity to deliver value depends ultimately on the quality of our relationship with those stakeholders who are fundamental to our business model, and on our demonstrated ability to address their material interests (summarised below).

INVESTORS AND ANALYSTS

- Clarity on growth strategy
- Detail on financial performance
- Candid communication that manages performance expectations
- Evidence of ability to effectively execute delivery of strategy
- Sound corporate governance
- Transparent executive remuneration

EMPLOYEES AND REPRESENTATIVES

- Career progression and personal growth
- Appropriate remuneration
- Job security
- Empowerment and employment equity issues
- Safe, healthy and congenial working conditions

GOVERNMENT AND REGULATORS

- Compliance with regulatory requirements
- Job creation, localisation, transformation and BBBEE delivery
- Sustained contribution to national tax base
- Transparency and clear communications

CUSTOMERS

- Positive customer experience
- Taste, quality, price, accessibility and food safety (food investments)
- Fair operating practices (gaming investments)

SUPPLIERS

- Timely payment and fair contract terms
- Localisation and support for enterprise development

INVESTEE COMPANIES AND SUBSIDIARIES

- Value-added support
- Clear communications and mutual respect

COMMUNITY AND NON-GOVERNMENTAL ORGANISATIONS (NGOs)

- Evidence of good corporate citizenship, including on waste management, recycling, supply chain human rights
- Addressing negative social impacts associated with gaming
- Addressing negative social impacts associated with sugar, salt and fat content of QSR foods

MEDIA

- Transparency on strategy, performance and governance
- Evidence of responsiveness to material stakeholder interest

OUR OPERATING CONTEXT

As a predominantly South African consumer-facing business, our business model is particularly exposed to consumer sentiment and spending power, both of which tend to mirror the broader health of the South African economy.

Looking back over the past two decades, there are two key trends that have impacted positively on our business model, and that have important implications in particular for the South African food landscape:

- **A growing middle class:** LSM classes 4-7 have shown significant expansion, from 53% in 2006 to 65% in 2015. It is important to acknowledge that growth from 2012 onwards has been stagnant, suggesting that this trend may have plateaued.
- **Increasing urbanisation:** The urban population as a percentage of the total South African population has grown from 52% in 1990 to 64% in 2014, and is forecast to reach 71% by 2030.

These and related trends have had a substantial impact on levels of revenue growth in the South African food industry, with growth in the Quick Service Restaurant (QSR) sector outstripping that of the traditional restaurant sector. This significant growth, and underlying supporting trends, suggest that the food sector in general, and the QSR industry in particular, remains a lucrative sector, with substantial upside potential, particularly once the local economy has been stimulated.

Our capacity to successfully realise the potential business opportunities in the food sector will depend on our ability to fully appreciate and proactively position ourselves in response to the following trends that impact the way we create value:

- **The continued slowdown in consumer spending:** Given our particular exposure to the South African consumer, we have been particularly affected by recent slowdown in consumer spending, driven by rising food and fuel prices, higher interest rates and inflation, and a zero growth economy. The challenging political and economic environment has contributed to continuing uncertainty in local credit markets. The recent flattening in the growth of the middle class, and the reduced mobility in particular between LSM levels 3 and 4, has implications for potential growth opportunities. This signals the importance of ensuring diversity across our targeted consumer segments, driving the need for value, convenience and purpose, as well as contributing, in however small a manner, to stimulating local economic growth. Relevant opportunities include investing meaningfully in supplier and enterprise development initiatives, supporting local sourcing of raw material inputs, and stimulating employment opportunities and employee development initiatives in our core investment areas.
- **The rising influence of mobile data and social media:** The recent rapid uptake of smart mobile devices across consumer markets, and the improving quality and accessibility of data networks, is driving a shift in consumer behaviour. More purchases are being made using mobile technology, and social media is increasingly shaping consumers' purchasing decisions, with certain consumer segments placing a strengthened focus on ethical production and consumption patterns. While companies across all sectors are being affected by changes in mobile technology and the rise of social media, this has significant implications in particular for companies that depend on the strength of consumer-facing brands. The shift to digital, and the resulting enhanced potential for data analytics, presents valuable opportunities to improve understanding of consumer behaviour and to drive more sophisticated engagement options with consumers.
- **The changing nature of the competitive landscape:** The South African food industry covers a diverse food-type spectrum, with a handful of key companies dominating the market. An assessment of the attributes of the more successful companies highlights the benefits of having strong brand reach across consumer segments, and food and restaurant types, as well as the benefits in backward/vertical integration through investment in relevant logistics and manufacturing companies.

Changing demographics, the proliferation of technology, and the growing focus by consumers and regulators on a more sustainable economy, are key trends that will be factored into GPI's growth plans. Our strategic shift into the food sector during this time of disruption presents us with valuable opportunities. We believe that it is eminently easier to establish the business with these influences in mind, than it is to try and change the way an existing food business has been run for several years.

OUR MATERIAL RISKS

The following table outlines the most material internal and external risks facing GPI, with a brief description of the risk context and our approach to mitigating each risk.

RISK CONTEXT	OUR STRATEGIC RESPONSE
SLUGGISH SOUTH AFRICAN ECONOMY AND LOW CONSUMER CONFIDENCE	
Rising food and fuel prices, higher interest rates, a zero growth economy and reduced levels of job growth are negatively impacting South African consumer sentiment. The sluggish local economy has been compounded by the recent drought, instability in the labour market and continuing challenges relating to crime.	GPI invests in assets with strong brands that appeal to a range of customers across different LSM groups. This provides an element of protection against cyclical economic downturns. To further reduce this risk, we seek to invest in businesses that provide support services to our main investments, where possible by vertically integrating operational supply chains.
UNDERPERFORMANCE BY INVESTMENTS	
GPI's performance is a direct result of the performance of the underlying companies in its investment portfolio. We need to fully appreciate, and where possible proactively address, all internal and external issues that could impact these investments.	GPI invests in businesses with strong management teams and that are leading brands in their respective industries. We seek to obtain strategic influence over our investments by either having a controlling holding in the investment, or by having representation on the investment's board of directors.
ATTRACTION AND RETENTION OF TALENT	
GPI's ability to deliver value depends ultimately on the people who lead the Group and direct our underlying investments. Our ability to attract and retain talent is critical to our future sustainability.	We have adopted a 'people first' stance aimed at attracting, retaining and developing talent through the provision of appropriate remuneration and personal development programmes.
BBBEE STATUS: SUSTAINING COMPLIANCE WITH NEW CODES, ESPECIALLY ON OWNERSHIP	
The recently revised BBBEE Codes impose new measurement criteria and compliance targets that have the potential to reduce companies' contributor levels. There are potential challenges in particular with the onerous provisions of the Ownership element of the BBBEE scorecard, with listed companies (such as GPI) having greater compliance challenges due to their more limited control over shareholder changes.	In terms of a provision in the new BBBEE Codes, we have been able to recognise the disposal of certain assets to other empowered companies for purposes of our ownership verification. We will continue to utilise this method of calculation for the period permitted in terms of the Codes. Greater emphasis is being placed on maintaining investor information on the verified shareholder database and monitoring shareholding changes. In collaboration with a team of consultants, we have developed revised programmes to ensure that the Group continues to contribute to BBBEE objectives and to meet relevant compliance targets in terms of the new Codes. To enable early identification of any changes that could impact negatively on the Group's BBBEE status, we ensure regular reporting by management of the subsidiary companies to their company boards and ultimately the GPI board.

RISK CONTEXT	OUR STRATEGIC RESPONSE
POOR ALLOCATION OF CAPITAL	
As an investment holding company, we have the responsibility of deciding where and how to best allocate our capital resources in a manner that is in line with our strategic objectives, and that delivers sustained value for our shareholders and other stakeholders.	To ensure appropriate allocation of its capital resources, GPI measures new investments against their ability to contribute to the achievement of our overarching strategic objectives. Where an existing investment is no longer aligned with these strategic objectives, we will either use our influence to realign the strategic direction of the investment or, where this is not achievable, look to divest from the investment.
RELIANCE ON A FEW INVESTMENTS	
Over-reliance on a few investments exposes the company to potential underperformance in any one investment.	We have taken steps to grow and diversify our investment portfolio in recent years, with a particular new focus on investing in the food industry.
LIMITED CAPITAL RESOURCES	
As an investment holding company, GPI faces the potential risk of a lack of available capital resources to provide returns to shareholders or to invest in new and existing assets.	GPI forecasts its cash requirements over a five-year period. Prior to investing in new assets, the impact on the five-year cash flows is determined to ensure that there are sufficient capital resources to meet the Group's strategic objectives. We maintain a conservative approach to accessing debt funding for our investments, with the goal of maintaining a debt:equity ratio within a range of between 20% and 35%.
CHANGING REGULATORY ENVIRONMENT	
New legislation is being introduced and/or proposed covering the spectrum of activities across our business value chain. Recent developments include, for example, the proposed introduction of a sugar tax, as well as potentially more stringent licensing requirements across the food and gaming sector.	We have policies and procedures in place to monitor legal developments and drive compliance with all applicable laws. Where appropriate we seek to engage with regulatory authorities – either directly as GPI or through industry sector bodies – to ensure that our interests are heard in the policy formulation process.
EXTREME WEATHER EVENTS IMPACTING FOOD INPUT PRICES	
The recent drought and related increase in food prices have resulted in an increase in input costs and is negatively impacting consumer disposable incomes; this is putting pressure on gross margins in areas of our food business.	We strive to minimise exposure to these risks by investing in brands that appeal to customers across different LSM groups, as well as providing support services to our main investments, where possible by vertically integrating operational supply chains.

OUR GROUP STRATEGY

Informed by a considered review of GPI's business model, and given the changing political and business landscape in South Africa, we have taken the conscious decision to focus our investment activities in growing our Foods business, and to transform our current business model into a foods-focused strategy.

Our underlying strategic goal is to become the leading growth story on the JSE. We currently seek to realise this objective by becoming a diversified food industry player across the casual and fast- casual spectrum, holding only premium global and local brands in all food types across various LSM segments.

We will support this drive by creating a vertically integrated business model, holding majority stakes or significant minority stakes in all underlying companies to capture the full synergistic benefits. We will look to accelerate this growth by promoting diversification of brands across food types, balancing more capital-intensive global brands with locally owned brands that have an existing local presence, and broadening the target market across income groups.

We believe that our well-defined growth strategy, which has buy-in from all executives and the management team, presents an exciting investment proposition. Our aggressive, yet achievable growth objectives, will build on our existing food assets, supported by a strong capital base associated with our holdings in our Gaming Assets. The GPI Group's mix of the growth Food Assets and mature Gaming Assets will result in a stable, cash-generative business, supported by an experienced management team and a long-standing Board.

OUR STRATEGIC OBJECTIVES

ENSURE SHAREHOLDER RETURNS

- Provide consistent return to shareholders
- Clear policies and practices
- Effective communication

BE A RESPONSIBLE CORPORATE CITIZEN

- Deliver on BBBEE ownership targets
- Implement strategic CSI initiatives
- Work with the future in mind, to leave a legacy for future generations

FOCUS ON A DIVERSIFIED PORTFOLIO

- Diversify across industry
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MAINTAIN INVESTMENT GROWTH

- Intrinsic net asset value growth
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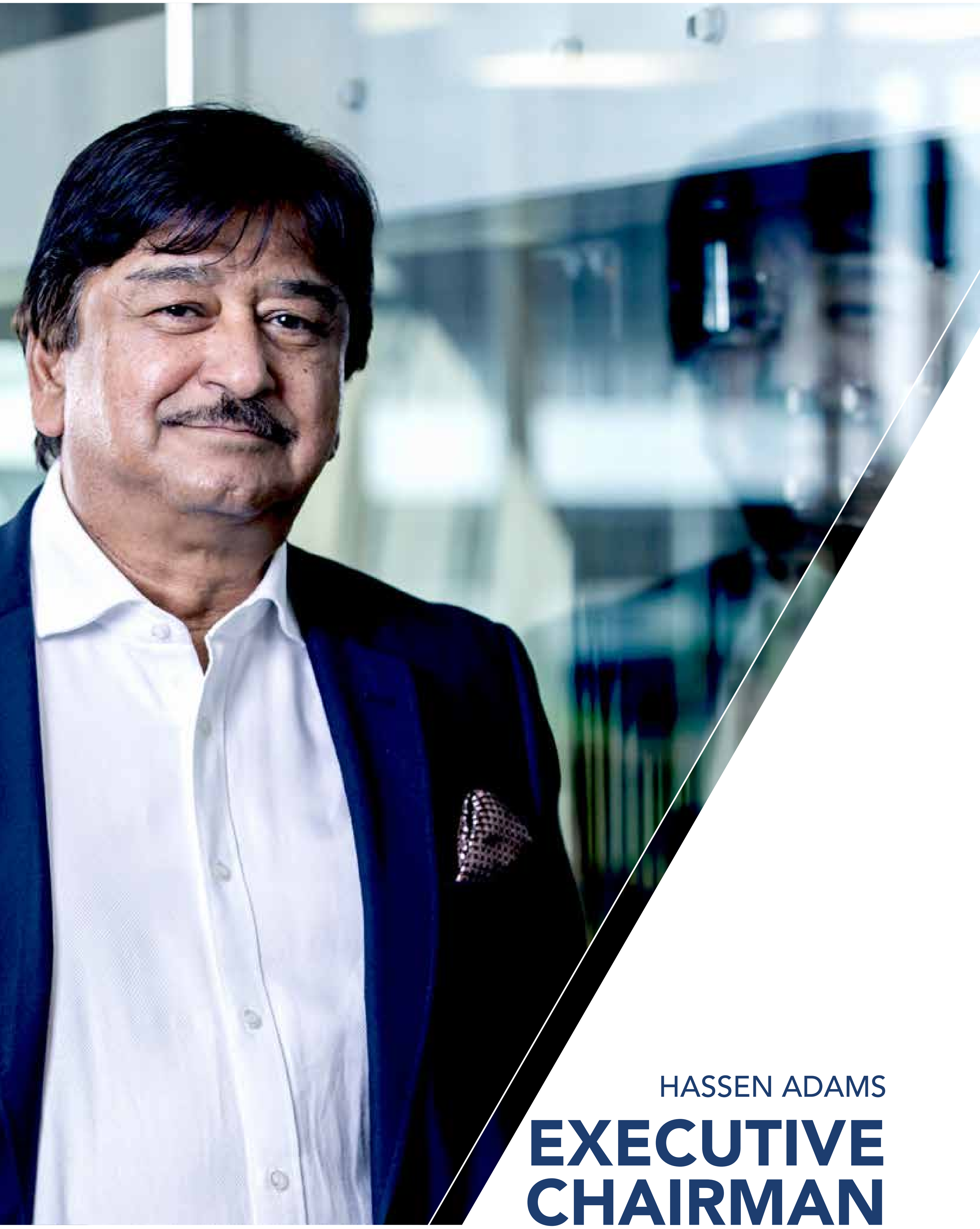
- Provide strategic direction

EXECUTIVE REVIEW



HASSEN ADAMS

EXECUTIVE CHAIRMAN

"LIGHT AT THE END OF THE TUNNEL"

We can now confirm that in our journey we can see daylight at the end of the tunnel and not an on-coming train as many doomsday prophets have predicted. GPI has embarked on a very ambitious journey of venturing into new territories in the QSR food markets.

Notwithstanding the recessionary market conditions and the continuous challenges in the economy, we were able to navigate ourselves into a position where the future for Burger King especially, is looking bright. We are confident of not only complying with our 80 store Master Franchise and Development Agreement requirement, but also increasing our revenue in Burger King substantially and EBITDA (Earnings before interest, tax and depreciation) posting profitability.

