YESTERDAY. TODAY. TOMORROW.

Unaudited interim results of
Grand Parade Investments Limited (GPI)
for the six months ended 31 December 2014

GRAND PARADE
INVESTMENTS LIMITED

Highlights

Disposed
25.1%
of GPI Slots (Pty) Ltd for
R310.7 million

Increased investment in Mac Brothers Catering Equipment (Pty) Ltd to
65.0%

Acquired
10%
of Spur Corporation Limited

Acquired
51.0%
of Grand Tellumat Manufacturing (Pty) Ltd

BURGER KING®

- 34 stores opened as at 31 December 2014
- 95% of inputs localised
- Contractual development targets to be attained in half the stipulated time
- Operations profitable at a store level from December 2014

Operational highlights

The past six months have seen GPI crystalise its strategy of being an investment holding company and resulted in an extremely busy and dynamic period where GPI continued to focus on finalising the various disposal transactions entered into during the last financial year. The first tranche of the disposal of GPI Slots was successfully concluded during the period where 25.1% of GPI Slots was sold to Sun International Limited ("Sun"). In addition there were three significant acquisitions made during the period namely: the acquisition of a further 42.8% of Mac Brothers Catering Equipment (Pty) Ltd ("Mac Brothers") which increased GPI's holding to 65.0%, the acquisition of 10.0% of Spur Corporation Limited ("Spur") and the acquisition of 51.0% of Grand Tellumat Manufacturing (Pty) Ltd ("GTM") as part of a joint venture arrangement with Tellumat (Pty) Ltd ("Tellumat").

The focus over the past six months was to start realigning the head office structure with that of an investment holding company. In addition, the performance criteria of the subsidiary companies' executive teams have been aligned with GPI's strategic objectives so as to drive performance through-out the group. GPI still has a number of operationally intensive investments, most significantly BURGER KING®, Grand Sport its fledgling sports betting business, GPI Properties and Grand Technology. A strategy has been implemented for each of these investments to ensure that over the short term the GPI executive team is not involved with the day-to-day operations of these companies with their contribution to each investment happening at a strategic level only.

Status of transactions concluded in the prior period

As previously disclosed, agreements were concluded in the last financial year to dispose of the full investments of 25.1% in SunWest, 25.1% in Worcester Casino and 24.9% in Dolcoast as well as 70.0% of the investment in GPI Slots. The transactions are at various stages of completion and are discussed in more detail below.

On 30 December 2014 the first of the three tranches to dispose of up to 70.0% of GPI Slots was concluded. Under the first tranche GPI sold 25.1% to Sun for R310.7 million. The proceeds consisted of R215.9 million for the sale of shares, R72.7 million for the pro rata share of the shareholder loan with GPI Slots, R20.0 million for the cancellation of the management contract with GPI Slots and R2.1 million interest due to the delayed implementation of the transaction. The two remaining tranches allow Sun to acquire a further 25.0% and 19.9% respectively, with the purchase consideration being linked to an EBITDA multiple for both tranches. Sun and GPI have started preparing the required submissions for the approval of the second tranche, which is expected to be finalised in the last quarter of the 2015 calendar year.

The disposal of the investments in SunWest and Worcester Casino has not been concluded as yet, as the Western Cape Gambling and Racing Board and the Competition Commission are yet to approve the transaction. The delay is due to the Competition Commission submitting a recommendation to the Competition Tribunal on 29 January 2015 to decline the transaction. The Competition Tribunal did not rule on the recommendation and granted the parties to the transaction the right to appeal the recommendation, which will be heard by the tribunal in April 2015. GPI has discussed the effect of the recommendation by the Competition Commission with its legal counsel, during these discussions, consideration was given to; previous transactions that the Commission provided a recommendation to decline and the ultimate decision by the Tribunal; the reasons on which the recommendation from the Commission were based; and the strength of the appeal. Based on these considerations GPI still considers the likelihood of the transaction being concluded as being highly probable.

