GRAND PARADE

INVESTMENTS LIMITED

AUDITED ANNUAL RESULTS

YEAR ENDED 30 JUNE 2018

Grand Parade Investments Limited

WELCOME

SALIENT FEATURES & OPERATIONAL HIGHLIGHTS

SALIENT FEATURES

19%

INCREASE IN **REVENUE**

R1 145 million

125%

DECREASE IN

LOSS FROM OPERATIONS

R79 million

144%

DECREASE IN

HEADLINE EARNINGS PER SHARE

366%

DECREASE IN

BASIC EARNINGS PER SHARE (as a result of a profit on sale of Sun Slots (R59) included in prior year)

OPERATIONAL HIGHLIGHTS

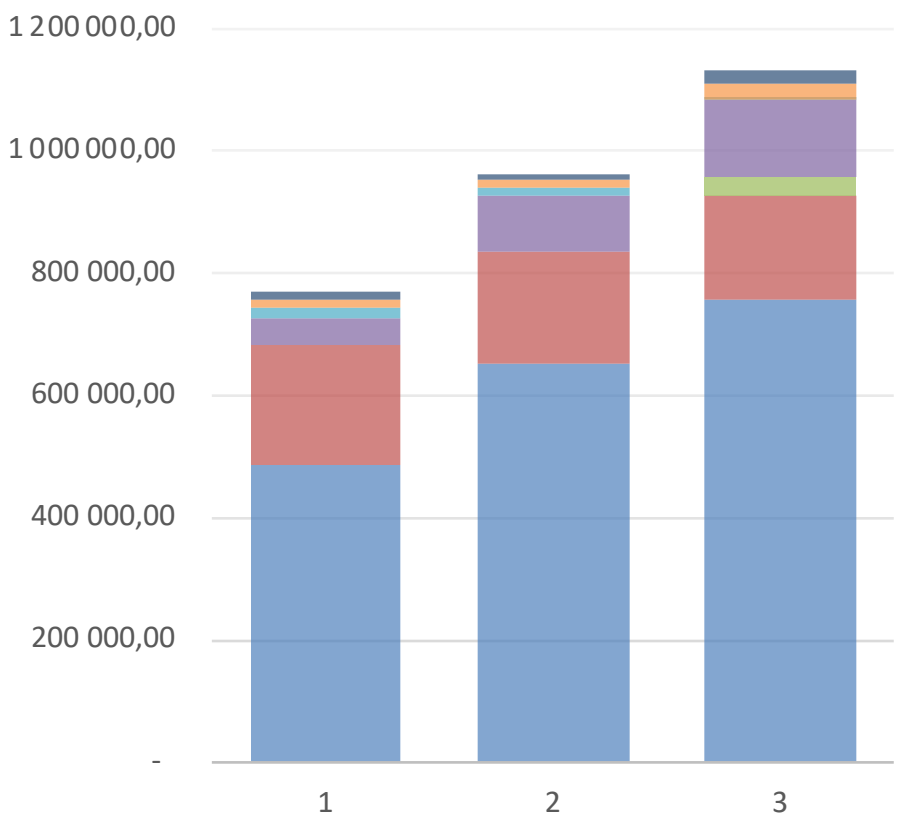
- Opened 19 Burger King restaurants increasing to a total of 80 corporate owned restaurants as at 30 June 2018
- Met the target of 80 Burger King stores by 30 June 2018
- Rolled out 5 stores for Dunkin Donuts and 1 store for Baskin Robbins, bringing total stores to 11 and 5 respectively.
- Reduced central costs' headline loss before taxation contribution by 51% to R32.9 million for the period under review