We have focused on drive-throughs as this format has proven to be our best performers and more than seventy percent of our stores will be in this format. We have introduced austerity measures by substantially reducing Head Office and Operational costs, without impeding the aggressive growth in the food divisions. We are also proud to announce the substantial localisation of the supply of products and the introduction of our own production factories. We have just completed our own state of the art EU compliant Bakery, Finishing Plant and Freezer units for Dunkin' Donuts and Baskin-Robbins.

Apart from the total focus on the growth of the food division, we have continued to increase our stake in the Spur Group of which we are now the biggest shareholder. We are confident that our relationship with the Spur Group will be strategic and beneficial in our endeavours to become a formidable food group.

We have also stream-lined our business focus by discarding our non-core businesses and our factories are geared to be the local supply chain pillars for our food divisions. The implementation of a dedicated executive structure implementing change with a profit-driven motive is starting to show positive results.

Burger King's turnover is estimated at circa. R1 billion by the end of December 2018 with lots of future blue-sky opportunities emanating from all food brands. Dunkin' Donuts is in a growth phase and we are not in a rush to implement aggressive growth. We are cautiously managing our cash flow and will enter the Gauteng market in 2018. We have introduced a highly innovative CAPEX model which will show pay-backs in Dunkin' Donuts and Baskin-Robbins within a targeted period of 24 to 36 months.

Albeit less than before, our gaming investments are still yielding dividends in a very depressed trading environment. The gaming assets have proven to be fairly resilient and continue to be dividend active which provides us with a good annuity income.

We are working towards creating two management divisions in GPI namely – GPI Investments and GPI Operations. The idea is to create a strong BBBEE investment house in GPI Investments with the Operations in the Food Divisions to be managed independently, wherein GPI Investments will have a substantial holding.

GPI will continue to deliver an annual dividend and this, against the backdrop of aggressive growth in a predominantly recessionary environment. Our share price has been under pressure even though our intrinsic net asset value per share is more than double the prevailing share price, albeit before taxation and head office cost discounts. This is mainly due to the downward trend in the prevailing markets in general. We have managed to keep our gearing as low as 16%, but will be increasing our borrowings to accommodate the aggressive roll-out of Burger King to comply with the 80 Master Franchise and Development Agreement target by the end of June 2018.

PROSPECTS

Our future is looking bright and we are poised to turn the food business into a highly profitable investment. We are committed to continue to seek solutions to improve all aspects of our businesses and to drive profitability.

APPRECIATION

In closing, I would like to thank all friends of GPI, my directors and staff for their loyal support and ensuring that GPI remains a sustainable business.

HASSEN ADAMS
Executive Chairman

TASNEEM KARRIEM

CHIEF EXECUTIVE

FOCUSING FORWARD

GPI is an empowered investment holding company, whose ultimate objective is to remain dividend active and create sustainability for our stakeholders.

ECONOMIC OVERVIEW

The past year has been a volatile year in South Africa marred by factors such as:

- high food inflation costs which have impacted our margins;
- the political instability and the ratings downgrade have contributed to the lack of international investor confidence and the subsequent withdrawal of these institutions;
- the persistent drought in the Western Cape, resulting in higher costs; and
- rising inflation rates coupled with increasing tax rate hikes have all negatively impacted the consumer's disposable income.

INDUSTRY OVERVIEW

Restaurant industry

We have seen an increase in competition from global and local brands and market participants such as ourselves, have had to "up our game" through competitive marketing initiatives, in order to attract and retain an already constrained customer.

The Quick Service Restaurant ("QSR") sector has gained market share in South Africa, as they generally tend to offer lower price points than casual (or sit down) dining with an added benefit of convenience. With the digital evolution in the restaurant industry gaining traction with the consumer, we kept abreast of trends, from digital menu boards to consumer facing technologies.

Gaming industry

The overall gambling industry continued to grow from a revenue perspective, but growth rates were significantly lower than increases experienced during the past couple of years, mainly as a result of the constrained consumer. Casino gross gambling revenues ("GGR") declined for the first time since 1997 reflecting the tough economic conditions and the impact of illegal gambling, which ultimately saw the loss estimated at under R1bn for the industry.

The Western Cape currently operates 5 casino licences. The exclusivity licence (most recently held by SunWest) for the Cape Town Metropole area lapsed a few years ago and is a highly-contentious issue as the Cape Town Metropole is a lucrative catchment area. It is still unclear which casino will receive this operating licence in the future.

LPM revenue rose by 14.1% to over R3bn aided by new LPM sites and the introduction of LPM wagering in the Northern Cape. Double-digit growth is still expected for 2017 followed by progressively slower growth as the market matures. LPM outlet growth is slowing and this is expected to continue going forward.

STRATEGY

GPI is an empowered investment holding company, whose ultimate objective is to remain dividend active and creates sustainability for our stakeholders. Our focus is to invest in quality assets in the broader consumer space, that essentially will create one entry point for investors and offers capital growth in the longer term. All this while maintaining a healthy balance sheet with low gearing levels is imperative, particularly through a tough trading environment.

The investments in our gaming assets remains core to our business model and remains strategic in nature as they provide a steady annuity income and underpins the cash flow required for the operational assets, while the food brands are in its infancy stages, albeit Burger King now coming to fruition.

The strategy for our operational foods assets has been to focus on profitability and scalability, implying a roll out of "scientifically" selected stores, with a key focus on drive-throughs for Burger King as they yield better returns and improved pay-back periods. Innovative marketing strategies to then further drive traffic in the stores are continuously explored, such as the introduction of value meal offerings to ensure we stay relevant and create the top of mind awareness in the consumer. Insofar as our manufacturing businesses are concerned, the strategy is to diversify not only our product offerings but to explore alternative markets as well.

We understand that our share price is pegged against the performance of Burger King and to a lesser extent our younger brands, Dunkin' Donuts and Baskin-Robbins, hence the massive discount in Intrinsic Net Asset Value (iNAV) against the traded share price, albeit before the CGT and head office costs implications, which would ultimately narrow the gap with the passage of time.

OPERATIONAL INVESTMENTS OVERVIEW

Corporate activity

In line with our strategy to remain a strategic investment player and clean up our balance sheet with non-core assets, we have disposed of our 51% holding in Grand Tellumat Manufacturing ("GTM"), 51% holding in Grand Linkstate and 100% of Grand Sport. Management are still in negotiations in closing certain conditions for the sale of our 4.95% holding in Atlas Gaming Australia.

We are confident that the GPI shares have deep values embedded therein and we have subsequently purchased some 33.7m of GPI shares, of which 15m have been cancelled.

Burger King

Burger King is on track with its stated strategic objectives of restaurant, traffic and market share growth. The management team operating the entity, constituting incumbents since the launch in 2013, delivered revenue growth of 22% to R623 million and EBITDA profitability of R11.1 million, for the first time since its launch in 2013. Focusing on a product that is 100% beef, flame grilled and fresh, with the best service in the industry, has delivered like for like sales growth, in a market where all others are declining. From hereon out restaurant development is accretive at margins above 13% of revenue per new restaurant, allowing scale, to unlock the value inherent in this brand.

Dunkin' Donuts

The high demand for donuts continued throughout the year, following the initial hype and excitement of launching Dunkin' Donuts in October 2016. This sustained period of high demand, and sustained sales mix of more donuts versus coffee, marred by the importation of the product, put immediate and continued pressure on food margins, which contributed greatly to the restaurant operating loss at year-end.

To keep abreast of demands and manage fluctuations as a result of imports, plans were accelerated to localise the production of donuts, through the introduction of a state of the art bakery facility. In addition, further focus post year-end was employed on rationalising labour models, localising further product lines and reducing restaurant capex to achieve restaurant profitability. This focus has to date already revealed positive results.

Together with the introduction of a localised donut, the well-received initial public reaction to the brand and a marketing strategy that is driven towards generating increased beverage sales in a growing coffee culture environment, Dunkin' Donuts is poised to become profitable at restaurant level in its 2nd financial year of operation.

Baskin-Robbins

The approach on Baskin-Robbins (Baskin) has been more a conservative one. Whilst our 3 stores for the period, showed revenue performance of R5.5m for approximately less than 6 months of trading, company losses were to be expected, mainly due to the margin deterioration from budget as a result of a volatile currency and the import of ice cream, and to a lesser extent wastage in stores. We have since adopted a "go slow to accelerate" approach on this brand to ensure we optimise our operating model and improve margins. Furthermore, management are consistently seeking to reduce the capex investment in the stores with localising the production of even our store equipment.

PROSPECTS

Whilst the uncertainty around the socio-political situation in South Africa continues to have an impact on our economy, management continues to seek alternatives to growing our food business through scalability and profitability in our brands, and the continuous implementation of a vertically integrated supply chain businesses and more specifically the localisation of certain products.

The Group's focus is to remain dividend active and strive towards providing sustainable shareholder returns, through the implementation of a robust capital allocation model on the investment front, and the subsequent monitoring thereof.

We will monitor all stakeholder experiences and or feedback, from our customers, our employees, suppliers and shareholders, as we continue to strive to meet expectations and contribute to the GPI success story!

APPRECIATION

The Group employs over 2 900 employees, each one contributing to the success of the GPI Group. I would like to thank the GPI Board for the affording me the opportunity to lead the group for the years ahead, and I am grateful for their guidance and support thus far. To our senior management and their staff, an extended appreciation and thank you for your contribution to GPI's success.

TASNEEM KARRIEM
Chief Executive

SHAUN BARENDS

CHIEF FINANCIAL OFFICER

RESPONSIBLE FINANCIAL DISCIPLINE

GPI had an extremely difficult year with operational challenges which necessitated quick management decisions to ensure we weather the political and economic storms which has hit the South African consumer.

We have successfully navigated through these challenges and have done so in a financially conservative manner to ensure that we remain focussed on our long term growth strategy. This has resulted in GPI containing costs and refocusing our efforts to increase the profitability of Burger King which represents our flagship food asset. We will continue to do so in the new financial year through adding more profitable stores to ensure we maximise the Burger King earnings' potential whilst balancing this with the roll-out of the Dunkin' Brands.

INVESTMENT ACTIVITIES

The Group continued to restructure its investment portfolio in line with its strategy of increasing its investments in food, moving towards strategic investments in gaming & leisure and completely divesting from its non-core investments. Details of these transactions are set out below.

FOOD

The recently acquired brands, namely Dunkin' Donuts and Baskin-Robbins, were successfully launched in the Western Cape and were received exceptionally well by the local consumer.

GAMING AND LEISURE

The Group's exit from its gaming assets is indicative of the Group's intention to remain a strategic investment player with significant minority stakes in its assets. The final disposal of Sun Slots during the year, reduced the Group's holding down to 30% with Sun International holding 70%.

The transaction to dispose of a 10.0% holding in both SunWest and Worcester Casino to Tsogo Sun Gaming (Pty) Ltd (Tsogo), concluded in the prior year was concluded in the current year through an acceleration of the deferred payment arrangement as contained in the terms of the sale. The details of these transactions are as follows:

Sun Slots Disposal

On 16 November 2016, GPI concluded the disposal of a 19.9% equity interest in Sun Slots, being the third and final tranche of the staged deal to dispose of a 70% equity investment in Sun Slots to Sun. GPI received proceeds of R262.5 million and recognised a profit on disposal of R32.4 million, net of Capital Gains Tax, in profit or loss for the period.

Payment of deferred proceeds from 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 2016, 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 million discount on the outstanding balance of R375.0 million.

NON-CORE INVESTMENTS

During the year the Group entered into an agreement to dispose of the Mac Brothers properties located in Epping and Sebenza. Both properties were sold for a total consideration of R59.5 million. This resulted in a profit on sale of R4.5 million before tax, net of attorney's fees of R1.5 million and other costs to sell of R1.6 million.

The Group also disposed of its property situated in Atlantis for a total consideration of R35 million, resulting in a profit before tax, after selling costs, of R12.9 million.

GPI exited two non-core investments during the period by concluding sale agreements in respect of Grand Linkstate (Pty) Ltd and Grand Sport (Pty) Ltd. Subsequent to year end GPI also concluded an agreement to sell its 51% share in Grand Tellumat Manufacturing (Pty) Ltd. Furthermore the Group also entered into an agreement to swap its stake in Atlas Gaming Australia for a 26% stake in a local company called Infinity Gaming Africa (Pty) Ltd (IGA). The sale of these non-core investments will enable GPI to dedicate resources efficiently to its core investments.

EARNINGS FOR THE YEAR ENDED 30 JUNE 2017

The Group uses headline earnings to assess the underlying investment contributions to the Group's earnings. The reason for using headline earnings is that it eliminates the once-off effects of the Group's investment activities and therefore provides a comparable view of the Group's continuing earnings.

The Group's headline earnings have continued to come under pressure since its initial investment into food during the 2013 financial year with the total headline earnings per share declining from 17.10 cents per share for the year ended 30 June 2013 to a headline loss of 4.59 cents per share in the current year. The decline in headline earnings is largely due to the commencement of trading in respect of Dunkin' Donuts and Baskin-Robbins which collectively contributed a R35.7 million headline loss for the period but was offset by an improvement in Burger King for the period which reduced its loss by R11.0 million. The decreased holding in Sunwest of 15.1% (2016: 25.1%) also contributed to the decline in earnings, with SunWest contributions decreasing by R40.3 million to R70.3 million.

GPI showed an overall decrease in its headline earnings from core investments for the year, which declined by R60.0 million from a profit of R96.3 million last year to R36 million this year. The core investment headline earnings decrease is attributed to the sale of the 10% stake in Sunwest.

During the current year, Grand Sport and Grand Linkstate was sold which is in line with the Group's strategy to divest of non-core investments and subsequent to year end GPI signed a sale agreement in respect of Grand Tellumat subject to certain conditions. These non-core investments collectively contributed R12.4 million losses to the headline loss in the financial year.

The table below shows the contribution each investment made to the Group headline earnings:

	12 months ended 30 June 2017 R'000s	12 months ended 30 June 2016 R'000s	Var R'000s	Var %
FOOD	**(67 657)**	**(33 895)**	**(33 762)**	**(100)**
BKSA	**(10 953)**	(29 938)	18 985	63
Dunkin' Donuts	**(22 254)**	(3 713)	(18 541)	(499)
Baskin-Robbins	**(13 481)**	(1 856)	(11 625)	(626)
Mac Brothers	**(8 051)**	7 493	(15 544)	(207)
Spur	**(4 939)**	(5 816)	877	15
Grand Foods Meat Plant	**(7 979)**	(65)	(7 914)	(12 175)
GAMING AND LEISURE	**103 755**	**130 209**	**(26 454)**	**(20)**
SunWest	**70 354**	110 665	(40 311)	(36)
Sun Slots	**30 102**	27 734	2 368	9
Worcester Casino	**3 299**	(8 190)	11 489	140
CENTRAL COSTS	**(43 816)**	**(73 508)**	**29 692**	**40**
Corporate Costs	**(45 974)**	(67 267)	21 293	32
GPI Properties	**2 158**	(6 241)	8 399	135
NON-CORE INVESTMENTS	**(12 408)**	**(13 421)**	**1 013**	**8**
Grand Sport	**(3 058)**	(7 455)	4 397	59
Grand Tellumat	**(9 350)**	(5 118)	(4 232)	(83)
Grand Linkstate	**–**	(848)	848	100
HEADLINE EARNINGS	**(20 126)**	**9 385**	**(29 511)**	**(314)**

The Group's exit from its gaming assets is indicative of the Group's intention to remain a strategic investment player with significant minority stakes in its Assets.