The disposal of the 24.9% holding in Dolcoast was concluded subsequent to the reporting period, on 30 January 2015. The disposal was effected by way of a share buy-back by Dolcoast, and GPI received R130.0 million in proceeds as a result.

Investment activity

As mentioned earlier, GPI concluded three significant acquisitions during the period

The first acquisition, concluded on 28 July 2014, was the acquisition of an additional 42.8% of Mac Brothers for R42.8 million. The acquisition increased GPI's investment in Mac Brothers to 65.0% and gave GPI control of the company. The results of Mac Brothers have been consolidated into the results from 28 July 2014. Subsequent to the period-end GPI acquired the remaining 35.0% from the minority shareholders to give it full control of the company.

The second transaction, concluded on 1 September 2014, was the acquisition of 51.0% of GTM for R21.8 million. The acquisition was in terms of a joint venture agreement with Tellumat, where the electronics manufacturing division of Tellumat was sold to GTM and will operate as a stand-alone electronics manufacturer. Tellumat will remain as one of GTM's main customers whilst GTM will also be responsible for the group's gaming machine manufacturing. The transaction has created fresh impetus within management and opportunities abound in several sectors where the undoubted capabilities of GTM will be utilised.

The third transaction, concluded on 30 October 2014, was the acquisition of 10.0% of Spur for R294.7 million. The transaction was an empowerment transaction whereby GPI received a 10% discount on the market price in exchange for a five-year investment lock-in period. R72.4 million of the acquisition was paid in cash with the remaining R222.3 million funded through R72.3 million of vendor funding and R150.0 million of third party debt.

INVESTMENT'S TRADING PERFORMANCE

Despite GPI's strategic direction moving towards becoming a pure investment company, it will never be a passive investor and consequently it provided it's growth assets with operational assistance during the period. The executive team spent time refining the business of, in particular BURGER KING®, Grand Sport, Mac Brothers and GTM, to ensure that adequate operating standards are maintained while these businesses are going through their significant growth phases. This close involvement has yielded very positive results on all the operations with all four businesses being able to increase their operating margins and developing to a point where the management thereof can be decentralised in the near future.

Below is commentary on both the operational and financial performance of each of GPI's significant investments.

BURGER KING® (South Africa)

BURGER KING® (South Africa) continued its expansion during the period and opened 18 new stores taking the total number of stores to 34 as at 31 December 2014. The stores are split between 26 corporate stores, 4 Sasol franchise stores and 4 Joint Venture stores with strategic partners.

The total revenue generated during the period amounted to R134.9 million which is 248.0% higher than last year, at an average monthly revenue per store of R1.1 million. Without detracting from the excellent expansion during the period, the biggest accomplishment has been the remarkable increase in the gross margin. This increase is due to the localisation of inputs, of which 95.0% had been sourced locally by 31 December 2014. This is the fastest localisation of inputs by any BURGER KING® region globally. There will be a continued focus on localising the remainder of the inputs so as to achieve the benchmarks that GPI deems appropriate.

During the period, BURGER KING® revised its expected store roll-out from 100 to 60 stores at 30 June 2015. The revision of the roll-out is predominantly due to delays in store opening caused by various approvals required by the respective municipalities. In addition, BURGER KING® has revised its store format mix to be weighted more towards drive-through restaurants, which have the potential to generate higher revenues than inline and food court stores. The targeted mix is for 40% of the stores to be drives through format.

As anticipated, BURGER KING® is required to make large investments in its head office and marketing infrastructure. With 34 stores opened as at 31 December 2014, BURGER KING® has not reached it's critical mass in order to cover the head office and marketing costs. The annualised profits of the stores for December 2014 is sufficient to allow BURGER KING® to trade at a profit, but the company still has a few months to go to absorb the cost of the initial investment in this infrastructure.