EXTRACTS: CONDENSED GROUP STATEMENT OF COMPREHENSIVE INCOME

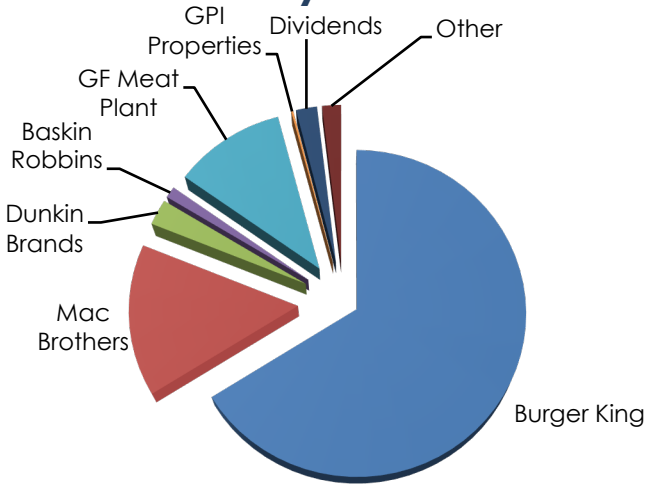
	FY2018 R000's	FY2017 R000's	Movement R000's
Revenue	1 144 638	962 998	181 640
Cost of Sales	(596 362)	(508 724)	(87 638)
Gross Profit	**548 276**	**454 274**	**94 002**
Operating costs	(578 830)	(515 342)	(63 488)
Loss from operations	**(30 554)**	**(61 068)**	**30 514**
Profit from equity accounted investments	109 360	96 094	13 266
EBITDA pre fair value adjustments	**78 806**	**35 026**	**43 780**
Fair value adjustments	(9 500)	60 409	(69 909)
EBITDA	**69 306**	**95 435**	**(26 129)**
Depreciation and amortisation	(65 455)	(70 989)	5 534
Finance income	8 387	31 583	(23 196)
Finance expense	(48 714)	(50 094)	1 380
Profit/ (loss) before tax	**(36 476)**	**5 935**	**(42 411)**
Tax	(13 391)	5 018	(18 409)
Profit/ (loss) for the year	**(49 867)**	**10 953**	**(60 820)**