DIVIDENDS

On 25 November 2016 GPI declared a dividend of 25.0 cents per share in respect of the 2016 financial year, which amounted to R122.2 million, of which R10.2 million related to GPI shares held in treasury. GPI is committed to remaining dividend-active. Any distribution relating to 2017 profits will be considered once future cash flows can be determined with more certainty.

CAPITAL STRUCTURE

The Group has recognised that whilst its food investments are in its early or start-up phase and currently not contributing significantly to the Group's earnings, the Group will continue to adopt a conservative approach on its gearing for existing operations. Over the past 36 months the Group decreased its gearing levels from 35.5% to 16.8% as a result of part disposals in its gaming and leisure investments. The proceeds received from its part disposal of SunWest were utilised to repay the full Standard Bank revolving credit facility of R225.0 million. The Group's targeted debt equity range is set between 20.0% and 35.0%. At 30 June 2017, the debt equity ratio decrease by 10.3% from 27.1% last year to 16.8%, which is below the targeted range and will potentially allow the Group to raise funding at more preferential rates.

The continued local political and economic environment has resulted in uncertainty in the local credit markets and the Group's exposure to the South African consumer has created further uncertainty which has resulted in a significant increase over the past year in the cost of debt available. Therefore as part of the debt reduction process, the Group has identified the facilities which are relatively cheap in comparison to the prevailing market rates and will look to retain those facilities, such as the Spur preference share facilities. The facilities which are being reduced are the Group's most expensive facilities and are costly in comparison to the prevailing market rates.

		30 June 2017 R'000s	30 June 2016 R'000s	Movement R'000s	%
HOLDING COMPANY FACILITIES		**240 401**	**459 671**	**(219 270)**	**(48)**
SunWest	Credit facilities	**–**	225 000	(225 000)	(100)
Spur	Preference shares	**240 401**	234 671	5 730	2
SUBSIDIARY FACILITIES		**113 973**	**183 191**	**(69 218)**	**(38)**
GPI Properties	Term loans (mortgage)	**74 641**	131 999	(57 358)	(43)
Mac Brothers	Finance leases	**12 880**	16 486	(3 606)	(22)
GF Meat Plant	Finance leases	**24 246**	32 235	(7 989(	(25)
BKSA	Finance leases	**1 594**	1 898	(304)	(16)
Baskin-Robbins		**146**	–	146	100
Dunkin' Donuts	Finance leases	**357**	434	(77)	(18)
GPI Management	Finance leases	**109**	139	(77)	(18)
TOTAL DEBT		**354 374**	642 862	(288 488)	(45)
DEBT/EQUITY		**16.8%**	27.1%	10.3%	38

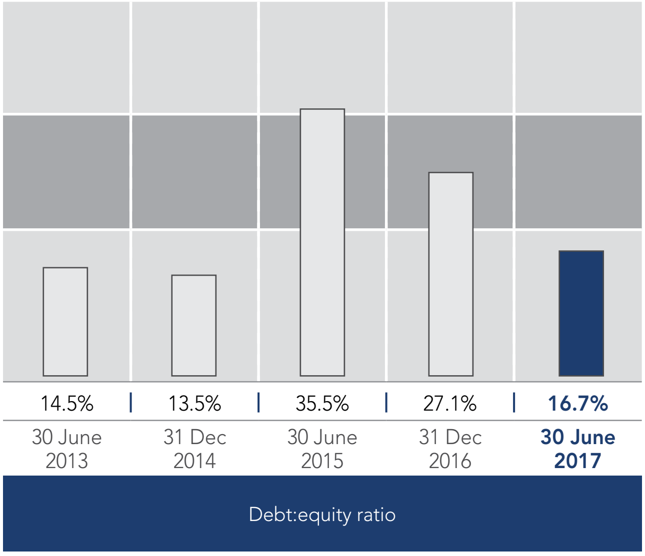
INTRINSIC NET ASSET VALUE AT 30 JUNE 2017

As at 30 June 2017, GPI's management has valued the GPI Group on a sum of the parts (SOTP) basis at 698 cents per share (excluding head office costs and CGT impact). This represents a 2.5% increase in the intrinsic net asset value in the year since 30 June 2016, where management's valuation of the Group was 681 cents per share (excluding head office costs and CGT impact).

The GPI closing share price at 30 June 2017 was 291 cents per share, which when compared against the year-end iNAV implies it is trading at a 58% share price discount.

JSE Code	GPL
Share price at 30 June 2017 (cents)	291
Shares outstanding (excl Treasury Shares) (m)	430
Market Capitalisation at 30 June 2017 (R'm)	1 251
iNAV at 30 June 2017 (cents)	698
Book Value NAV at 30 June 2017 (cents)	491

The values of most of the investments held by GPI are not regarded as complex valuations. The Group attributes the discount to its share mainly to the early stage food investment which is still at the bottom of the J-curve, save for Burger King,



which recently has started to move into the early growth phase of its life cycle. The GPI management team are confident that the forecasts used in determining the discounted cash flows for Food Assets are both conservative and achievable.

The table below provides a detailed breakdown of the 30 June 2017 iNAV by investment:

Company	Valuation methodology R'000s	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				**1 514 212**	**(240 742)**	**1 273 470**	**42**
BKSA	DCF	854 236	91.1	778 209	–	778 209	26
Dunkin' Donuts	NAV	35 681	100.0	35 681	–	35 681	1
Baskin-Robbins	NAV	16 371	100.0	16 371	–	16 371	1
Spur	Traded price	3 048 314	17.5	514 650	(240 742)	273 908	9
Mac Brothers	DCF	120 429	100.0	120 429	–	120 429	4
Grand Foods Meat Plant	DCF	50 435	96.6	48 872	–	48 872	22
GAMING AND LEISURE				**1 539 142**	**–**	**1 539 142**	**51**
SunWest International	EV/EBITDA	5 737 496	15.1	866 362	–	866 362	29
Worcester Casino	EV/EBITDA	180 571	15.1	27 266	–	27 266	1
Sun Slots	EV/EBITDA	2 151 715	30.0	645 514	–	645 514	22
OTHER INVESTMENTS				**235 800**	**(74 903)**	**160 897**	**5**
GPI Properties	Various	235 800	100.00	235 800	(74 903)	160 897	5

Other Group companies' cash and cash equivalents	22 020
Other Group companies net assets	5 946
iNAV: Ordinary shareholders (pre-head office costs)	**3 001 475**
Number of issued ordinary shares ('000s) excluding treasury shares	429 989
iNAV per share (cents)	698

REVIEW OF INVESTMENTS' OPERATIONS

FOOD

BURGER KING

Stand Alone Results for the year:

The total number of Burger King restaurants at 30 June 2017 closed at 61. The net restaurant movement included the opening of 4 new restaurants and closure of 5 unprofitable restaurants, located in the Johannesburg CBD and KwaZulu-Natal. The average monthly restaurant revenues (ARS) increased by 9.26% from R0.785 million last year to R0.865 million this year, largely as a result of positive restaurant comparative sales of 1.82% (2016: -27.23%) and a proportional increase in revenue from Drive Through sites opened towards the end of the 2016 financial year. Despite a reduction in the net restaurant count, Burger King's total revenue for the year increased by 22.19% from R485.2 million in the prior year to R623.5 million in the current year.

Burger King continued to improve the restaurant operating model during the financial year with active food cost management and labour cost control. This resulted in an increase in the restaurant EBITDA margin from 3% in the prior year to 9% in the current year.

Of significant importance is the improvement of Company EBITDA from a loss of R37.5 million to a profit of R11.1 million in the current financial period. Included in the Company EBITDA are charges that relate to once off lease settlement and de-commission costs of R3.7 million in respect of stores closed during the year.

The depreciation and amortisation costs for the year of R60.9 million was R15.2 million higher than the R45.4 million cost incurred in the prior year. This includes impairment costs of R11.8 million, before taxation, in respect of the stores closed. The interest expense increased significantly during the year from R20.8 million last year to R49.3 million this year as a result of interest being charged on the shareholder loan from GPI with effect from 1 January 2016. After the tax charge for the year this resulted in an increase in the net loss for the year from R76.6 million to R80.9 million.

Investment's contribution to Group headline earnings for the year:

Burger King's contribution to the Group headline earnings for the year amounts to a loss of R11.0 million (2016: R29.9 million loss), which is after the elimination of depreciation and equity accounted earnings of R8.0 million (2016: R12.5 million) and inter-group interest of R45.6 million (2016: R20.4 million); adding back non-controlling interests of R7.9 million (2016: R12.4 million), losses on property, plant and equipment of R0.3 million (2016: R0.7 million) and impairment of property, plant and equipment of R8.5 million.

DUNKIN' DONUTS

Dunkin' Donuts opened its first outlet on 13 October 2016 and the response from the local consumer was overwhelming with over 330 000 doughnuts sold in the outlet's first month of trade. A further 5 outlets were opened subsequently; bringing the total outlets to 6 at 30 June 2017. All the outlets are corporate-owned.

The outlets reported sales of R24 million and a gross profit of R6.2 million for the period. The gross margin achieved for the period of 25.7% is well below the target as a result of doughnuts being imported via airfreight due to higher than anticipated demand. Dunkin' Donuts achieved an EBITDA loss of R23.6 million for the period which was due to the initial marketing and launch costs to build brand awareness and the importation of the majority of the product offerings. Dunkin' Donuts has subsequently embarked on a programme of localisation to reduce the reliance on foreign suppliers and has commenced the construction of a local bakery to lower the overall doughnut unit cost.

Baskin-Robbins

Following on the success of the Dunkin' Donuts launch, Baskin-Robbins opened its first store on 9 December 2016. Two additional stores were subsequently opened taking the total number of stores to 3 at 30 June 2017.

The 3 stores reported revenue of R5.5 million and collectively contributed to a Company EBITDA loss for the period of R14.4 million. Similar to Dunkin' Donuts the majority of the costs incurred in the current year was in relation to marketing and launch cost to build brand awareness.

SPUR

GPI increased its shareholding in Spur by 7.48% to 17.48% by year end. A total dividend of R16.9 million was received during the period with a related finance charge of R21.7 million resulting in a R4.9 million reported net loss for the period.

GRAND FOODS MEAT PLANT

Stand Alone results for the year:

Grand Foods Meat Plant is exposed to Burger King indirectly through their agreement with Burger King's main supplier, Vector. As a result of Burger Kings's 30% increase in revenue, Grand Foods Meat Plant's revenue increased by 33% from R69.1 million last year to R92 million this year. Cost of sales in the current year increased by 55.6% from

R53.9 million to R83.9 million. This is a direct result of higher input costs due to increased food inflation. Grand Foods Meat Plant's earnings for the year resulted in a R9.3 million loss after tax, which was 107% higher than the R1.5 million net loss after tax incurred last year.

Investment's contribution to Group headline earnings for the year:

Grand Foods Meat Plant's net loss after tax for the year of R7.2 million (2016: R0.05 million loss) was increased by R1.3 million after eliminating the inter-group interest expense. As a result of this adjustment, Grand Foods Meat Plant contributed a loss of R8.0 million (2016: R0.1 million loss) to the Group headline earnings for the year.

MAC BROTHERS CATERING EQUIPMENT

Stand Alone results for the year:

Amidst tough trading conditions experienced in the manufacturing sector, Mac Brothers revenue decreased by 21.8% to R209.4 million (2016: R267.7 million). Mainly as a result of a 2% decrease in local catering equipment sales (excluding Grand Foods) which decreased from R71.1 million last year to R27.9 million this year, and a 51.1% decrease in cold room & extraction sales which decreased from R25.3 million last year to R12.4 million this year. The operating costs for the year amounted to R59.6 million which is 10.0% lower than the operating costs of R66.2 million incurred last year. The decrease in costs is mainly attributable to decreases in head count.

The EBITDA for the year of R1.4 million is 92.5% lower than the R18.2 million EBITDA from last year. Depreciation for the year of R4.2 million increased slightly by R95k and the interest costs of R4.7 million increased by R1.0 million when compared to last year.

Mac Brothers recorded a loss after tax for the year of R5.3 million, representing a 173% decrease from the net profit after tax of R10.4 million in the prior year.

Investment's contribution to Group headline earnings for the year:

Mac Brothers net loss after tax for the year of R5.3 million was increased by R5.2 million to eliminate inter-group profits for the year and decreased by R2.4 million to eliminate the inter-group interest expense. After these adjustments, Mac Brothers contributed a loss of R8.1 million to the Group headline earnings.

The GPI closing share price at 30 June 2017 was 291 cents per share, which when compared against the year-end iNAV implies it is trading at a 58% share price discount.

GAMING

SUNWEST

Stand-alone results for the year:

SunWest's revenue for the year decreased by 0.4% from R2 488.0 million last year to R2 478.0 million this year. Its EBITDA decreased by 3.1% to R912.2 million for the year (2016: R941.8 million) and its net profit after tax decreased by 6.4% to R465.9 million for the year (2016: R497.9 million).

Investment's contribution to Group headline earnings for the year:

GPI's remaining 15.1% share of SunWest's earnings for the year amounts to R70.3 million compared to R110.7 million in the prior year. The decrease is due to the sale of 10% in SunWest in the prior year.

SUN SLOTS

Stand-alone results for the year:

Sun Slots increased their revenue by 9% from R934.7 million last year to R1 019.5 million this year. This was as a result of an addition of 153 Limited Pay-out Machines (LPMs) being added to the national network during the year and a 4.7% increase in the average Gross Gaming Revenue (GGR) per machine per day from R721.52 last year to R755.40 this year. Sun Slots EBITDA increased by 10% from R217.2 million in the prior year to R239.6 million in the current year. This resulted in a marginal increase in their EBITDA percentage increasing from 23.4% last year to 23.5% this year. Their depreciation for the year of R89 million was 19% higher than last year due to the increase in the number of active LPMs. Their finance costs for the year of R20.1 million decreased by 22.4% when compared to last years' costs of R25.9 million, which is due to a decrease in the shareholder loans of R120 million in respect of repayments during the year. Sun Slots Net Profit After Tax decreased by 14% from R108 million in the prior year to R92.8 million in the current year.

Investment's contribution to Group headline earnings for the year:

GPI's 30.0% share of Sun Slot's earnings for the year amounted to R30.1 million, which increased by R2.9 million from the prior year of R27.7 million. The current year earnings includes an impairment recognised for Grand Sport of R2.3 million which was added back in respect of headline earnings.

OTHER

CENTRAL COSTS

The Group's net central costs for the year amounted to R46.0 million, which is 31% lower than the central costs of R67.3 million last year as a result of the continued optimisation of the Group's head office costs and lowered interest expense from reduced gearing for the financial year.

SHARE CAPITAL

The Company bought back 15.0 million shares during the year at an average price of R3.52. These shares were subsequently cancelled. No new shares were issued during the year. Details of the share and the share capital of the Company both authorised and issued have been disclosed in Note 23.1 of the Consolidated Annual Financial Statements.

TREASURY SHARES

At 30 June 2017 a total of 43.8 million GPI shares were held as treasury shares by the Grand Parade Share Incentive Trust, GPI Management Services and the GPI Women's BBBEE Empowerment Trust. These entities are controlled by the Group, with the Grand Parade Share Incentive Trust holding 4.98 million treasury shares, GPI Management Services holding 24 million shares and the GPI Womens' BBBEE Empowerment Trust holding 14.82 million treasury shares. Details of the Group's treasury shares have been disclosed in Note 23.2 of the Consolidated Annual Financial Statements.

PREFERENCE SHARES

No preference shares were issued by the Group during the year and the Group voluntarily redeemed 8000 'A' preference shares owing to Standard Bank on 30 April 2017. As a result, at 30 June 2017, the Group had 79 000 'A' preference shares and 60 000 'B' preference shares issued to Standard Bank and 72 328 'C' preference shares issued to Spur Corporation Limited. The terms of the respective preference shares have been disclosed in Note 25.2 and Note 25.3 of the Consolidated Annual Financial Statements.