BURGER KING®'s short to medium term focus will be on opening corporate, joint venture and Sasol franchise stores. Franchising options are not currently being considered.

Spur

Spur increased its revenue for the period by 8.7%, year on year, to R408.7 million, largely driven by a 13.0% increase in the South African revenue. However, the group showed a 12.1% year on year decline in its profit before tax due to a once-off expense of R33.0 million relating to the empowerment transaction concluded with GPI and a R11.8 million charge related to its long-term share-linked retention scheme. If these once-off expenses are excluded, the comparable profit before tax has increased by 15.3% year on year. The company declared a 62.0 cents per share interim dividend which is 8.8% higher than last year and will equate to a R6.7 million dividend receivable by GPI after the period-end.

GPI Slots

GPI Slots concluded the acquisition of KZN Slots (Pty) Ltd for R74.5 million during the period. The effective date of the acquisition was 8 August 2014, which is the date from which the KZN Slots results have been included in the GPI Slots results. KZN Slots is licensed to operate up to 1 000 LPMs in KwaZulu-Natal and had 623 active LPMs on the date of the acquisition, finishing the period on 612 LPMs.

GPI Slots continued to report excellent results, growing its revenue for the period by 41% year on year to R393.0 million and showing a profit after tax of R46.1 million, which is 49% higher than last year. The group achieved an EBITDA margin of 23.0% for the period, which is 1.0 % higher than last year. This significant growth justifies the decision to reduce GPI's holding in the company over time in order to extract maximum value from the disposal.

At 31 December 2014 GPI Slots had 3 296 active LPMs throughout its network out of 6 000 licensed machines, which is an increase of 757 LPMs year on year. There has also been an improvement in the gaming revenue market share increasing from 39.15% to 46.83% year on year at an average Gross Gaming Revenue per machine per day of R671.81 for the period.

Mac Brothers

Mac Brothers had a very positive six months, which resulted in a 26% year on year increase in its revenue to R122.5 million. Very encouragingly the revenue increase has been driven by higher margin manufacturing activities and resulted in 2% year-on-year increase in the gross margin percentage to 34.3%.

Since taking control of Mac Brothers on 28 July 2014, the management team has focused on reducing the operating expenses and identifying operating efficiencies, which has resulted in a number of costs savings. The full effect of these savings has not been reflected in this period's earnings. However, the full effect will be included in the full-year results. The earnings before interest and tax for the period increased by 17.0% year on year to R6.9 million.

The company carried a large interest bill of R1.8 million for the period, as a result of interest on shareholder loans, which have been eliminated when GPI acquired the remaining 35.0% interest from minorities on 13 January 2015. As a result of the large interest charged the profit after tax for the period is R0.5 million lower than last year at R3.9 million.

Grand Tellumat Manufacturing:

GTM commenced operations on 1 September 2014, and generated revenue of R19.7 million during the first four months of its operations. Three of the company's major customers experienced delays with their orders which resulted in a net loss before tax of R7.7 million. The loss is a timing issue as the delayed orders have been placed during the second half of the financial year.

Grand Sport

Grand Sport, trading under the name Grand Play is an online sports betting business that began operating on 12 June 2014. The business is a green fields venture for GPI and is in line with its strategy to establish a presence in the technology betting space.

Local online sports betting is a very competitive industry, with a large number of operators competing for the same customer and credibility with the customer is built up over time. In the first seven months of operations, Grand Play has focused on recruiting its database of customers and on operational efficiencies.

GPI Properties

During the past six months GPI Properties expanded beyond being an exclusive property holding business and created a new division focused exclusively on the development of BURGER KING® stores. The creation of this new division has allowed BURGER KING® to focus on its operations during its critical expansion phase. GPI Properties has worked consistently throughout the period to identify cost savings on the BURGER KING® store development both through the design of the stores and the procurement of building materials. An average saving of 20.0% across all BURGER KING® store formats has been identified and will be implemented at all new stores.