EXTRACTS: CONDENSED GROUP STATEMENT OF COMPREHENSIVE INCOME

REVENUE – R000'S

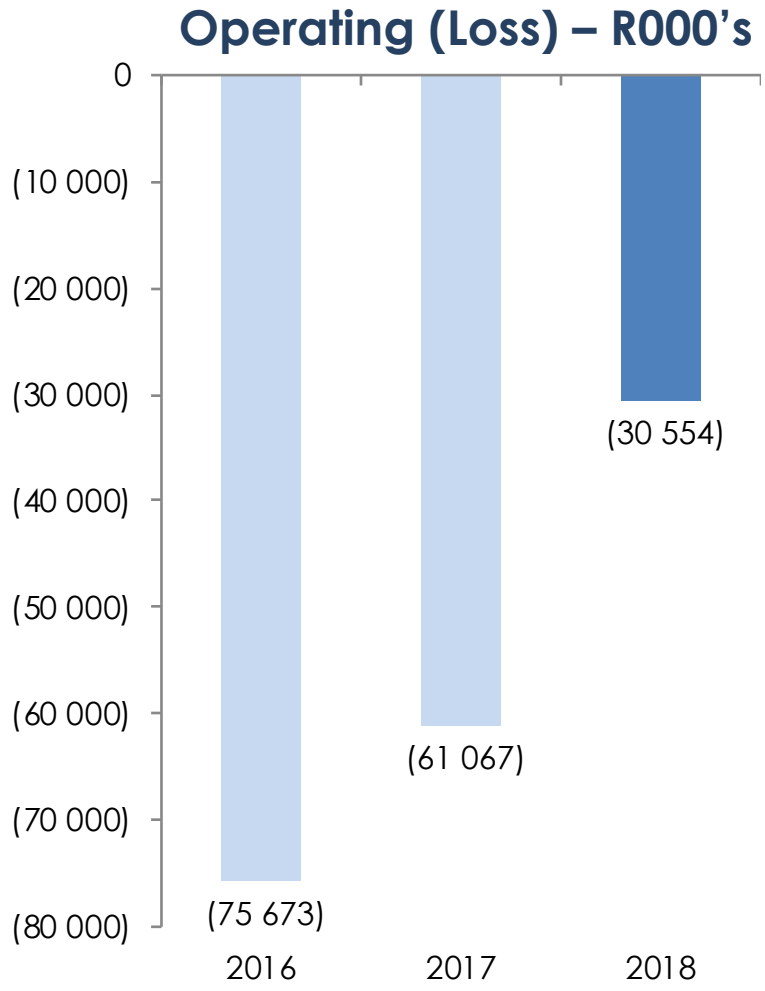


FY2018 - By Investment



	FY2018 R000's	FY2017 R'000's	FY2016 R000's
Burger King	756 236	623 837	485 162
Dunkin Donuts	29 460	24 034	-
Baskin Robbins	12 991	5 541	-
Mac Brothers	171 895	181 434	198 342
GF Meat Plant	126 321	92 087	44 739
GPI Properties	2 356	10 980	14 946
Dividends	23 726	16 859	15 235
Other	21 653	8 226	13 920
TOTAL	**1 144 638**	**962 998**	**772 344**

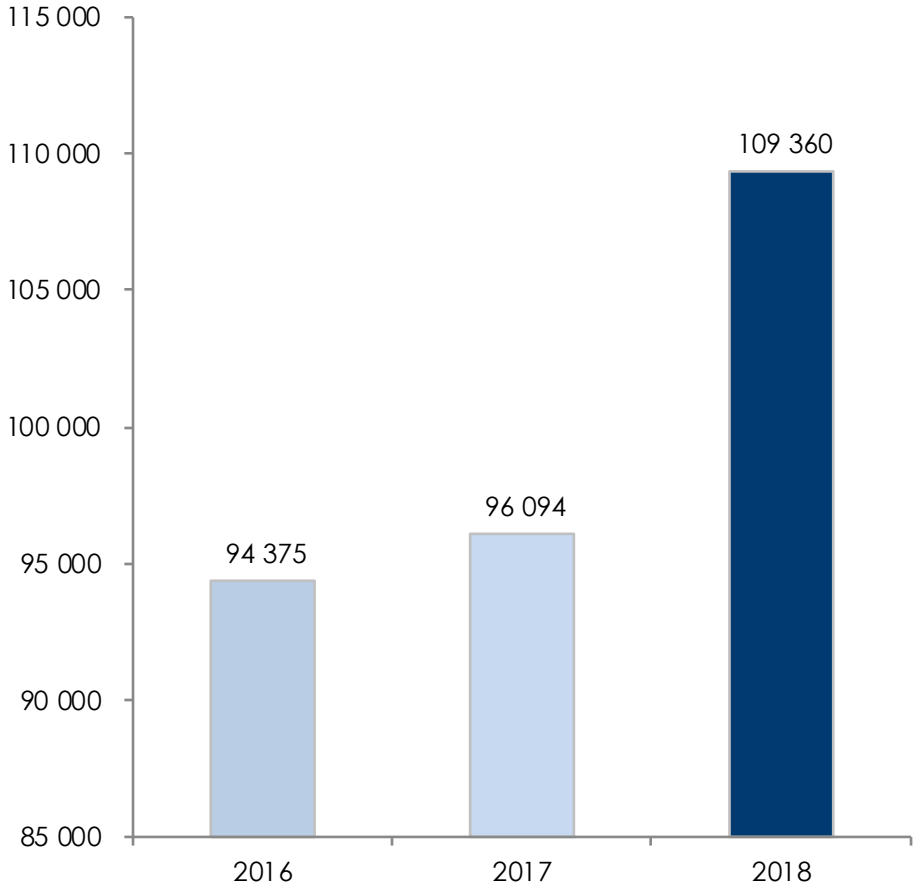
EXTRACTS: CONDENSED GROUP STATEMENT OF COMPREHENSIVE INCOME



OPERATING LOSS CONTRIBUTION	FY2018 R000's	FY2017 R'000's	Var
Operational entities	(34,311)	(37,102)	2,791
Burger King	22,876	12,052	10,824
Dunkin Donuts	(24,857)	(25,460)	603
Baskin Robbins	(18,582)	(15,316)	(3,266)
Grand Bakery	(7,622)	-	(7,622)
Grand Foods Meat Plant	(1,063)	(4,598)	3,535
Macbrothers	(5,063)	(3,780)	(1,283)
Other	3,570	(23,965)	27,535
TOTAL OPERATING LOSS	**(30,554)**	**(61,067)**	**30,513**