BORROWINGS

The terms of Group's borrowings are fully disclosed in Note 26 of the Consolidated Annual Financial Statements. In terms of the Memorandum of Incorporation of the Company and its subsidiaries, the borrowing powers of the Directors of these companies are unlimited.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

Details of the Group's capital commitments are disclosed in Note 37 of the Consolidated Annual Financial Statements.

SUBSIDIARY COMPANIES AND INVESTMENTS

Particulars of subsidiary companies, equity accounted investments and other investments are disclosed in Appendix 1 and Appendix 2 of the Consolidated Annual Financial Statements.

DIRECTORS AND COMPANY SECRETARY

Tasneem Karriem was previously appointed to the GPI board on 9 September 2016 and on 1 July 2017 has been appointed as Chief Executive Officer of the Group. Alan Keet resigned as Chief Executive Officer and Director of the Group on 3 April 2017. Dylan Pienaar, who stepped down from Financial Director was appointed as the Chief Executive Officer of the Food Group whilst still remaining on the GPI Board of Directors as an Executive Director effective 1 July 2017. On 1 July 2017, Shaun Barends was appointed as Financial Director of the Group. On 8 November 2017, Dylan Pienaar stepped down as an Executive Director on the GPI Board.

DIRECTORS' INTEREST IN CONTRACTS

Details of the directors' interests in contracts and transactions with the Group are disclosed in Note 36 of the Consolidated Annual Financial Statements.

DIRECTORS SHAREHOLDING

Details of the directors' interests in the shares of the Company are disclosed in Appendix 3 of the Consolidated Annual Financial Statements.

There has been no changes in the directors' interest between year end and the date of the report.

RELATED PARTIES

The Group, in the ordinary course of business, entered into various transactions with related parties consistent with those as reported at 30 June 2017. Details of related parties and transactions are disclosed in note 36 of the Consolidated Annual Financial Statements.

SHAUN BARENDS
Chief Financial Officer

INVESTMENT REVIEW

INVESTMENT REVIEW /

FOOD

BURGER KING SOUTH AFRICA

OWNERSHIP STRUCTURE

91.1%

EFFECTIVE OWNERSHIP (AS AT 30 JUNE 2017)

(R11 million)

LOSS CONTRIBUTION TO GPI HEADLINE EARNINGS (2016: R29.9 MILLION LOSS CONTRIBUTION

OPERATIONAL FOOTPRINT

13.3 million customers served (2016: 10.9 million)

61 restaurants in five provinces (2016: 62)

Western Cape: **23** (2016: 23)

Gauteng: **28** (2016: 26)

KwaZulu-Natal: **5** (2016: 8)

Mpumalanga: **2** (2016: 2)

North West: **3** (2016: 3)

BEE RATING

Level 4 (measured as part of GPI consolidated scorecard)

EMPLOYEES

1 951 employees (2016: 1 768)

96.6% (2016: 97%) historically disadvantaged individuals (HDIs) (African, Coloured, Indian only – 1 884) (2016: 1 711)

68.9% (71%) females 1 344 (2016: 1 249)

92.5% (90%) previously unemployed individuals (first time employed and previously employed – 1 805) (2016: 1 595)

KEY FINANCIAL INDICATORS (R'000S)

	2017	2016	2015	2014
Revenue	**623 862**	485 162	303 883	124 862
Restaurant EBITDA*	**56 206**	14 757	3 198	(31 969)
EBITDA	**11 108**	(36 506)	(72 301)	(66 665)
Net profit after tax	**(80 969)**	(75 850)	(72 085)	(52 790)
Shareholder loan	**466 888**	441 888	231 893	–
Total debt excluding shareholder loans	**1 593**	1 898	1 132	944

* *EBITDA achieved by the restaurants excluding head office costs.*

OPERATING CONTEXT AND PERFORMANCE

The total number of Burger King Restaurants at 30 June 2017 was 61. The net restaurant movement included 4 new restaurants and 5 unprofitable In-Line restaurants being closed, located in the Johannesburg CBD and regional KwaZulu-Natal. Despite the reduction in the net restaurant count, Burger King's total revenue for the year increased by 28.59% from R485.2 million last year to R623.9 million this year.

The average monthly restaurant revenues (ARS) increased by 9.26% from R0.785 million last year to R0.865 million this year, largely as a result of positive restaurant comping sales of 1.82% (2016: -27.23%) and the proportional revenue contributed by Drive Through sites opened in 2016, flowing through for a full 12 months. This is a strong improvement on the back drop of the consumer being under significant pressure during the year as a result of the weak economy and rising food price inflation. We focused on menu engineering to fill architecture gaps and achieved average restaurant traffic growth of 3.64% (2016: -19.63%).

The food industry was negatively affected by the drought conditions persistent throughout Southern Africa over the past 2-3 years which has resulted in the current significant beef and food inflation pressure. We anticipate the cost push inflation to persist for at least the next 6 months into the forecast period with limited opportunities to pass on consumer price adjustments. However as a result of the localisation of most of the supply chain, Burger King managed to maintain their gross margins for the year at 56.05% (2016: 55.20%), despite the revised menu architecture.

Burger King improved the restaurant operating model with tighter labour control, to improve the labour margin by 6% of revenue during the year, increasing the average restaurant EBITDA percentage from 3% last year to 9% this year and resulting in a R41.5 million increase in the total restaurant EBITDA from a profit of R14.8 million last year to a profit of R56.2 million for the current year.

Of significant importance is the improvement of Company EBITDA from a loss of R37.5 million to a profit of R11.1 million in the current financial period. Included in the Company EBITDA results are the following additional charges that relate to once of lease settlement and de-commission costs of R3.7 million and IAS 17 straight-lining accruals of R6.4 million (2016: R6.1 million).

The improvement being a result of the improved restaurant operating margins flowing through and control over company G&A costs at R50.3 million & 8.06% of revenue versus R54.2 million & 11.18% of revenue in 2016, the long term target being to ensure strong improvement in the G&A number as a percentage of revenue as the business starts to achieve scale.

The depreciation and amortisation costs for the year of R60.9 million were R15.2 million higher than the R45.4 million cost incurred last year. Included in the category are impairment costs related to the 5 closures to the value of R11.8 million. The increase is as a result of the network expansion during the year, where the average CAPEX per new restaurant opened during the period amounted to an average of only R4 million due to recycling of existing equipment from closed restaurants.

The interest expense increased significantly during the year from R20.8 million last year to R49.3 million this year as a result of interest being charged on the shareholder loan from GPI with effect from 1 January 2016. A tax credit of R29.9 million has been recognised on the assessed loss for the year, which is 10.4% higher than the credit recognised last year, as a result of the increases in the corporate costs, depreciation and inter-group interest charges. The increased charges also resulted in a 6.8% increase in the net loss after tax for the year, which increased from R75.9 million last year to R81 million this year.

PROSPECTS

The strategic operational vision for Burger King South Africa will be site development in the correct catchments, based on learnings from the past 24 months to achieve 80 trading restaurants by 30 June 2018.

Burger King has identified strong performance criteria from a benchmarking exercise of existing restaurants trading in the market and identified common key site characteristics that deliver success. Filtering our network on these metrics we have 16 sites generating average revenues of R1.3 million and restaurant EBITDA's of 16%.

The insight gathered from this benchmarking has redefined our property committee decision metrics and we will apply future roll out decisions strictly to comply with these criteria to maximise the return on our allocated capital.

Together with this we will focus on increasing total awareness of Burger King in the market as a product of greater convenience from a bigger foot print, creating synergistic growth.

We will strive to ensure all our products are of the same or better quality than available from competitors to ensure we beat customer expectations and ensure we have products available on our menu boards across all price points across all income groups to drive traffic growth and improve margins.

Ensuring our restaurants are comfortable, clean and inviting, is one of the industry's biggest challenges, in our existing network some of the softer elements were under-invested, hence why we are rolling out our new style Prime Image, so far at Cape Gate DT, Kyalami and New Market in JHB.

We anticipate achieving the strongest growth in same store sales and company EBITDA in the trading history of Burger King since 2013 and the management team is committed to delivering these results for June 2018.

DUNKIN' DONUTS SOUTH AFRICA

OWNERSHIP STRUCTURE

100%

EFFECTIVE OWNERSHIP (AS AT 30 JUNE 2017)

(R21.5 million)

LOSS CONTRIBUTION TO GPI HEADLINE EARNINGS

OPERATIONAL FOOTPRINT

414k customers served

6 stores in the Western Cape

BEE RATING

Level 4 (measured as part of GPI consolidated scorecard)

EMPLOYEES

166 employees (2016: 29)

153 historically disadvantaged individuals (HDIs) (African, Coloured, Indian only)

79% females

90% previously unemployed individuals (First Time Employed & Previously Employed)

KEY FINANCIAL INDICATORS (R'000S)

	2017
Revenue	**24.0m**
Restaurant EBITDA*	**(3.5m)**
EBITDA	**(23.6m)**
Net profit after tax	**(21.5m)**
Shareholder loan	**75.6m**
Total debt excluding shareholder loans	**8.0m**

* *EBITDA achieved by the restaurants excluding head office costs.*

OPERATING CONTEXT AND PERFORMANCE

Dunkin' Donuts opened its first outlet on 13 October 2016 and the response from the consumer was overwhelming with over 330 000 doughnuts sold in the outlets first month of trade. A further 5 outlets were opened subsequently bringing the total outlets to 6 as at 30 June 2017. All the outlets are corporate owned.

The outlets reported sales of R24 million and a gross profit of R8.1 million for the period. The gross margin achieved for the period of 33.7% is well below the target as a result of a number of unforeseen factors, which include raw material cost and labour on finishing of doughnuts being more than budgeted, donut waste exceeding initial expectations and additional costs such as airfreighting doughnuts in, extra storage to meet the demand for the product which well surpassed initial expectancies. Dunkin' Donuts achieved an EBITDA loss of R23.6 million for the period which was due to the initial marketing and launch costs to build brand awareness and the importation of the majority of the product offerings. Dunkin' Donuts has subsequently embarked on a programme of localisation to reduce the reliance on foreign suppliers and has commenced the construction of a local bakery to lower the overall doughnut unit cost.

PROSPECTS

The main focus of Dunkin' Donuts, entering the new financial year, was to create a profitable restaurant operating model. The main areas concentrated on in order to achieve this objective was in gross margin, labour cost and capex cost of all future restaurants.

Gross margin improvement plans centred very much around localising the supply of products, in particular the key product of doughnuts. To this end, a local bakery was constructed and will be operational by November 2017. Initial costings indicate significant savings from day 1 in the cost of the locally produced doughnut, which will flow through to an improved margin. The other initiatives on labour cost and reducing capex have already borne fruit in the 1st quarter of the new financial year.

The revised, improved restaurant operating model will allow restaurant rollout to be re-energised in the new financial year with definitive plans in place to enter the Gauteng market in 2018. The budgeted plan is to have 22 restaurants trading, including 7 in Gauteng, by June 2018.

BASKIN-ROBBINS SOUTH AFRICA
OWNERSHIP STRUCTURE

100%
EFFECTIVE OWNERSHIP (AS AT 30 JUNE 2017)

(R13.48 million)
LOSS CONTRIBUTION TO GPI HEADLINE EARNINGS

OPERATIONAL FOOTPRINT

110 620 customers served

4 stores in the Western Cape

BEE RATING

Level 4 (measured as part of GPI consolidated scorecard)

EMPLOYEES

46 employees (2016: 29)

41 historically disadvantaged individuals (HDIs)(African, Coloured, Indian only)

73.9% females

95.65% previously unemployed individuals (First Time Employed & Previously Employed)

KEY FINANCIAL INDICATORS (R'000S)

	2017
Revenue	5 516 014
Restaurant EBITDA*	(1 015 686)
EBITDA	(14 285 632)
Net profit after tax	(14 397 152)
Shareholder loan	37 317 679
Total debt excluding shareholder loans	12 269 700

* *EBITDA achieved by the restaurants excluding head office costs.*

OPERATING CONTEXT AND PERFORMANCE

Following the success of the Dunkin' Donuts launch, Baskin-Robbins opened its first store on 9 December 2016. Two additional stores were subsequently opened taking the total number of stores to 3 at 30 June 2017.

The 3 stores reported revenue of R5.5 million and collectively contributed to the company EBITDA loss for the period of R14.3 million. Similar to Dunkin' Donuts the majority of the costs incurred in the current year were in relation to marketing and the launch cost to build brand awareness.

PROSPECTS

The roll-out of Baskin-Robbins will be carefully implemented with a view to focussing on profitable stores as opposed to chasing store numbers. Our required store targets for the 2018 financial year will be managed with the brand owners and only earnings positive stores will be considered. Concurrently a significant focus will be placed on maximising the gross profit margin at individual store level through numerous initiatives focussing on specifically on localisation of all inventory other than ice-cream and the active management of inventory waste.

GRAND FOODS MEAT PLANT

GRAND FOODS MEAT PLANT
OWNERSHIP STRUCTURE

96.9%
EFFECTIVE OWNERSHIP (AS AT 30 JUNE 2017)

(R8 million)
LOSS CONTRIBUTION TO GPI HEADLINE EARNINGS (2016: R0.1 MILLION LOSS CONTRIBUTION)

R48.872 million
INTRINSIC NET ASSET VALUE AT 30 JUNE 2017

OPERATIONAL FOOTPRINT

1 stores in Western Cape (2016: 6)

BEE RATING

Level 4 (measured as part of GPI consolidated scorecard)

EMPLOYEES

31 employees (2016: 29)

KEY FINANCIAL INDICATORS (R'000S)

	2017	2016	2015*	2014
Revenue	**91 477**	69 052	31 352	–
EBITDA	**(2 456)**	3 856	4 148	–
Net profit after tax	**(7 226)**	50	(1 461)	–
Shareholder loan	**16 000**	11 100	–	–
Total debt excluding shareholder loans	**52 061**	44 946	–	–

* *Results are for the six-month period as the company commenced operations during January 2015.*

OPERATING CONTEXT AND PERFORMANCE

Sales have increased by 32% to R91.5 million for the period ended 30 June 2017 driven predominantly by an increase in volumes to the BURGER KING ® brand. The Plant has maintained an average monthly gross profit margin of 10%, and produced on average 167 tonnes of patties per month in the current financial year which represents a 37% increase from the prior year average production of 122 tonnes.

Raw material costs for fresh and frozen beef have increased by 25% for the period. This increase in beef prices was driven by a shortage in the supply of cattle as farmers started re-building herds following the 2015/2016 drought. These inflated beef prices is expected to continue in the 2017/2018 financial year. The significant increase in raw material costs lead to sharp drop in GP margins, which decreased from 18.5% in the prior year to 10% in the current financial year. In order to mitigate the raw material volatility the plant has been looking at Brazil and Uruguay as an alternate source of Beef.

PROSPECTS

Africa sales continued to grow with 21 tonnes exported into Africa predominantly to BURGER KING ® Kenya. Volumes into to Africa are expected to grow as the roll out of stores progresses. The Boerie burger launched in December 2016 was a success for the brand and contributed 32 tonnes to the overall production in the 2016/2017 period. The 2016/2017 period marked the first complete year of production for the Spur Halaal market with 197 tonnes of beef patties produced. The plant is in discussions with Spur to increase volumes and potentially manufacture burger mince for the RocoMamas brand. Further discussions with BURGER KING ® Israel are ongoing with potential export opportunities on the horizon. Early stage product development is ongoing for the Maxis brand and the plant is looking to secure a manufacturing contract for late in the 2017-2018 financial period.