The store development activities did not hold GPI Properties back from investing in further properties. During the period two industrial properties were acquired at a combined cost of R51.0 million. The properties, one based in Gauteng and the other in Cape Town are leased by Mac Brothers.

In addition to these acquisitions, agreements were concluded during the period to purchase two further properties. A property in Sandton, Gauteng was purchased for R12.0 million, which will be redeveloped into a BURGER KING® store, and an eight storey office building on Heerengracht Street in the Cape Town foreshore for R40.0 million. The attractive purchase price and prime location of this building makes it a very exciting redevelopment opportunity and GPI is currently assessing a number of redevelopment options for the building.

GrandWest Casino

GrandWest's results for the period were exceptional as it increased its revenue by 10.5% to R1 103.5 million which was driven by an increase in both its tables revenue and slots revenue. The casino generated a net profit after tax for the period of R277.3 million, which is 11.6% higher than last year. GPI will continue to receive dividends from SunWest while the disposal of its investment is delayed.

Table Bay Hotel

The Table Bay Hotel, unfortunately, was particularly hard hit by a high number of cancellations during the period, as a result of the Ebola epidemic that broke out in West Africa. Despite the cancellations, the hotel was able to increase its year-on-year revenue by 10.0% and reduced its net loss after tax by 38.0% to R8.9 million.

Worcester Casino

The economy of the Worcester region continued with its sluggish performance over the reporting period, which had an impact on the performance of Golden Valley Casino. Revenue for the period, of R73.2 million, is 5.2% higher than last year, with a reduction in the tables revenue and hotel revenue diluting good growth in the slots revenue. This translated into a loss after tax of R3.6 million which is 42% higher than last year.

FINANCIAL PERFORMANCE

The agreements concluded in the previous financial year, to divest from certain gaming assets as well as our acquisitions made during the period have had a significant effect on our earnings for the period and have also made the comparability of the results quite difficult to interpret. In order to full understand the effect the investing activities have had on the results for the period, each transaction has been discussed in detail below:

Agreements to dispose of investments in SunWest, Worcester Casino and Dolcoast:

As disclosed in the 30 June 2014 annual financial statements, the investments in SunWest, Worcester Casino and Dolcoast were reclassified as discontinued operations, in terms of IFRS 5: Discontinued operations and assets held for sale, as these investments represent a separate major line of business, being the Casino segment. The classification of all these investments has remained the same during the current period as the likelihood of the transaction being concluded remains highly probable for each transaction, and as per the requirements of IFRS 5, only the dividend income from the investments has been recognised in the statement of comprehensive income. The income has been recognised under "profit for the period from discontinued operations" and is made up of a R65.3 million dividend from SunWest and a R5.0 million dividend from Dolcoast. Worcester Casino did not declare a dividend during the period.

As a result of being classified as a discontinued operation, the investments have been recognised at their carrying values in the statement of financial position, under "Assets classified as held for sale". At 31 December 2014, SunWest had a carrying value of R1 056.9 million, Dolcoast of R121.3 million and Worcester Casino a nil value.

Disposal of 25.1% of GPI Slots

The disposal of the first tranche of GPI Slots reduced GPI's holding to 74.9% and resulted in GPI and Sun jointly controlling GPI Slots. Therefore the investment in GPI Slots was de-consolidated on the effective date of the disposal and was reclassified as a jointly controlled entity (refer below for commentary on the further reclassification of the portion GPI has committed to sell). The deconsolidation resulted in a gain of R684.3 million in the statement of comprehensive income under "profit for the period from discontinued operations".

Agreement to dispose a further 44.9% of GPI Slots

The remaining 74.9% investment in GPI Slots after the disposal discussed above, is subject to the provisions of the disposal agreement with Sun, where GPI has granted Sun two call options to acquire a further 25.0% and 19.9% respectively. Therefore the 74.9% holding has been split between the 30.0%, which GPI will ultimately retain, and the 44.9% that GPI has committed to sell to Sun.