EXTRACTS: CONDENSED GROUP STATEMENT OF COMPREHENSIVE INCOME

Continued Equity Accounted Earnings R000's



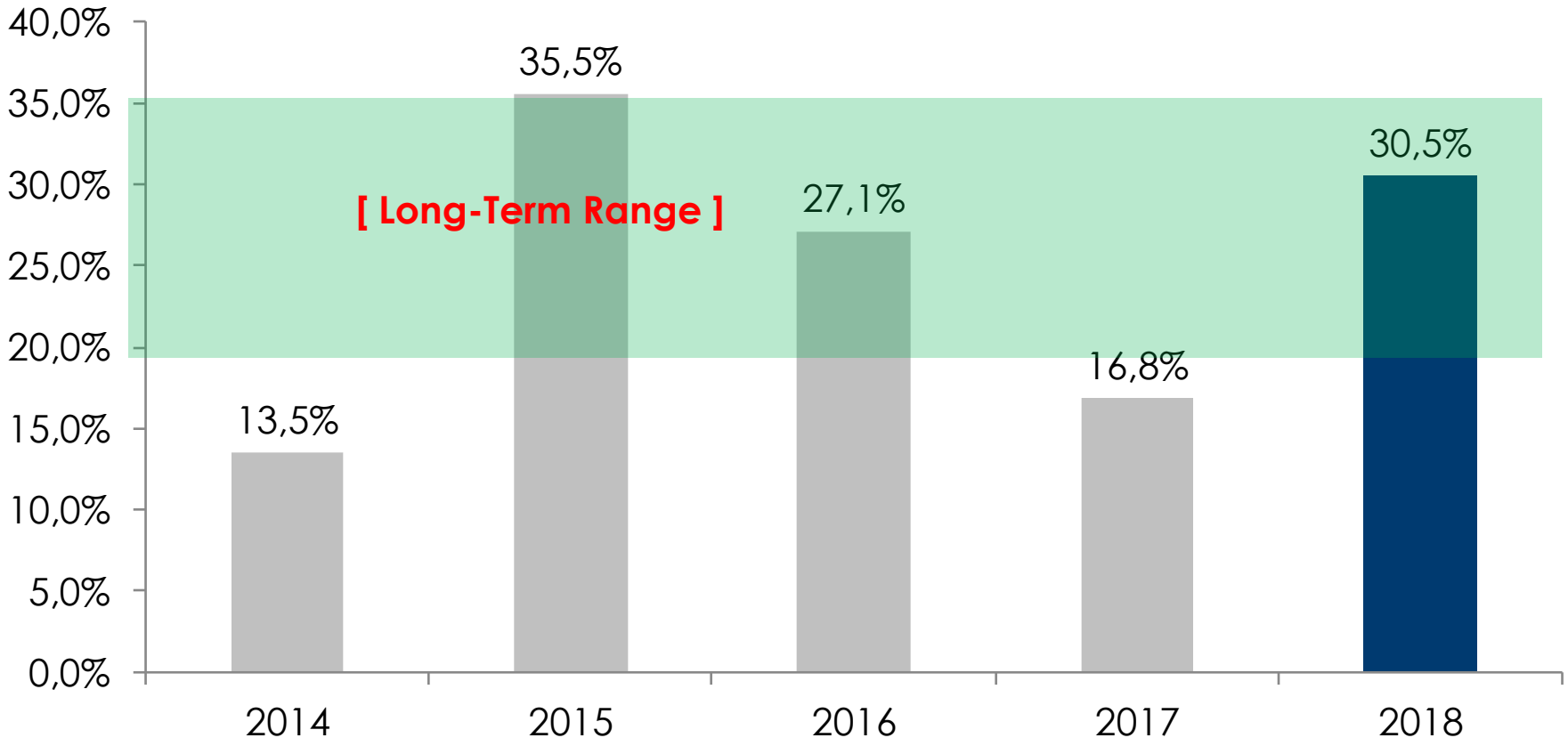
	FY2018	FY2017	FY2016
SunWest	**70 188**	**70 354**	**129 980**
15.1 % SunWest	70 188	70 354	78 195
10% of SunWest	-	-	51 785
30% Sun Slots	**36 622**	**27 860**	**32 468**
Worcester Casino	**2 550**	**2 529**	**(8 190)**
GTM	**-**	**(4 649)**	**(5 118)**
Other	**-**	**-**	**29**
Total equity accounted earnings	**109 360**	**96 094**	**144 168**
SunWest 10% adjustment	-	-	**(51 785)**
Continued equity accounted earnings	**109 360**	**96 094**	**94 375**