One of the biggest concerns for the plant is the shortage of water in the Western Cape. The risk of a complete shutdown due to lack of water has been mitigated by the installation of a grey water management plant coupled with a 20 000 litre emergency water storage plant at the meat plant. The water risk mitigation project is scheduled for completion by December 2017.

MAC BROTHERS CATERING EQUIPMENT

OWNERSHIP STRUCTURE

100%

EFFECTIVE OWNERSHIP (AS AT 30 JUNE 2017)

(R8.1 million)

LOSS CONTRIBUTION TO GPI HEADLINE EARNINGS (2016: R7.5 MILLION PROFIT CONTRIBUTION)

R120.4 million

INTRINSIC NET ASSET VALUE AT 30 JUNE 2017

OPERATIONAL FOOTPRINT

Catering and refrigeration equipment manufacturing facility in Cape Town

Branches in Cape Town, Durban, Johannesburg and Harare

Established agency network throughout Africa

BEE RATING

Level 4 (measured as part of GPI consolidated scorecard)

EMPLOYEES

232 employees (2016: 254)

84% historically disadvantaged individuals (HDIs)

23% females

KEY FINANCIAL INDICATORS (R'000S)

	2017	2016	2015	2014
Revenue	**209 354**	267 703	233 924	180 436
EBITDA	**1 372**	18 212	8 807	12 361
Net (loss)/profit after tax	**(5 325)**	10 397	3 736	8 333
Shareholder loan	**25 029**	26 231	25 602	–
Total debt excluding shareholder loans	**26 833**	44 943	67 726**	76 198

* *Includes GPI Properties loan of R2.529 million*

OPERATING CONTEXT AND PERFORMANCE

Market conditions continue to be tight in South Africa, with certain areas within the food service industry remaining under some stress. South African gross domestic product (GDP) growth rate was -0,7% in the first quarter of 2017. The largest negative contributor to growth in GDP in the first quarter was the trade, catering and accommodation industry, which decreased by 5,9% and contributed -0,8 of a percentage point to GDP growth. Poor market performance as well as a slowdown in the expansion of Burger King during 2016/2017 were the predominant factors that lead to the lacklustre performance of Mac Brothers over the period.

Mac Brothers revenue decreased by 21.3% to R209.4 million (2016: R267.7 million) as a result of a 2% decrease in local catering equipment sales (excluding Grand Foods) which decreased from R71.1 million last year to R27.9 million this year, and a 51.1% decrease in cold room & extraction sales which decreased from R25.3 million last year to R12.4 million this year. The operating costs for the year amounted to R59.6 million which is 10.2% lower than the operating costs of R66.4 million incurred in the previous year. The decrease in costs is mainly attributable to decreases in head count and the drive to not replace non-essential staff as a result of the decrease in the revenue; and the reversal of a rental lease smoothing liability due to sale of the buildings.

The EBITDA for the year of R1.4 million is 92.5% lower than the R18.2 million EBITDA from last year. Depreciation for the year of R4.2 million increased slightly by R95k and the interest costs of R4.7 million increased by R1 million when compared to last year.

Mac Brothers recorded a loss after tax for the year of R5.3 million, a 173% decrease from the net profit after tax of R10.4 million from last year.

INVESTMENT'S CONTRIBUTION TO GROUP HEADLINE EARNINGS FOR THE YEAR

Mac Brothers' loss after tax for the year of R5.3 million was increased by elimination of inter-group profits of R5.2 million; decreased by R2.4 million to eliminate the inter-group interest expense and decreased by R38k to eliminate profit on disposal of PPE. After these adjustments, Mac Brothers contributed a loss of R8.1 million to the Group headline earnings.

The poor performance of the catering sector has created a need for product diversification in Mac Brothers. An area of focus for Mac Brothers currently is to expand into the manufacture and supply of medical and sanitary wear products which we believe provides good diversification from kitchen and catering equipment. Mac Brothers has recently concluded a deal with Proox of Austria to exclusively supply their range of products into sub Saharan Africa. In addition, Mac Brothers is currently in negotiation with AFOS of the UK to manufacture and supply mortuary equipment to South Africa and the rest of Africa.

SPUR CORPORATION
OWNERSHIP STRUCTURE

17.48%
EFFECTIVE OWNERSHIP (AS AT 30 JUNE 2017)

(R4.9 million)
LOSS CONTRIBUTION TO GPI HEADLINE EARNINGS (2016: R5.8 MILLION LOSS CONTRIBUTION)

R273.9 million
INTRINSIC NET ASSET VALUE AT 30 JUNE 2017

OPERATIONAL FOOTPRINT

8 brands within the Spur Group.

Across these brands, **528** local stores (2016: 517)

63 international stores:
12 in Australasia;
49 in Africa & Mauritius;
2 in the Middle East

BEE RATING

Level 5

EMPLOYEES

528 employees (2016: 490)

64.4% historically disadvantaged individuals (HDIs)

51.5% females

KEY FINANCIAL INDICATORS (R'000S)

	2017	2016	2015	2014
Revenue	**648 016**	737 371	760 059	732 636
EBITDA	**188 791**	193 989	194 825	208 772
Net profit after tax	**138 099**	139 300	135 653	137 233
Shareholder loan	**–**	–	1 557	8 544
Total debt excluding shareholder loans	**6 912**	25 746	17 261	21 302

* *Total debt (principally arising from marketing funds)*

OPERATING CONTEXT AND PERFORMANCE

Spur Corporation grew restaurant sales from continuing operations by 4.2% to R7.2 billion in the year to June 2017 as discretionary spending came under increasing pressure with deteriorating economic conditions and growing uncertainty gripping the country.

The group expanded its global restaurant footprint to 591 with the opening of a net 11 new outlets in South Africa and 5 in international markets. These include the group's first restaurants in New Zealand (Spur), Ethiopia (Spur), Oman (RocoMamas) and Saudi Arabia (RocoMamas).The group's headline earnings from continuing operations declined by 25.9% to R135.1 million and by 8.4% on a comparable basis. Diluted HEPS from continuing operations was 25.9% lower at 140.8 cents. Chief executive Pierre van Tonder said the slowdown in consumer spending and confidence has led to a sharp decline in shopping mall foot traffic. "Over the past year we have seen several of our competitors launching aggressive discounting campaigns to attract cash-strapped customers. In this environment our franchisees have continued to face margin pressure and we have taken decisive action to support franchisee profitability to ensure the sustainability of our restaurant brands," he said.

The financial difficulties of middle income South African families contributed to sales in Spur Steak Ranches declining by 2.1%. Sales in the last quarter were also impacted by the social media fallout following a customer incident in a Spur outlet in Johannesburg.

PROSPECTS

While trading conditions are not expected to improve in the next 12 to 18 months, the group will continue to expand the footprint of its eight home grown brands.

The group plans to open 34 restaurants across all brands in South Africa in the year ahead. In the current economic climate, the focus will be on opening smaller format restaurants while also looking for opportunities to open Spur Grill & Go outlets in smaller towns.

International expansion will focus mainly on Africa where six new restaurants are planned, with a further two restaurants in Saudi Arabia and one in Mauritius. The group's strategy for its international business is to grow the restaurant footprint in regions where the group currently trades to build brand equity and create economies of scale. The group will adopt a cautious approach to entering any new regions.

INVESTMENT REVIEW /

GAMING

SUNWEST INTERNATIONAL

OWNERSHIP STRUCTURE

15.1%

EFFECTIVE OWNERSHIP (AS AT 30 JUNE 2017)

R70.3 million

CONTRIBUTION TO GPI HEADLINE EARNINGS (2016: R110.7 MILLION CONTRIBUTION)

R866.3 million

INTRINSIC NET ASSET VALUE AT 30 JUNE 2017

OPERATIONAL FOOTPRINT

1 casino and entertainment complex

1 five-star hotel

BEE RATING

Level 3

EMPLOYEES

1 381 employees at SunWest

91% historically disadvantaged individuals (HDIs)

55% black females

KEY FINANCIAL INDICATORS (R'000S)

	2017	2016	2015	2014
Revenue	**2 478 101**	2 488 044	2 404 223	2 250 457
EBITDA	**912 750**	941 879	943 529	852 073
Net profit after tax	**465 919**	497 928	515 326	464 193
Total debt excluding shareholder loans	**117 881**	990 451	871 068	848 558

OPERATING CONTEXT AND PERFORMANCE

SunWest's revenue for the year decreased by 0.4% to R2 478 million (2016: R2 488 million). EBITDA decreased by 3.1% to R912.7 million for the year (2016: R941.8 million) and net profit after tax decreased by 6.4% to R465.9 million (2016: R497.9 million).

GPI's 15.1% share of SunWest's earnings for the year amounted to R70.3 million compared to R110.7m in the prior year. The decrease is due to the sale of 10% of Sunwest in the prior year.

SUN SLOTS
OWNERSHIP STRUCTURE

30%

EFFECTIVE OWNERSHIP (AS AT 30 JUNE 2017)

R30.1 million

CONTRIBUTION TO GPI HEADLINE EARNINGS (2016: R27.7 MILLION CONTRIBUTION)

R645.5 million

INTRINSIC NET ASSET VALUE AT 30 JUNE 2017

OPERATIONAL FOOTPRINT

Sun Slots is licensed by relevant provincial gambling board to operate in the following provinces:

Western Cape: **1 000 LPMs**

KwaZulu-Natal: **2 000 LPMs**

Gauteng: **2 000 LPMs**

Mpumalanga: **226 LPMs**

BEE RATING

Level 4

EMPLOYEES

217 employees (2016: 222)

89% historically disadvantaged individuals (HDIs)

48.7% females

KEY FINANCIAL INDICATORS (R'000S)

	2017	2016	2015	2014
Revenue	**1019 561**	934 666	799 573	599 616
EBITDA	**239 595**	217 200	182 104	127 442
Net profit after tax	**92 869**	108 226	78 327	51 336
Shareholder loan	**123 138**	219 997	253 544	204 047
Total debt excluding shareholder loans	**4 463**	7 824	94 578	2 289

OPERATING CONTEXT AND PERFORMANCE

Sun Slots increased their revenue by 9% from R934.7m last year to R1 019.5m this year. This was as a result of an additional 153 limited pay out machines being added to the national network during the year and a 4.7% increase in the average gross gaming revenue per machine per day from R721.52 last year to R755.40 this year. Sun Slots EBITDA increased by 10% from R217.2m in the prior year to R239.6m in the current year. This resulted in a marginal increase in their EBITDA percentage increasing from 23.4% last year to 23.5% this year. Their depreciation for the year of R89 million was 19% higher than last year due to the increase in the number of active LPM's. Their finance costs for the year of R20.1 million decreased by 22.4% when compared to last years' costs of R25.9 million which is due to a decrease in the shareholder loans of R96.9 million in respect of the repayments during the year. Sun Slots net profit after tax decreased by 14% from R108 million in the prior year to R92.8 million in the current year.

CORPORATE GOVERNANCE

GPI'S CORPORATE BUSINESS PHILOSOPHY IS TO INVEST IN TRANSFORMATION UNLOCKING NOT ONLY WEALTH FOR SHAREHOLDERS.

CORPORATE GOVERNANCE REPORT

The Board continued to practice corporate governance aimed at promoting value creation and long-term sustainability to generate shareholder value and benefit for all stakeholders.

As the ultimate governing body of the GPI Group, the Board is committed to providing ethical and effective leadership and to ensuring that the businesses and affairs of the Group are managed responsibly and ethically.

Responsibility for ensuring full and effective control of the Group's businesses, as well as the overall strategy, performance and governance of the Group, rests with the Board. The day-to-day responsibility for ensuring that the Group's businesses are managed appropriately rests with divisional management who have clearly defined reporting lines to the Board.

The directors confirm that during the 2017 Reporting period the Group has in all material respects voluntarily applied the King Code of Governance Principles for South Africa 2009 (King III) and commenced implementation of the principles contained in the King IV Report on Corporate Governance for South Africa 2016 (King IV).

KING IV

The King IV Report came into operation on 1 November 2016 and on 19 June 2017 the JSE Listings Requirements ("Listings Requirements") were amended to include provision for the adoption of King IV and other governance arrangements.

Pursuant to these changes, an assessment of the impact of the King IV principles on the Group's governance processes and practices was made and certain changes to align the Group's governance structures, policies and processes with the King IV recommended practices as well as the Listings Requirements have been implemented. This process will continue during the 2018 Reporting period and we will report fully thereon in respect of that financial period onwards.

THE BOARD OF DIRECTORS

The Board believes that its membership must reflect –

- a wide range of collective attributes and competencies (as opposed to similar overlapping qualities) that will position the Board to effectively provide good corporate governance and strategic oversight; and
- a diversity of perspective and views that will lead to more innovation, better risk management, and will better enable the Board to anticipate and consider the concerns and perspectives of all key stakeholders.

Board Structure

The Board provides direction and leadership to the Group and is ultimately accountable for the overall governance, performance, strategy and affairs of the Group. The Board delegates authority to the relevant Board Committees to ensure that all aspects of strategy, performance and governance are applied.

The roles of the executive chairman and the Chief Executive Officer (CEO) are clearly defined. The executive chairman is responsible for leading the Board and ensuring that the Board and its committees are effective and act with integrity. The chief executive officer is responsible for managing and running the Company's business effectively in accordance with the strategy and objectives approved by the Board.

Composition of Board

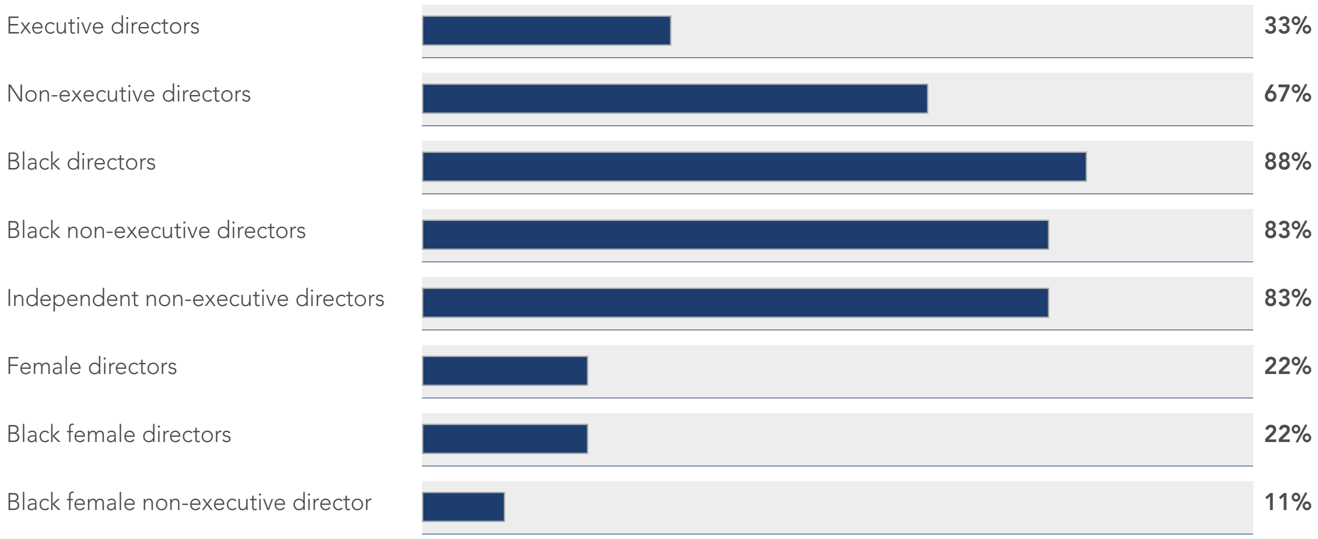
Dr Hassen Adams continued the Board as executive chairman and Dr Norman Maharaj remained the Lead Independent Director (LID) providing leadership to the Board, committees, directors and executives in the event of conflicts of interest. As the chairperson of the Remuneration and Nomination Committee, Dr Maharaj also manages the performance appraisal of the Chairman.