The 30.0% portion, that will be retained, has been classified as a jointly-controlled entity under "Non-current assets" in the statement of financial position and was equity accounted during the period. R13.8 million, being 30.0% of GPI Slots' earnings for the period, has been recognised in the statement of comprehensive income under "profit from equity-accounted investments and as at 31 December 2014, the investment is being carried on the statement of financial position at R271.8 million.

The 44.9% portion which has been committed to be sold to Sun, has been classified as an "Investment Held for Sale" in terms of IFRS 5. The investment has been recognised at its carrying value at the date it became held for sale of R516.3 million in the statement of financial position under "Assets classified as held for sale" and a related deferred tax liability of R31.8 million has been classified under "Liabilities associated with assets held for sale". No equity-accounted income has been recognised in terms of the requirements of *IFRS 5*.

Acquisition of 42.8% of Mac Brothers

The acquisition of an additional 42.8% of Mac Brothers during the period increased the total investment in the company to 65.0%, which gave control of the investment. Therefore, from the effective date of the acquisition, being 28 July 2014, the investment was reclassified from an associate to a subsidiary with their results being consolidated from that date. As part of the initial recognition of the investment as a subsidiary the carrying value of the existing 22.2% holding was increased to its fair value of R23.0 million. This resulted in a fair value adjustment of R0.7 million in the statement of comprehensive income. The 35.0% non-controlling interest at its fair value of R36.3 million and goodwill on the acquisition of R38.6 million have been recognised in the statement of financial position.

For the one month prior to the effective date of the acquisition the investment was treated as an associate and R0.4 million was recognised as equity-accounted earnings from the investment.

Acquisition of 51.0% of Grand Tellumat Manufacturing

The acquisition of 51.0% of GTM has been classified as a jointly controlled investment and as a result equity accounted. A R4.0 million loss has been recognised under profit from equity-accounted investments, which represents GPI's 51.0% share of GTM's losses for the period.

Acquisition of 10.0% of Spur Corporation Limited

The acquisition of 10% of Spur for R294.7 million has been classified as an available-for-sale investment as GPI does not have significant influence over the company. The classification is in line with GPI's existing accounting policy on investments. The investment is carried at its fair value using the spot price of the shares listed on the JSE, which is a level 1 fair value. At 31 December 2014 the Spur spot share price was R31.29 per share, which resulted in a fair value gain of R36.5 million being recognised in "other comprehensive income for the period". Spur did not declare a dividend in the period since GPI's acquisition.

In order to fund its investment activity and the expansion of BURGER KING®, GPI extended its debt position during the period. A R51.0 million mortgage bond was raised in GPI Properties to fund the acquisition of two industrial properties. Preference shares with a value of R222.3 million were issued by GPI Spur SPV, a wholly-owned subsidiary, on 30 October 2014, to fund the acquisition of the 10% investment in Spur. GPI raised a further R277.0 million as short-term loan facilities, which will be repaid from the proceeds of the sale of SunWest. GPI has already taken steps to ensure in the event that the sale does not materialise, that these facilities will be converted into long-term facilities. As a result of higher levels of debt, the interest expense for the period of R24.1 million is significantly higher than last year's interest expense of R8.9 million.

A deferred tax asset of R38.1 million has been recognised as at 31 December 2014. The asset is 376% higher than last year's balance of R8.0 million. The deferred tax asset related to assessed losses recognised in BURGER KING®. In terms of IAS 12 – Income Taxes, a deferred tax asset related to unused tax losses may only be recognised if there is convincing evidence of sufficient taxable profit against which the unused tax losses can be utilised. GPI has reviewed the business plan and financial forecasts of BURGER KING® and has determined that there is no significant change from the forecasts reviewed at 30 June 2014, and remain convinced that taxable profits will be generated.