HEADLINE EARNINGS BY INVESTMENT

	30 June 2018	30 June 2017	Movement	
	R'000s	R'000s	R'000s	%
Food	**(107 741)**	**(112 330)**	**4 589**	**4%**
Burger King	(29 744)	(41 285)	11 541	28%
Dunkin Donuts	(29 833)	(27 754)	(2 079)	(7%)
Baskin Robbins	(24 863)	(16 193)	(8 670)	(54%)
Mac Brothers	(10 700)	(10 345)	(355)	(3%)
Bakery	(8 172)	-	(8 172)	(100%)
Spur	608	(4 939)	5 547	112%
Grand Foods Meat Plant	(5 037)	(11 814)	6 777	57%
Gaming	**117 076**	**103 755**	**13 321**	**13%**
SunWest	77 739	70 354	7 385	10%
Sun Slots	36 786	30 102	6 684	22%
Worcester Casino	2 551	3 299	(748)	(23%)
Central costs	**(35 644)**	**(40 996)**	**5 352**	**13%**
Corporate Costs (excl net finance income)	(32 992)	(67 919)	34 927	51%
Net corporate finance income/(expense)	(7 786)	18 186	(25 972)	(143%)
GPI Properties	5 134	8 737	(3 603)	41%
Non-core Investments	**(9 500)**	**(12 408)**	**2 908**	**23%**
GTM	(9 500)	(9 350)	(150)	(2%)
Grand Sport	-	(3 058)	3 058	100%
Headline loss before tax	**(35 809)**	**(61 979)**	**26 170**	**42%**
Tax	(12 210)	41 853	(54 063)	**(129%)**
Headline loss after tax	**(48 019)**	**(20 126)**	**(27 893)**	**(139%)**