The Group has a unitary Board structure and at the end of the Reporting period had six non-executive directors and three full-time salaried executive directors. Mr Alan Keet resigned as a non-executive director during the Reporting period and subsequent thereto, Mr Dylan Pienaar resigned on 8 November 2017.

The Board and Board members have clearly defined responsibilities and this division of responsibilities ensures a balance of authority and power, with no individual director having unrestricted powers and decision-making authority.

The Board is of the view that it possesses the appropriate mix of knowledge, experience, skills, age, culture, race and gender and that these attributes collectively contribute to better decision-making and effective governance at Board level.

The Board's composition at the time of preparing this report is illustrated on page 52:



Note: Percentages are of total Board of 9 directors

As the ultimate governing body of the GPI Group, the Board is committed to providing ethical and effective leadership and to ensuring that the businesses and affairs of the group are managed responsibly and ethically.

Length of service

0-5 years	5 years and more
Colin Priem	**Dr Hassen Adams**
Independent non-executive director	Executive chairman
Appointed: 2012	Appointed: 1997
Prof Walter Geach	**Nombeko Mlambo**
Independent non-executive director	Independent non-executive director
Appointed: 2013	Appointed: 1997
Rasheed Hargey	**Alex Abercrombie**
Independent non-executive director	Non-executive director
Appointed: 2015	Appointed: 1997
Tasneem Karriem	**Dr Norman Maharaj**
Executive director	Independent non-executive director
Appointed: 2016	Appointed: 2008
Shaun Barends	
Financial Director	
Appointed: 2017	

Biographical details of the directors reflecting their diversity in terms of academic and professional qualifications, age, race and gender appear on pages 66 to 68 of this Report.

Race and diversity policy

As a black economic empowerment company GPI's workforce and Board composition has always been representative of diversity (in the contexts of both race and gender diversity). The graphic on page 52 above clearly illustrates the Board's approach, with women constituting 22% of the Board and black directors making up more than 75% of the numbers.

The Board has nevertheless adopted and approved a Policy on gender and race diversity at Board level to formalise its objectives for the continued achievement of diversity, and specifically race and gender diversity.

The Remuneration and Nomination Committee, in collaboration with the Social and Ethics Committee, will in future be required to determine race and gender diversity targets for each year with due regard to the composition of the Board and the skills and experience required on the Board.

Board appointments

Directors are appointed by the Board in a formal manner. The Remuneration and Nomination Committee, in consultation with the Executive Chairman, considers suitable candidates and nominates persons for appointment as directors taking into account the requirements of the business. These include skills, qualifications and experience as well as race and gender diversity requirements to ensure that the Board and committees' compositions are appropriately balanced.

Proposals for election/re-election to the Board are, after review, recommended by the nomination committee and are considered by the Board, subject to the approval/ratification of shareholders.

One-third of the Company's non-executive directors are required to retire by rotation at the annual general meeting (AGM) of shareholders. Retiring directors may offer themselves for re-election and directors appointed during the period are required to have their appointments ratified at the following AGM. Details of these directors are given in the Notice of AGM which was distributed to shareholders on 11 October 2017 and is also available online on the Company's website www.grandparade.co.za.

At the AGM on 7 December 2017, Messrs Abercrombie and Hargey were re-elected as non-executive directors. In addition, Mr Shaun Barends was appointed as Group Financial Director post the end of the Reporting period (on 1 July 2017) and his appointment was confirmed by the shareholders.

Further changes were made on the Board post the end of the Reporting period. Ms Tasneem Karriem who has been an executive director on the Board since 9 September 2016, was appointed as Chief Executive Officer of the Group with effect from 1 July 2017 following Mr Alan Keet's resignation. Furthermore, Mr Dylan Pienaar resigned from the Board on 8 November 2017.

On appointment, a director receives a formal letter of appointment together with a pack of the relevant statutory information to ensure an understanding of the provisions of the Act and the obligations of directors. The director is also provided with information on the Group's strategy, operational activities, and the products and services offered by the various divisions. New directors are informed of the closed periods for dealing in the Company's securities, the procedure they are required to follow before dealing in securities as well as details pertaining to related-party transactions.

Director independence

Dr Norman Maharaj (lead independent director), Mr Colin Priem, Professor Walter Geach, Ms Nombeko Mlambo and Mr Rasheed Hargey are classified as independent non-executive directors. The Board is satisfied that these directors, through their actual conduct at Board and committee meetings, have displayed independence of mind in their decision-making and that there are no relationships or circumstances which could affect, or could appear to affect, their independence.

Dr Adams, Mr Alex Abercrombie and Ms Nombeko Mlambo have been directors of GPI since its inception 20 years ago and Dr Maharaj has served on the Board for a period of nine years. The Board is of the view that the historical knowledge that these directors have of the Company and its businesses, together with the specific skills they each contribute, has contributed to the effectiveness of the Board and the committees on which they serve. The extended tenure of these directors is balanced by the remaining directors who have brought new perspectives and additional skills to the table.

Board committee composition

Board committees are constituted with due regard to the skills and experience required by each committee in order to fulfil the relevant committee's mandate and to ensure a balanced distribution of power. The Board Committees have clear terms of reference that define their powers and duties and these are documented in Committee Charters which are regularly reviewed by each Committee and amended with the approval of the Board.

The Charters of the Remuneration and Nomination Committee and Social and Ethics Committees were reviewed during the Reporting period specifically to ensure alignment with the King IV principles that impact on these committees' areas of responsibility and certain amendments have been implemented.

Management are invited to attend Board committee meetings by way of standing invitations or on an ad hoc basis when specific contributions in their fields of expertise are required.

Further details with regard to the committee memberships and their terms of reference are given in the individual Committee reports on pages 57 to 65.

Board and committee evaluations

During the Reporting period the chairman of the Remuneration and Nomination Committee, in consultation with the executive chairman, evaluated the effectiveness of the Board and the Board committees. No issues of material concern were raised in the evaluations and the Board is satisfied with its performance and effectiveness.

The Board is similarly satisfied that all Board committee members collectively have the skills and acumen to fulfil the respective committee's mandate and that all committees have indeed performed their responsibilities in accordance with their terms of reference during the Reporting period.

Financial director

Mr Shaun Barends was appointed as Financial Director of the Company with effect from 1 July 2017. The Audit and Risk Committee and the Board are satisfied that Mr Barends possesses the appropriate experience and qualifications for this position. A review of the effectiveness of the Financial Director and the Finance function has been undertaken by the Audit and Risk Committee and the Committee is satisfied as to their effectiveness and that appropriate financial reporting procedures are in place and are operating. In this regard refer to the report of the Audit and Risk Committee on pages 57 and 58 of this Report.

Company Secretary

The Company Secretary is appointed by the Board on a full-time basis. All directors have access to the support and services of the Company Secretary who is responsible for the duties set out in section 88 of the Companies Act, No. 71 of 2008, as amended, ("Companies Act") and for ensuring compliance with the Listings Requirements.

The Company Secretary has been appointed as secretary of the standing committees of the Board and coordinates the functioning of the Board and its committees. In addition, the Company Secretary also ensures that the appropriate statutory and other records are maintained.

The Board confirms that the company secretary maintains an arm's length relationship with the Board and the directors and is not a director of the Company. Based on a formal review of the Company Secretary's performance, the Board is of the opinion that the company secretary has the requisite competence, qualifications, knowledge and experience to carry out the duties of a secretary of a public company.

DEALING IN SECURITIES AND INSIDER TRADING

A policy on share dealings and insider trading is applied across the Group to all Company directors, the Company Secretary, prescribed officers and certain identified senior executives with access to financial results and other price-sensitive information. These individuals may not deal in shares of the Company during the 'closed periods' as defined in the Listings Requirements or whilst in the possession of unpublished price sensitive information concerning the business and affairs of the Group and its subsidiaries. The policy prohibits the dissemination of price-sensitive information pertaining to the Company by employees.

Directors and the Company Secretary are obliged to obtain the Executive Chairman's written clearance (or in his absence, the LID's) prior to dealing in the Company's shares and all requests are referred through the Company Secretary for record-keeping purposes and to liaise with the Company's sponsors to disclose such dealings to shareholders on SENS.

During the Reporting period, the share trading policy was adhered to and the necessary clearance contemplated in the Listings Requirements was given prior to trading in GPI shares.

DISCLOSURES AND CONFLICTS OF INTEREST

Directors are obliged to avoid situations that may place them in conflict with the interests of the Company or the Group. In addition, interests must be declared before each Board meeting and procedures are in place for directors to provide the company secretary with full disclosure of any related-party transactions to which they or their immediate families may be party.

DIRECTORS' REMUNERATION

Details of the remuneration paid to directors in the Reporting period ended 30 June 2017 are contained in the financial statements, the Notice of AGM posted to shareholders on 11 October 2017 and are included in the Remuneration and Nomination Committee Report on pages 59 to 64.

Non-executive directors' remuneration is based on a scale that takes into account the director's role on the Board and on the various Board committees. Fees are accordingly not linked to the performance of the Group and neither do non-executive directors participate in the Group share incentive scheme.

The fees paid to non-executive directors are benchmarked against fees paid to the non-executive directors by a JSE-listed peer group and similar small-cap Companies by market capitalisation. The Remuneration and Nomination Committee, with the Board's endorsement, have proposed that the fees of non-executive directors be increased by 5% in line with the general salary increase paid to employees in the Group. A small adjustment to the fee structure in respect of the fees paid to the chairperson and members of the Social and Ethics Committee has also been proposed to bring them into line with the fees paid to other Board committees.

A special resolution for the change in remuneration for non-executive directors was approved by the shareholders.

BOARD MEETINGS

As a rule, the Board meets quarterly to discharge its statutory obligations and to ensure adherence with the Company's strategic focus. Additional meetings were held during the Reporting period to attend to other specific business as and when the need arose.

An overview of Board and committee meeting attendances during the Reporting period is provided in table 1 on page 55.

Table 1: Director, Board and committee meeting attendance during the 2017 financial year

	Director designation	GPI BOARD	Audit and Risk Committee	Remuneration and Nomination Committee	Social and Ethics Committee	Investment Committee
H ADAMS	Executive Chairman	**5/5**				**1/1**
A KEET*	Chief Executive Officer	**4/5***				**1/1**
T KARRIEM	Executive Director	**5/5**				**1/1**
D PIENAAR**	Financial Director	**5/5**				**1/1**
A ABERCROMBIE	Non-executive director	**5/5**		**4/4**	**1/1**	**1/1**
W GEACH	Independent non-executive director	**4/5**	**4/4**			
R HARGEY	Independent non-executive director	**5/5**				
NV MAHARAJ	Independent non-executive director	**5/5**	**4/4**	**4/4**	**1/1**	
N MLAMBO	Independent non-executive director	**5/5**		**3/4**		
CM PRIEM	Independent non-executive director	**5/5**	**4/4**	**4/4**	**1/1**	**1/1**

* *AE Keet resigned 20 March 2017*

** *D Pienaar resigned 8 November 2017*

The Board meets quarterly to discharge its statutory obligations and to ensure adherence to the Company's strategic focus.

GOVERNANCE PRACTICES

During the year under review, the Board continued to comply with the King III principles and commenced implementation of the King IV principles. A schedule indicating how the Group is applying the King IV principles is available on the Company's website at: www.grandparade.co.za under the investor relations section.

An outline of the Board's approach to governance as well as the policies and processes that are aimed at protecting stakeholder value are provided below.

Values and ethics

The Company's ethical values are based on integrity, transparency, fairness and trust and a commitment to making a meaningful contribution to broad-based black economic empowerment as inclusively as possible; to uphold the highest ethical and moral standards; and to invest in the finest people and promote their personal growth.

The Board expects all in the business to apply the above values in their personal conduct, ensuring that they are never compromised in favour of personal gain, or to benefit the business at the expense of the values. Directors of the Company and of the subsidiaries, as well as key management, are required to disclose their directorships in other companies as well as any interests in contracts or related party transactions. These disclosures are updated and reviewed annually.

A policy on share dealings and insider trading is applied across the Group to all Company directors, the Company Secretary, prescribed officers and certain identified senior executives with access to financial results and other price-sensitive information. These individuals are prohibited from dealing in the Company's shares during the 'closed periods' or while the Company is operating under circumstances where it would be inappropriate to deal in the Company's shares, such as while operating under a cautionary or while the Company is in the process of price-sensitive negotiations or acquisitions.

Oversight of Risk

The Board assumes ultimate accountability for the risk management process and the Group's system of internal control. In collaboration with the Group Audit and Risk Committee, the Board has adopted a Risk Management Framework aimed at achieving the Group's overall strategic objectives and the creation of long-term value for shareholders.

A complete review of the Group's risk management processes and reporting framework has been in progress and a new process is being rolled out across the Food Group. The main of objective of the review is to embed robust risk management processes across the Food Group.

IT Governance

During the Reporting period, the IT governance processes were thoroughly evaluated and good IT governance practices were imbedded in operations. The Audit and Risk Committee is responsible for considering the efficacy of IT controls, policies and processes to the extent that these pose a risk to the financial reporting process, the effectiveness of financial controls and the continuity of the Group's operations.

The Group Technology Officer is required to provide the Audit and Risk Committee with reports on the status of the Group's IT governance at all committee meetings.

BOARD COMMITTEE AND REPORTS

AUDIT AND RISK COMMITTEE REPORT

Membership

The Audit and Risk Committee is constituted in terms of section 94(2) of the Companies Act and comprises three non-executive directors who have the necessary academic qualifications and experience to perform their duties.

Members are elected by the shareholders at each annual general meeting of the Company and for the 2017 financial year the members were:

- Colin Priem – Chairperson (independent non-executive director)
- Dr Norman Maharaj (lead independent director)
- Professor Walter Geach (independent non-executive director)

While the Audit and Risk Committee operates independently of management, the Chief Executive Officer, Financial Director, Group Internal Auditor and the external auditors attend meetings of the committee by invitation. The committee is also at liberty to hold confidential meetings with the internal and external auditors as well as with management should they so require.

The Audit and Risk Committee meets quarterly to attend to business and details of members attendances at the meetings are included in the table on page 55.

Terms of reference

The Audit and Risk Committee has clear terms of reference delegated to it by the Board. The terms of reference are aligned with the Companies Act, King IV and the Listing Requirements and include the following:

- Ensuring that adequate accounting records are maintained and that financial reporting and internal control systems are effective;
- Ensuring that published financial reports comply with relevant legislation, reporting standards and good governance;
- Ensuring that Group assets are safeguarded by monitoring the implementation of effective systems of internal control to safeguard assets and support business sustainability;
- Maintaining oversight over information technology;
- Confirming the nomination and appointment of the external auditor and ensuring that the appointment complies with relevant legislation;
- Approving the terms of engagement and fees paid to the external auditor;
- Approving the provision of non-audit services by the external auditor;
- Considering the findings arising from the annual audit;
- Monitoring the functioning and approval of the internal audit plan ensuring that there is adequate audit coverage in the Group;
- Fulfilling the function of audit committee to Group subsidiaries;
- Reviewing the expertise, resources and experience of the Group's finance function and the expertise and experience of the Finance Director;
- Recommending for approval by the Board, the audited financial statements and results, as well as the Integrated Annual Report; and
- Ensuring the effectiveness and reliability of the Group's risk management processes and that disclosure regarding risk is comprehensive, timely and relevant.