Basic earnings for the period of R620.2 million has increased by 413% year on year largely as a result of the R684.3 million gain recognised on the deconsolidation of GPI Slots. To determine the headline earnings, the gain has been reversed, which has resulted in a headline loss for the period of R27.9 million, which is 143% lower than the headline earnings reported last year. The decline in the headline earnings from last year is due to the significant reduction in the amount of GPI Slots' earnings recognised in the current year's earnings. Only 30.0% of GPI Slots' earnings have been recognised in this year, whereas the comparative period included 100% of GPI Slots' earnings.

RELATED-PARTY TRANSACTIONS

8.5% of the 42.8% acquired in Mac Brothers on 28 July 2014 was acquired from Nadesons Investments (Pty) Ltd for R8.5 million. Hassen Adams and Alan Keet are both executive directors of GPI and are affiliates of Nadesons Investments.

In addition to this transaction, the group, in the ordinary course of business, entered into various transactions with related parties. Any intra-group related-party transactions and outstanding balances are eliminated in the preparation of the consolidated financial statements of the group as presented.

DIVIDENDS

An annual dividend of 20.0 cents per share was declared, as announced on SENS on 5 January 2015, which is 33.3% higher than last year's annual dividend of 15.0 cents per share.

SUBSEQUENT EVENTS

On 13 January 2015 GPI acquired the remaining 35.0% of Mac Brothers from its minority shareholders to take full control of the business. A total consideration of R23.8 million was paid, R10.2 million in cash and R13.6 million by way of a new issue of 1.8 million GPI Shares at a price of R7.35 per share.

On 30 January 2015, GPI concluded the disposal of 24.9% of Dolcoast via a share buy-back. GPI received R130.0 million in consideration.

DIRECTORATE

On 1 November 2014, Sukena Petersen resigned as the Group Financial Director. Sukena has been with GPI since its initial listing on the JSE and the board would like to thank her for her dedication to GPI. Sukena was replaced by Dylan Pienaar who fulfilled the role as Interim Financial Director until 26 February 2015, when he was permanently appointed to the position.

Tony Bedford retired as non-executive director from the GPI Board on 1 February 2015 and the board would like to express their gratitude to Tony for his contribution to GPI.

Alex Abercrombie retired as an executive director of GPI with effect from 27 February 2015. Alex is a founding member of GPI and has served as a director of GPI since its inception. Alex has agreed to remain on the GPI Board as a non-executive director, where his considerable experience will continue to add value.

PROSPECTS

The focus on cementing GPI's status as an investment holding company with a diversified portfolio of complementary assets, has allowed the investigation of several opportunities that have been presented to us in other sectors.

The focus is, however on ensuring that GPI extracts maximum value from its existing asset. BURGER KING®'s growth is a key strategic area for GPI and that will be achieved through expansion of the South African development, acquisitions along the supply chain and initial investigations into exercising rights relating to other regions in Africa.

This strategy remains irrespective of the outcome of the sale of GPI's casino assets.

For and on behalf of the board

H Adams	A Keet
Executive Chairman	*Chief Executive Officer*
27 February 2015	27 February 2015