GPI GROUP – 2018 YEAR-END RESULTS

Debt: Equity



GRAND PARADE
INVESTMENTS LIMITED

THANK YOU

GRAND PARADE

INVESTMENTS LIMITED

GPI

Strategic overview

GPI ETHOS

Shareholder Value

Identify Opportunities

Actively manage investments

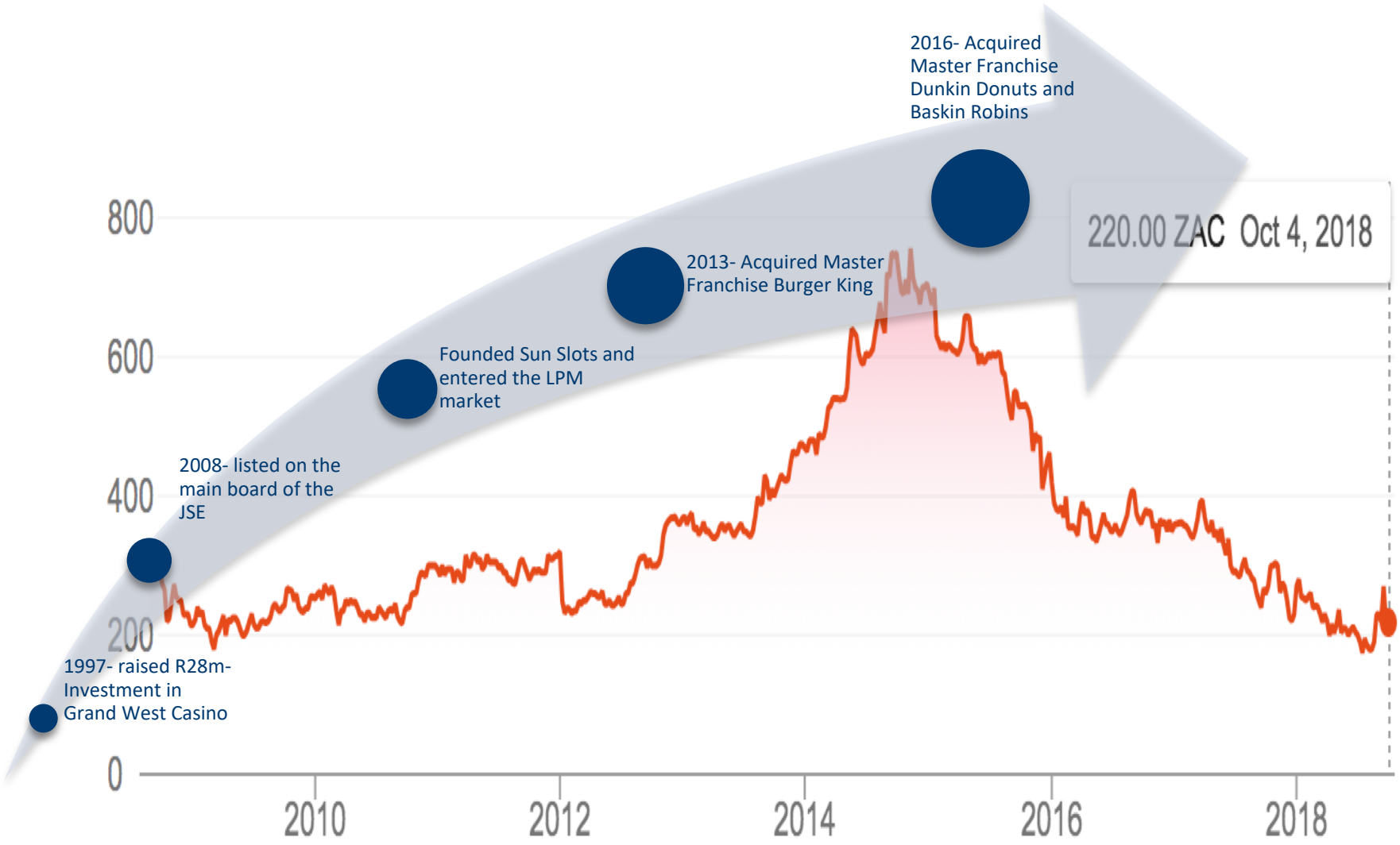
Maximize Value

Timed exit

Stakeholder Value

Sustainable Planet → People Centric → Delivering Profit → Empowerment Opportunities → Leverage Assets

GPI- From humble beginnings



STRATEGIC OBJECTIVES

Goals

- Leading empowerment group on the JSE
- 3.5 bn- 2020
- Adopt a value based strategy to maximise intrinsic value of all assets
- Leverage operational businesses to maximise value
- Continue to be dividend active

Stumbling Blocks

External
- Declining economy and tough trading conditions
- Highly indebted consumer
- Higher taxes in the food industry leading to declining margins

Internal
- Lack of confidence from the market leading to a massive discount in trading price
- Organisational change

There has never been a time of greater promise, or greater peril - Professor Klaus Schwab