During the reporting period, the committee attended to the following statutory duties:

- Reviewed and made recommendations to the Board in respect of the publicly disclosed financial information including the interim results for the six months ended 31 December 2016 and the audited annual results for the 2017 financial year;
- Evaluated the independence, effectiveness and performance of the external auditor and satisfied itself as to the independence of the external auditor;
- Approved the fees to be paid to the external auditor as well as the terms of engagement of the eternal auditor for the 2017 financial year;

- Nominated Ernst and Young Inc. and Mr Abdul-Majid Cader as the designated registered auditor responsible for the audit for the year ending June 2018, for consideration and approval by shareholders at the Company's forthcoming annual general meeting;
- Determined the nature and extent of any non-audit services that the external auditors may provide to the Company and the Group and pre-approved the fees relating to such services;
- Evaluated and satisfied itself as to the appropriateness of the Financial Director's expertise and experience as required by the Listings Requirements;
- Evaluated the Finance Department's performance during the year and satisfied that the Finance Function is both well-resourced and that its collective experience is appropriate for the needs of the Company and the Group;
- Considered the Group's solvency and liquidity positions.

The Committee believes that the Group's performance during the year under review has been of an acceptable standard and is satisfied that there have been no instances of material non-compliance with legislation and regulation, or non-adherence with codes of best practice, in relation to the areas within the Committee's mandate.

The Chairman of the Audit Committee, or in his absence the other members of the Audit Committee, will attend the annual general meeting to answer questions falling within the mandate of the committee.

The Board is satisfied that the Committee has performed its responsibilities in compliance with its terms of reference for the period under review.

Colin Priem
Chairman: Audit and Risk Committee

REMUNERATION AND NOMINATION COMMITTEE REPORT

GPI's combined Remuneration and Nomination Committee (Remco) assists the Board in ensuring that the remuneration policies and practices that are applied in the Group reflect a fair, responsible and transparent approach to remuneration to achieve the strategic objectives and positive outcomes in the short, medium and long terms.

To this end, Remco has oversight over the Group remuneration strategy and policy and ensuring the ongoing application of a policy aligned with the Group strategic, operating and financial objectives and best practice remuneration principles. All elements of remuneration offered in the Group, and the mix of these, are set out in the Group policy.

Remco is also tasked with nominating candidates for appointment to the Board and for making recommendations to the Board on the re-election of directors retiring by rotation.

Membership

The committee comprises four non-executive directors and is chaired by the Lead Independent Director. During the 2017 financial year the committee was constituted as follows:

- Dr Norman Maharaj – Chairperson (lead independent director)
- Colin Priem (independent non-executive director)
- Nombeko Mlambo (independent non-executive director)
- Alex Abercrombie (non-executive director)

Remco operates independently of management but the Executive Chairman, Chief Executive Officer and Financial Director are invitees to meetings of the committee and are recused from aspects of the committee's discussions when so required and are specifically excused from discussions that relate to their performance and remuneration.

The committee's annual meeting schedule makes provision for two meetings per year and provision is made for additional meetings to be held when the need arises. Details of the meetings held during the 2017 financial year and members attendance at the meetings are included in the table on page 55.

Terms of reference

The Committee has clear terms of reference that are aligned with King IV and the Listing Requirements.

Within the context and framework of the above, the Committee is responsible for –

- the annual review of the remuneration policy and practices applied in the Group and reporting thereon to the Board or making recommendations to the Board for amendment of the policy and/or practices.
- reviewing and recommending (to the Board) the remuneration for Executive Directors, non-executive directors, divisional company directors (where applicable) and/or Senior Executives ensuring that the remuneration is fair and responsible in the context of overall employee remuneration (i.e. that the gap between the remuneration of executives and employees at the lower end of the pay scale is addressed).
- reviewing and approving the remuneration principles that are applied in respect of all other employee levels in the Group, including changes to the benchmarking methodology used for setting base salaries and incentive targets; the methodology to be applied in respect of performance-based rewards and/or incentive and retention bonuses.
- determining and recommending to the Board the terms and conditions of Executive Directors' employment agreements, including the performance criteria or metrics to be applied in setting the Executive Directors' and Senior Executives' remuneration levels.
- considering and measuring the individual performances of Executive Directors and Senior Executives against the criteria or metrics approved by the Board, ensuring performance aligns with positive outcomes relative to the Group strategic, operating and financial objectives and merits the rewards being recommended to the Board.
- considering management's proposals for annual salary adjustments for employees in the Group and making recommendations in this regard to the Board.
- overseeing the preparation of the annual remuneration report for approval by the Board and for consideration by shareholders means of the non-binding shareholder vote at the annual general meeting. The Committee must ensure that the remuneration report provides the necessary level of disclosure set out in King IV.
- overseeing management's engagement with Dissenting Shareholders and framing of measures that appropriately address such shareholders' legitimate and reasonable objections and concerns, including amendment of the remuneration policy or clarifying or adjusting remuneration governance processes.
- adopting a formal and transparent procedure for the nomination of candidates for appointment to the Board (including interviewing potential candidates) and subsequently, for referring recommendations for nominations to the Board.
- making recommendations to the Board on the re-election of directors retiring by rotation, taking into account governance requirements such as director independence, evaluation of the performance and attendance of such directors, and taking into account the director's past performance and contribution to the Board.
- overseeing the annual evaluation of the Board's effectiveness and that of the Committees of the Board according to a formal process (either externally facilitated or by means of an internal methodology approved by the Board). The evaluation must be performed at least every two years.
- determining and recommending to the Board appropriate long-term succession plans for all key positions in the Group, particularly for the chairperson, executive directors and Senior Executives in the Group, and ensure implementation of approved succession plans.

The chairman of the Committee or in his or her absence, another designated member of the Committee attends the annual general meeting of the Company to answer any remuneration-related questions.

REMUNERATION POLICY

In accordance with King IV and in compliance with the Listings Requirements, the GPI remuneration policy and implementation of the policy have been endorsed by shareholders at the Company's 2017 annual general meeting.

Overview of Policy

The GPI Board views its remuneration policy as a key enabler of the Group's strategy and a means by which to attract and retain quality talent and reward a high-performance culture. The Remuneration and Nomination Committee (Committee) is tasked by the Board of Grand Parade Investments Limited ("GPI") to design and oversee the implementation of a remuneration policy that reflects a clear linkage between the achievement of the Group's objectives and balanced reward outcomes. Ultimately the Group objectives and reward outcomes must be aligned with shareholder interests over the short and long term.

The Committee reviewed the group remuneration policy against market conditions during the 2017 financial year as these had an effect on operational performance and ultimately the Group's results. In the interests of financial stringencies and to meet cost savings targets that have been implemented, no salary increases were paid to executive directors, senior executives and top management as at 1 July 2017 on the understanding that this would be reviewed in December 2017 subject to operating conditions. A below-inflation increase of 5% was given to remaining employees with effect from 1 July 2017.

Remuneration policy and approach

The remuneration of executive directors and the top 3 highest paid executives (collectively "the top executives") comprises a total guaranteed cost to company component and a variable component incorporating short and long-term incentives. The components are weighted as follows:

- 25% allocated to guaranteed pay
- 25% allocated as a maximum short-term incentive, and
- 50% allocated as a maximum long-term incentive.

The short- and long-term incentives are based on pre-determined targets (KPIs) for management and focus on growth in Intrinsic Net Asset Value, dividend growth, maintaining the gearing ratio, deal creation, achievement of strategic objectives as well as the personal performance of the individual.

Guaranteed pay

Guaranteed pay is benchmarked against the 25th percentile of the local salary survey. Benchmarking is intentionally aimed at the lower end of the scale with performance-based remuneration being weighted at the higher end of the scale.

Short-term incentives

Short-term incentives are capped at 100% of the executive director's guaranteed pay, subject to the achievement of pre-determined key performance indicators (KPIs). The KPIs are weighted 60% towards the company's performance and 40% to individual performance.

A five-point rating scale is applied with the minimum threshold to receive a STI being 3 points. At 3 points an executive director is eligible to receive 50% of his/her guaranteed pay while at 4 points, 4.5 points and 5 points, the executive director is eligible to receive 75%, 85% or 100%, respectively, of guaranteed pay.

Long-term incentives

Long-term incentives (LTIs) are determined by means of the same KPI's as the short-term incentives and using the same weightings. Subject to the executive's performance as rated according to the above scale, LTIs are capped at 200% of guaranteed pay per annum. Although the preference is to award share options as LTIs, the Board has a discretion to determine that cash be paid or a combination of share options and cash be paid taking into account the relevant executive director's total exposure to GPI shares, the director's length of service and specific performance during the year.

Share options are governed by the Company's share incentive scheme and are linked to a requirement of continued employment over the prescribed option period.

Non-executive director remuneration

GPI's non-executive directors' remuneration is based on a scale that takes into account the director's role on the Board and on the various Board committees. Fees are accordingly not linked to the performance of the Group and neither do non-executive directors participate in the Group share incentive scheme.

The fees paid to non-executive directors are benchmarked against fees paid to the non-executive directors by a JSE-listed peer group and similar small-cap companies by market capitalisation. The fees are tabled annually for approval by GPI's shareholders and the fees paid to non-executive directors in the 2017 financial year are set out below.

The Remuneration and Nomination Committee, with the Board's endorsement, have proposed that the fees of non-executive directors be increased by 5% in line with the general salary increase paid to employees in the Group. A small adjustment to the fee structure in respect of the fees paid to the chairperson and members of the Social and Ethics Committee has also been proposed to bring them into line with the fees paid to other Board committees.

A special resolution for the change in remuneration for non-executive directors was tabled for shareholder consideration and was approved at the Company's annual general meeting.

The fees currently paid to non-executive directors for their services as directors as well as the proposed fees to be paid from 1 January 2018, subject to shareholder approval are contained in Table 2 below.

Table 2: Non-executive director fees.

	CURRENT FEES 1 January 2017 to 31 December 2017				PROPOSED FEES 1 January 2018 to 31 December 2018		
	Base fee R's	Attendance fee	Attendance fee above minimum no of meetings	* No	Base fee R's	Attendance fee	Attendance fee above minimum no of meetings
Lead Independent Director	163 700	16 500	9 500	4	174 000	17 000	10 000
Directors	132 680	16 500	9 500	4	138 000	17 000	10 000
Audit & Risk Committee Chair	37 000	25 680	–	3	38 850	27 000	–
Audit & Risk Committee Member	25 300	13 100	–	3	26 565	13 750	–
Remuneration & Nomination Committee Chair	37 000	19 500	–	2	38 850	20 500	–
Remuneration & Nomination Committee Member	25 300	13 100	–	2	26 565	13 750	–
Social & Ethics Committee Chair	25 300	13 100	–	2	38 850	20 500	–
Social & Ethics Committee Member	23 650	13 100	–	2	26 565	13 750	–
Investment committee Chair	–	–	–	2	–	-	–
Investment committee Member	–	9 500	–	2		10 000	–

Independent external Advice

During the year PWC provided benchmarking data for guidance on Executive remuneration and the grading of various non-executive positions in the Group.

Remuneration received by directors in the 2017 financial year

Details of directors' emolument are provided in Table 2 above and the STI's and LTI's received by the executive directors during the 2017 financial year can be found in Tables 3 and 4 on pages 62 to 65.

The Board is satisfied that the Committee has performed its responsibilities in compliance with its terms of reference for the period under review.

Dr Norman Maharaj
Chairman: Remuneration and Nomination Committee

Table 3: Directors' emoluments

	Salary R'000s	Short-term benefits[1] R'000s	Long-term benefits R'000s	Bonuses R'000s
2017				
Executive directors				
H Adams	**4 327**	**1 195**	**649**	**10 701**
A Keet[3]	**1 947**	**2 818**	**292**	**3 000**
T Karriem[2]	**1 143**	**156**	**171**	**–**
D Pienaar	**1 808**	**56**	**271**	**1 250**
Sub-total	**9 225**	**4 225**	**1 383**	**14 951**
Non-executive directors				
N Maharaj	**–**	**–**	**–**	**–**
N Mlambo	**–**	**–**	**–**	**–**
C Priem	**–**	**–**	**–**	**–**
A Abercrombie	**–**	**–**	**–**	**–**
R Hargey	**–**	**–**	**–**	**–**
W Geach	**–**	**–**	**–**	**–**
Sub-total	**–**	**–**	**–**	**–**
Total	**9 225**	**4 225**	**1 383**	**14 951**

(1) *Short-term benefits include medical aid contributions, allowances and fringe benefit tax on interest-free loans.*
(2) *T Karriem was appointed on 9 September 2016 as a executive director. Amounts disclosed above include remuneration for 10 months.*
(3) *A Keet resigned as CEO and director of GPI on 3 April 2017.*

	Salary R'000s	Short-term benefits[1] R'000s	Long-term benefits R'000s	Bonuses R'000s	Directors' fees R'000s
2016					
Executive directors					
H Adams	3 097	916	465	3 500	–
A Keet	2 046	256	307	1 688	–
D Pienaar	1 339	51	196	550	–
Sub-total	6 482	1 223	968	5 738	–
Non-executive directors					
N Maharaj	–	–	–	–	209
N Mlambo	–	–	–	–	180
C Priem	–	–	–	–	180
A Abercrombie	–	–	–	–	180
R Hargey[2]	–	–	–	–	138
W Geach	–	–	–	–	180
Sub-total	–	–	–	–	1 067
Total	6 482	1 223	968	5 738	1 067

(1) *Short-term benefits include medical aid contributions, allowances and fringe benefit tax on interest-free loans.*
(2) *R Hargey was appointed on 1 September 2015 as a non-executive director.*

Directors' fees R'000s	Audit and Risk Committee R'000s	Remuneration and Nomination Committee R'000s	Investment Committee R'000s	Total remuneration R'000s	Loans advanced R'000s	Share-based payment expense R'000s
–	–	–	–	16 872	5 251	765
–	–	–	–	8 057	1 847	(729)
–	–	–	–	1 470	–	201
–	–	–	–	3 385	411	289
–	–	–	–	29 784	7 509	526
232	75	36	–	343	–	–
202	–	6	–	208	–	–
225	136	24	9	394	–	–
202	–	24	–	226	–	–
202	–	–	–	202	–	–
202	75	–	–	277	–	–
1 265	286	90	9	1 650	–	–
1 265	286	90	9	31 434	7 509	526

Audit and Risk Committee R'000s	Remuneration and Nomination Committee R'000s	Investment Committee R'000s	Social and Ethics Committee R'000s	Total remuneration R'000s	Loans advanced R'000s	Share-based payment expense R'000s
–	–	–	–	7 978	4 935	765
–	–	–	–	4 297	2 943	455
–	–	–	–	2 136	895	289
–	–	–	–	14 411	8 773	1 509
82	52	–	–	343	–	–
–	38	–	–	218	–	–
150	38	9	–	377	–	–
–	20	9	9	218	–	–
–	–	–	–	138	–	–
82	–	–	–	262	–	–
314	148	18	9	1 556	–	–
314	148	18	9	15 967	8 773	1 509

Table 4: Equity-based remuneration (GPI share options granted in terms of the Grand Parade Share Incentive Trust)

	Number of unvested share options 30 June 2016 000s	Granted during the year 000s	Vested during the year 000s	Forfeited during the year 000s
2017				
Executive directors				
H Adams	**3 376**	**–**	**(1 125)**	**–**
A Keet[(1)]	**2 005**	**1 161**	**(669)**	**(2 497)**
T Karriem[(2)]	**620**	**568**	**–**	**–**
D Pienaar	**617**	**875**	**(206)**	**–**
Sub-total	**6 618**	**2 604**	**(2 000)**	**(2 497)**
2016				
Executive directors				
H Adams	4 501	–	(1 125)	–
A Keet	2 674	–	(669)	–
D Pienaar	823	–	(206)	–
Sub-total	7 998	–	(2 000)	–

(1) *On 3 April 2017 Mr A Keet resigned as an executive director from the Group. All unvested share options are forfeited on an employee's resignation date.*

(2) *On 9 September 2016 Mrs T Karriem was appointed as an executive director.*

SOCIAL AND ETHICS COMMITTEE REPORT

The Social and Ethics Committee (the Committee) assists the Board in providing effective ethical leadership by monitoring the Group's performance as a good corporate citizen to ensure accountability from a financial perspective and in terms of the Group's social and environmental impact.