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

Condensed group statement of comprehensive income

for the six months ended 31 December 2014

	Note	Unaudited 31 December 2014 6 months R000's	Restated and unaudited 31 December 2013 6 months R000's	Audited 30 June 2014 12 months R000's
Continuing operations				
Revenue		237 248	48 121	134 976
Cost of sales		(123 364)	(27 246)	(85 107)
Gross profit		**113 884**	**20 875**	**49 869**
Operating costs		(206 098)	(63 404)	(165 385)
Loss from operations		**(92 214)**	**(42 529)**	**(115 516)**
Profit from equity-accounted investments		9 804	–	(528)
Remeasurement of investment		657	32 842	32 838
Gain on acquisition of investments		–	23 843	23 637
Depreciation and amortisation		(10 154)	(5 006)	(8 755)
(Loss)/profit before finance costs and taxation		**(91 907)**	**9 150**	**(68 324)**
Finance income		3 705	6 552	8 621
Finance costs		(24 049)	(9 969)	(18 026)
(Loss)/profit before taxation		**(112 251)**	**5 733**	**(77 729)**
Taxation		12 701	9 633	18 846
(Loss)/profit for the period from continuing operations		**(99 550)**	**15 366**	**(58 883)**
Discontinued operations				
Profit for the period from discontinued operations	2	718 373	101 949	121 972
Profit for the period		**618 823**	**117 315**	**63 089**
Other comprehensive income				
Items that will be reclassified subsequently to profit and loss				
Unrealised fair value gain/(loss) on available-for-sale investments, net of tax		36 489	(1 174)	(5 189)
Total comprehensive income for the period		**655 312**	**116 141**	**57 900**
(Loss)/profit from continuing operations attributable to:				
– Ordinary shareholders		(98 192)	18 962	(51 042)
– Non-controlling interest		(1 358)	(3 596)	(7 841)
Profit from discontinued operations attributable to:				
– Ordinary shareholders		718 373	101 949	121 972
		618 823	**117 315**	**63 089**
Total comprehensive income attributable to:				
– Ordinary shareholders		656 670	119 737	65 741
– Non-controlling interest		(1 358)	(3 596)	(7 841)
		655 312	**116 141**	**57 900**
		Cents	**Cents**	**Cents**
Basic earnings per share		127.66	26.21	15.20
Continuing operations		(20.21)	4.11	(10.93)
Discontinued operations		147.87	22.10	26.13
Diluted earnings per share		127.03	26.21	15.13
Continuing operations		(20.11)	4.11	(10.89)
Discontinued operations		147.14	22.10	26.02
Headline (loss)/earnings per share		(5.74)	13.95	3.17
Diluted headline (loss)/earnings per share		(5.71)	13.95	3.15
Adjusted headline (loss)/earnings per share		(5.65)	14.86	22.91
Diluted adjusted headline (loss)/earnings per share		(5.62)	14.94	22.82
Ordinary dividends per share		–	15.00	15.00

Condensed group statement of financial position
as at 31 December 2014

	Note	Unaudited 31 December 2014 R000's	Restated and unaudited 31 December 2013 R000's	Audited 30 June 2014 R000's
ASSETS				
Non-current assets		**1 112 562**	**1 771 569**	**301 692**
Investments in joint ventures		289 661	1 046 924	–
Investments in associates		–	119 302	22 246
Available-for-sale investments	4	339 437	6 237	–
Goodwill		39 282	158 268	377
Property, plant and equipment		388 090	315 193	246 673
Intangible assets		11 286	95 796	6 043
Deferred tax assets		44 806	29 849	26 353
Assets classified as held for sale		1 694 467	–	1 655 335
Current assets		**840 967**	**333 187**	**218 203**
Inventories		55 157	2 822	9 450
Trade and other receivables		110 559	59 413	36 638
Related-party loans		137 680	14 847	23 705
Cash and cash equivalents		536 498	254 936	145 482
Income tax receivable		1 073	1 169	2 928
Total assets		**3 647 996**	**2 104 756**	**2 175 230**
EQUITY AND LIABILITIES				
Total equity		**2 355 804**	**1 730 669**	**1 682 715**
Ordinary share capital and premium		845 894	770 364	830 230
Treasury shares		(74 231)	(12 709)	(72 709)
Accumulated profit		1 541 375	966 205	920 217
Available-for-sale investments fair value reserve		36 421	5 071	1 056
Share-based payment reserve		6 044	1 437	3 620
Capital reserve redemption fund		301	301	301
Non-controlling interest		25 544	(5 620)	(9 407)
Total shareholder equity		**2 381 438**	**1 725 049**	**1 673 308**
Non-current liabilities		**539 238**	**255 081**	**212 683**
Cumulative redeemable preference share capital and premium		384 644	132 624	132 691
Interest-bearing borrowings		105 849	85 573	60 945
Deferred tax liabilities		46 679	36 083	18 557
Provisions		2 066	801	490
Liabilities as associated with assets classified as held for sale		31 379	–	170 124
Current liabilities		**695 941**	**124 626**	**119 115**
Trade and other payables		194 662	97 497	69 079
Provisions		25 027	5 529	9 791
Interest-bearing borrowings		393 286	11 750	32 402
Related-party loans		15 999	–	–
Dividends payable		7 165	9 850	7 693
Taxation		59 802	–	150
Total equity and liabilities		**3 647 996**	**2 104 756**	**2 175 230**
		Cents	Cents	Cents
Net asset value per share		489	367	345
Adjusted net asset value per share		517	370	361