Portfolio of assets

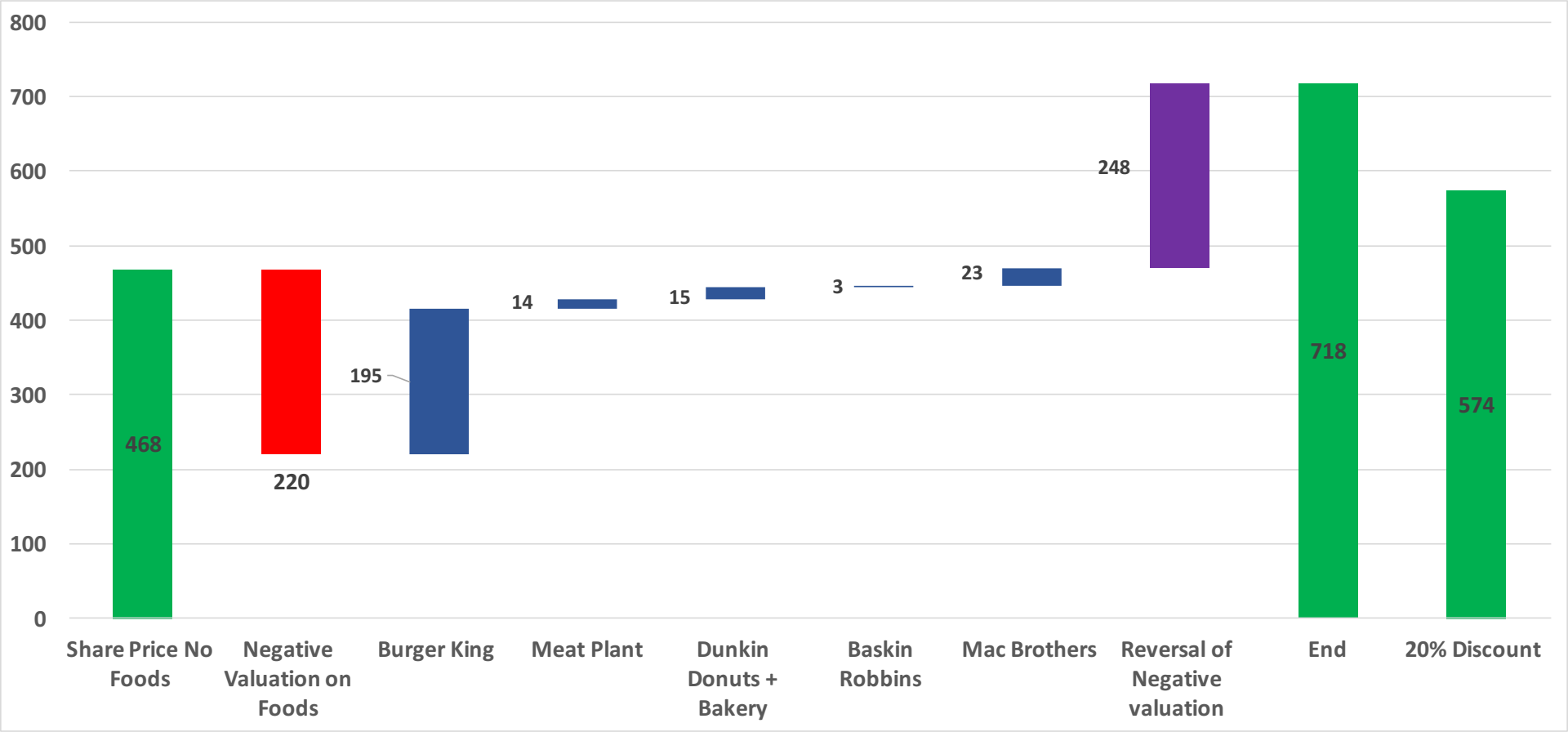
FOOD	GAMING & LEISURE	NON-CORE
Burger King Grand Foods Meat Plant Dunkin' Donuts Grand Bakery Baskin Robbins Mac Brothers catering equipment SPUR Corp.	GrandWest Casino and Entertainment World CTICC The Table Bay At the Waterfront The Golden Valley Casino Grand Slots Hot Slots Kingdom Slots KZN Slots Grand Gaming Slots	GPI Properties Atlas DR Gaming Technology YOUR NEXT SYSTEM!