The Committee is constituted in terms of the Companies Act, No 71 of 2008, as amended and comprises an equal number of non-executive and executive directors. During the 2017 financial year, the Committee was constituted as follows:

- Alex Abercrombie – Chairperson (non-executive director)
- Dr Hassen Adams (executive chairman)
- Dr Norman Maharaj (lead independent director)
- Tasneem Karriem (chief executive officer)

The Committee's primary objective is to assist the Board in providing effective leadership and corporate citizenship and it performs statutory functions as prescribed in regulation 43(5) under the Companies Act as well as certain delegated functions derived from King IV and/or functions specifically delegated to the Committee by the Board.

The Committee makes recommendations to the Board in relation to the above activities and specifically in relation to policies for fair labour practices, sustainable development, responsible product sourcing and social and ethics matters across the Group.

During the year the Committee considered the Group's employment policies to satisfy itself that appropriate provision is made for the promotion of employment equity and fair labour practices and that the Group's standing as a black economic empowerment Company continues to be upheld.

The Committee also considered a revised Code of Ethics and Conduct, and will monitor implementation thereof to ensure the development of a good performance and ethics culture across the Group. Steps have also been taken in the respective businesses to include the Company's Code of Ethics and Conduct in the service level agreements with suppliers and contractors.

The Board is satisfied that the Committee has performed its responsibilities in compliance with its terms of reference for the period under review.

Alex Abercrombie
Chairman: Social and Ethics Committee

Average market price per share on vesting date R	Vesting price per share R	Date granted	Number of unvested share options 30 June 2017 000s
5.50	**3.61**	**1 Sep 2013**	**2 251**
5.54	**3.61**	**1 Sep 2013**	**–**
5.54	**3.61**	**1 Sep 2013**	**1 188**
5.42	**3.61**	**1 Sep 2013**	**1 286**
			4 725
5.50	3.61	1 Sep 2013	3 376
5.54	3.61	1 Sep 2013	2 005
5.42	3.61	1 Sep 2013	617
			5 998

EXECUTIVE DIRECTORS

SE

Dr Hassen Adams (64)

Appointed to Board on 20 October 1997

Executive Chairman

Appointed 11 February 2011

Dr. Philosophy (hc) (UWC), H. Dip Civil Engineering (PenTech), Pr. Tech. Eng.

An engineer by profession, Hassen has been instrumental in establishing a number of successful businesses, the most high profile of these being Grand Parade Investments Limited (GPI) which he co-founded. In addition to being the executive chairman of GPI, Hassen is also executive chairman of Burger King South Africa (RF) (Pty) Ltd and non-executive chairman of SunWest International (Pty) Ltd. He serves on the board and risk committee of Grindrod Limited and on GPI's Investment Committee and Social and Ethics Committee.

Hassen also holds directorships in diverse industry sectors including construction, gaming, shipping, entertainment and leisure and has extensive experience in corporate finance. He was awarded an Honorary Doctorate in Philosophy from the Department of Economic and Management Science at the University of the Western Cape (UWC).

SE

Tasneem Karriem (36)

Appointed to Board on 9 September 2016

Group Chief Executive Officer

Appointed 1 July 2017

B.Com Hons (UWC), CA (SA)

A qualified chartered accountant and a member of the South African Institute of Chartered Accountants, Tasneem has extensive corporate finance experience gained in previous roles in the corporate finance sector in Johannesburg. She joined GPI in July 2015 to head up the Group's Corporate Finance activities, was appointed as an executive director to the GPI board in September 2016 and on 1 July 2017 was appointed as Group Chief Executive Officer.

Tasneem is also a director of Burger King South Africa (RF) (Pty) Ltd and several subsidiary company boards within the GPI Group. She is a member of the Group's Investment Committee in her executive capacity and was appointed as GPI's representative on the board of Spur Corporation Limited on 12 April 2017.

Shaun Barends (38)

Appointed to Board on 1 July 2017

Group Financial Director

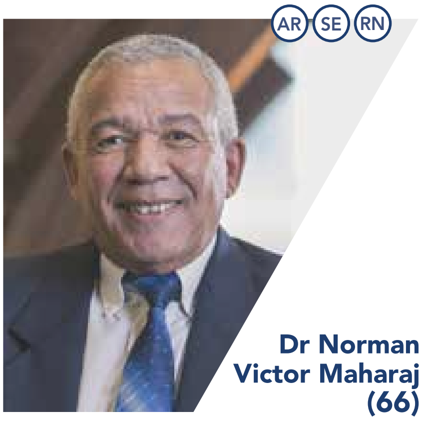
B. Accounting Hons (UWC), CA (SA)

Shaun is a qualified chartered accountant and a member of the South African Institute of Chartered Accountants. He joined GPI in May 2013 initially heading up the Slots Group's finance division and more recently the finance division of GPI's Foods division, and was appointed as the Group Financial Director on 1 July 2017.

He has 16 years' experience across a range of industries which include financial services, oil and gas, construction and telecommunications. Shaun was previously an associate director in the audit practice of one of the big four audit firms where he worked for some 13 years. He also served as a board member on the Association for the Advancement of Black Accountants of Southern Africa for 6 years.

NON-EXECUTIVE DIRECTORS

AR SE RN



Dr Norman Victor Maharaj (66)

Lead Independent Director

Appointed to Board on 1 August 2008

Appointed 11 February 2011

MB, ChB (UCT)

Norman is a qualified medical doctor and a former Chief Executive Officer of Groote Schuur Hospital and member of the Public Service Commission. He has extensive public service and trade union movement experience as well as analytical and decision-making skills. He has filled the role of Lead Independent Director since February 2011, when Hassen Adams was appointed as executive chairman. He is currently chairman of the Remuneration and Nomination Committee and is also a member of the Board's Audit and Risk Committee and the Social and Ethics Committee.

SE RN

Alex Abercrombie (66)

Non-Executive Director

Appointed to the Board on 20 October 1997

Att. Adm. Dipl. (UWC), PgD (Company Law) (Stell), Cert (Sports Law) (UCT)

Alex is an attorney by profession and a Consultant to the national law firm Cliffe Dekker Hofmeyr. His association with GPI dates back to the inception of the Company in 1997 when he was appointed as a non-executive director. On 11 June 2012, he was appointed as the executive director responsible for the Group's gambling operations until his retirement from the executive role on 28 February 2015.

He remains on the board as a non-executive director as well as continuing on the board of the GPI/Sun International slots group of companies in which GPI has an interest. Alex is chairperson of these companies, including the holding company, Sun Slots, the management company, the 6 slots routes owned by Sun Slots countrywide and the Grand Gaming Corporate Social Investment Company.

In addition, Alex is the chairman of the board of Worcester Casino (Pty) Ltd and represents GPI on the board of Sun West International (Pty) Ltd. He is also a member of the Board's Investment Committee, Social and Ethics Committee and the Remuneration and Nomination Committee.

Alex is a qualified International Commercial Mediator, a former Judge of the Cape High Court and is currently the Deputy Chair of the Council of the College of Cape Town.

He is well known in sports circles having been appointed by the Minister of Sport as Chair of the Appeal Board of the South African Institute for Drug-Free Sport (SAIDS). He is also Chairman of the Appeal Board of the South African Football Association and has received a Special State President's Award: "*In Recognition of Services to South African Football*" from then, former President, Nelson Mandela.

RN

Nombeko Mlambo (71)

Non-Executive Director

Appointed to Board on 20 October 1997

BA (UNISA), B.Ed (UCT), MA in Counselling Psychology (Durham University)

Nombeko has been a non-executive director of the GPI Board since its inception in 1997. She is also a non-executive director of the various subsidiaries in the GPI Slots Group, a member of the Board's Remuneration and Nomination Committee and chairperson of the Western Cape Women's Investment Forum.

A teacher by profession, Nombeko's interest in education continues to be expressed through the various movements she has co-founded. These include the Community Ploughback Movement, which is focused on community-based Educational, Arts and Culture Projects; the Council for Black Education and Research Trust, an educational NGO; as well as the Business Skills and Development Centre which focuses on equipping young women with much-needed business skill.

NON-EXECUTIVE DIRECTORS

Colin Michael Priem (58)

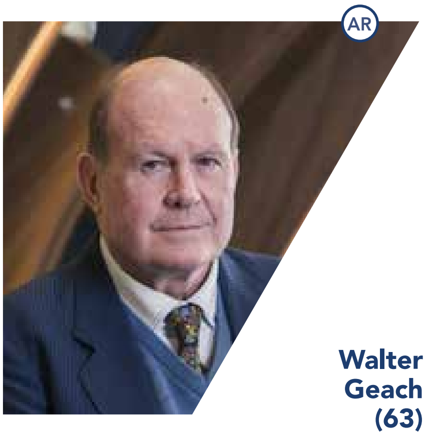
Non-Executive Director

Appointed 20 August 2012

M. Commerce (UWC)

Colin has a Bachelor's degree in Commerce, with Honours in Business Administration, and a Masters of Commerce degree in Management. He is currently the CEO of a large services business in Cape Town and is associated with the University of the Western Cape as a contract lecturer. In addition to being a non-executive director on the Board of GPI, he also serves as chairman of the Board's Audit and Risk Committee and as a member of the Remuneration and Nomination Committee and the Investment Committee.

Colin has comprehensive experience in financial, investment and strategic management gained as an academic and through active involvement in business and has more than twenty years' experience in the landscape design, construction and services industries.



Walter Geach (63)

Non-Executive Director

Appointed to Board on 17 September 2013

CA (SA) BA LLB (Cape Town) MCOM FCIS

Walter is a chartered accountant (CA) (SA), an admitted advocate of the High Court of South Africa and a Professor and Head of the Department of Accounting at the University of the Western Cape. Among his many other academic achievements, he has also authored/co-authored over 14 published books on a variety of subjects such as company law, corporate governance, financial accounting, taxation, financial planning, Trusts. The books are used extensively in practice by accountants, consultants, lawyers and financial planners.

In addition, Walter serves as a non-executive director on the boards of Grindrod Ltd and Grindrod Bank and is a member of the audit committee of both companies.

Rasheed Hargey (60)

Non-Executive Director

Appointed 1 September 2015

B. Commerce Honours (UWC)

Rasheed has a Bachelor's degree in Commerce, with Honours in Management, and has completed the Management Development Programme at the University of Stellenbosch.

In 1987 he co-founded HNR Computers where he held the position of Managing Director for a period of ten years. During his tenure the company became the largest black-owned software distributor in South Africa and won numerous awards, including Black Business of the Year in 1995 and Software Distributor of the Year for 1995, 1996, 1997 and 1998. Rasheed played a significant role in the formation of the Black IT Forum in 1993 and remains a member of the Forum as well as the Institute of Directors, the American Management Association, and the Black Management Forum.

In 2006, Rasheed was appointed as Chief Executive Officer of Tellumat (Pty) Ltd, a diversified technology group focusing on the Communications, Defence and Electronic Manufacturing market segments. Under his leadership the company saw impressive growth, developing and completing nine key product families and building project, engineering, development, manufacturing and servicing skills capacity. He resigned from Tellumat in 2013 to focus on his private business consultancy and his passion for disruptive technologies.

CORPORATE INFORMATION

COMPANY INFORMATION

Director Details

Hassen Adams	Executive Chairman
Tasneem Karriem	Chief Executive Officer
Shaun Barends*	Group Financial Director
Norman Victor Maharaj	Lead Independent Director
Alexander Abercrombie	Non-executive
Walter Geach	Independent Non-executive
Colin Michael Priem	Independent Non-executive
Nombeko Mlambo	Independent Non-executive
Rasheed Hargey	Independent Non-executive

* Appointed on 1 July 2017.

Nature of business:	Investment holding company
Company Secretary:	Lazelle Parton
Public officer:	Shaun Barends
Transfer secretaries:	Computershare Investor Services (Pty) Ltd PO Box 61051, Marshalltown, 2107
Auditors:	Ernst & Young Inc.
Attorneys:	Bernadt Vukic Potash & Getz
Bankers:	The Standard Bank of South Africa Ltd
Sponsors:	PSG Capital (Pty) Ltd
	PO Box 7403, Stellenbosch, 7599
Registered office:	10th Floor 33 on Heerengracht Foreshore Cape Town 8001
Registration number:	1997/003548/06
Share code:	GPL
ISIN:	ZAE000119814
Domicile and country of incorporation:	South Africa

SHAREHOLDERS' INFORMATION

Annual General Meeting	7 December 2017
Dividend	27 December 2017
Financial reports	
Announcement of interim results	March 2018
Announcement of annual results	September 2018
Annual Financial Statements	September 2018

AFS	Consolidated Annual Financial Statements for 2016
AGM	Annual General Meeting
Atlas	Atlas Gaming Holdings Pty Ltd, a company registered in Australia
BBBEE	Broad-based black economic empowerment
BEE	Black economic empowerment
Board	GPI Board of Directors
Burger King South Africa/BKSA	Burger King (RF) South Africa (Pty) Ltd
CAPEX	Capital expenditure
CEO	Chief Executive Officer
Companies Act	Companies Act, No. 71 of 2008, as amended
CSI	Corporate social investment
Dolcoast	Dolcoast Investments (Pty) Ltd (previously Dolcoast Investments Ltd)
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
EPS	Earnings per share
EY	Ernst & Young Inc.
GFMP	Grand Foods Meat Plant (Pty) Ltd
GGR	Gross gaming revenue
GPI	Grand Parade Investments Ltd
GPIMS	GPI Management Services (Pty) Ltd
GPI Properties	GPI House Properties (Pty) Ltd
GPI Slots	GPI Slots (RF) (Pty) Ltd
Grand Foods	Grand Foods (Pty) Ltd
Grand Linkstate	Grand Linkstate (Pty) Ltd (formerly Grand Technology (Pty) Ltd)
Grand Sport	Grand Sport (Pty) Ltd
Grand Tellumat	Grand Tellumat Manufacturing (Pty) Ltd
GrandWest	GrandWest Casino and Entertainment World
Group	GPI and all its subsidiaries
HDI	Historically disadvantaged individual
HEPS	Headline earnings per share
IAR	Integrated annual report
IFRS	International Financial Reporting Standards
iNAV	Intrinsic net asset value
IT	Information technology
JSE	Johannesburg Stock Exchange Ltd
King IV	King Report on Governance for South Africa 2016
KPI	Key performance indicators
LID	Lead Independent Director
LPM	Limited payout slot machine
Mac Brothers or MBCE	Mac Brothers Catering Equipment (Pty) Ltd
Nadesons Investments	Nadesons Investments (Pty) Ltd
NAV	Net asset value
QSR	Quick service restaurant
SCM	Sanlam Capital Markets Ltd
Spur/Spur Corporation	Spur Corporation Ltd
Standard Bank	Standard Bank of South Africa Ltd
Sun International	Sun International Ltd
SunWest	SunWest International (Pty) Ltd
TNAV	Tangible net asset value
Tsogo Sun	Tsogo Sun Holdings Ltd
Worcester Casino	Worcester Casino (Pty) Ltd

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