ASSET CLASSIFICATION- BCG MATRIX

SUM OF THE PARTS- NON OPERATIONS

Company	Valuation Method	100% Equity (R'000s)	GPI Holding %	GPI Equity Value (R'000s)	Related holding co borrowings (R'000s)	Intrinsic NAV (R'000)
FOOD INVESTMENTS				**488,677**	**(255,462)**	**233,215**
Burger King	Not Valued	0	91%	0		0
Dunkin Donuts	Not Valued	0	0%	0		0
Baskin- Robbins	Not Valued	0	100%	0		0
Spur	Traded Share Price	2,794,469	18%	488,677	(255,462)	233,215
Mac Brothers	Not Valued	0	0%	0		0
Grand Foods Meat Plant	Not Valued	0	100%	0		0
Grand Bakery	Not Valued	0	100%	0		0
GAMING AND LEISURE				**1,626,977**		**1,626,977**
Sun West International	EV/EBITDA	5,852,043	15.10%	883,658		883,658
Worcester Casino	EV/EBITDA	239,766	15.10%	36,205		36,205
Sun Slots	EV/EBITDA	2,357,046	30%	707,114		707,114
OTHER INVESTMENTS				**252,950**	**(67,141)**	**185,809**
GPI Properties	Quadrant Valuation	252,950	100%	252950	(67,141)	185,809
				Value		**2,046,001**
				Cash		110,683
				Net Debt		(145,889)
				iNAV		2,010,795
				Issued shares		429,988
				iNAV per share (cents)		**468**
				Negative Value on Foods		**(1,064,821)**
				Actual share price		**220**

BRIDGING THE I-NAV GAP



COMPLETE SUM OF THE PARTS (UNAUDITED)

Company	Valuation Method	100% Equity (R'000s)	GPI Holding %	GPI Equity Value (R'000s)	Related holding co borrowings (R'000s)	Intrinsic NAV (R'000)	% of Portfolio	Intrinsic NAV (2017) (R'000)
FOOD INVESTMENTS				**1,564,621**	**(255,462)**	**1,309,159**	**38%**	**1,273,469**
Burger King	DCF	920,000	91.10%	838,120		838,120	24%	778209
Dunkin Donuts	DCF	39,341	100%	39,341		39,341	1%	35681
Baskin- Robbins	NAV	13,784	100%	13,784		13,784	0%	16371
Spur	Traded Share Price	2,794,469	17.80%	488,677	(255,462)	233,215	7%	273907
Mac Brothers	DCF	100,795	100%	100,795		100,795	3%	120429
Grand Foods Meat Plant	DCF	59,485	100%	59,485		59,485	2%	48872
Grand Bakery	DCF	24,419	100%	24,419		24,419	1%	0
GAMING AND LEISURE				**1,626,977**		**1,626,977**	**47%**	**1,539,142**
Sun West International	EV/EBITDA	5,852,043	15.10%	883,658		883,658	26%	866362
Worcester Casino	EV/EBITDA	239,766	15.10%	36,205		36,205	1%	27266
Sun Slots	EV/EBITDA	2,357,046	30%	707,114		707,114	21%	645514
OTHER INVESTMENTS				**252,950**	**(67,141)**	**185,809**	**5%**	**160898**
GPI Properties	Quadrant Valuation	252,950	100%	252950	(67,141)	185,809	5%	160897
				Value		3,121,945		2,973,509
				Cash		110,683		22020
				Net Debt		(145,889)		5946
				iNAV		3,086,739		3,001,475
				Issued shares		429,988		429,988
				iNAV per share (cents)		**718**		**698**

GRAND PARADE
INVESTMENTS LIMITED

THANK YOU

DISCLAIMER

This presentation includes forecasts, projections and other predictive statements that represent assumptions and expectations in light of currently available information. These forecasts, are based on industry trends, circumstances involving clients and other factors, and they involve risks, variables and uncertainties.

No guarantee is presented or implied as to the accuracy of specific forecasts, projections or predictive statements contained herein.

All information is proprietary and confidential to the Group.