Condensed group statement of cash flows

for the six months ended 31 December 2014

	Unaudited 31 December 2014 R000's	Restated and unaudited 31 December 2013 R000's	Audited 30 June 2014 R000's
Cash flows from operating activities			
Net cash utilised by operations	(29 751)	(51 002)	(98 937)
Income tax paid	(1 132)	(1 540)	(1 950)
Finance income	3 705	6 552	8 621
Net cash from operating activities from discontinued operations	–	60 030	106 711
Net cash (outflow)/inflow from operating activities	**(27 178)**	**14 040**	**14 445**
Net cash outflow from investing activities of continuing operations	(218 194)	(83 897)	(154 897)
Net cash inflow from investing activities of discontinued operations	78 592	22 249	34 087
Net cash outflow from investing activities[1]	**(139 602)**	**(61 648)**	**(120 810)**
Net cash inflow/(outflow) from financing activities of continuing operations	526 108	(126 845)	(87 575)
Net cash inflow/(outflow) from financing activities of discontinued operations	–	26 171	(32 109)
Net cash inflow/(outflow) from financing activities[2]	**526 108**	**(100 674)**	**(119 684)**
Net increase/(decrease) in cash and cash equivalents	359 328	(148 282)	(226 049)
Cash and cash equivalents at the beginning of the period	177 170	403 218	403 218
Cash and cash equivalents at the end of the period	**536 498**	**254 936**	**177 169**
Cash included in discontinued operations	**–**	–	(31 687)
Cash and cash equivalents at the end of the period from continuing operations	**536 498**	**254 936**	**145 482**

[1] Included in the cash outflows from investing activities for the period, is a R108.9 million outflow for the acquisition of property, plant and equipment (31 December 2013: R97.1 million and 30 June 2014: R118.4 million), a R359.3 million outflow for the period for the acquisition of investments (31 December 2013: R45.8 million and 30 June 2014: R43.3 million) and a R290.1 million inflow for the consideration received from the disposal of 25.1% of GPI Slots.

[2] Included in the net cash inflow from financing activities for the period, is a R537.0 million inflow as a result of new funding raised during the period (31 December 2013: R9.0 million outflow and 30 June 2014: R9.5 million inflow) and total finance costs for the period of R24.5 million (31 December 2013: R10.1 million and 30 June 2014: R17.7 million).

Group statement of changes in equity

for the six months ended 31 December 2014

	Capital redemption reserve fund R000's	Ordinary share capital R000's	Treasury shares R000's	Available-for-sale fair value reserve R000's	Accumulated profits R000's	Share-based payments reserve R000's	Non-controlling interest R000's	Total R000's
– Balance at 30 June 2013	301	730 364	(2 070)	6 245	920 657	–	(1 957)	1 653 540
– Prior period error	–	–	–	–	(6 399)	–	–	(6 399)
Balance at 30 June 2013 (restated)	**301**	**730 364**	**(2 070)**	**6 245**	**914 258**	**–**	**(1 957)**	**1 647 141**
Total comprehensive income/(loss) for the period	–	–	–	(1 174)	120 911	–	(3 596)	116 141
– Profit for the period	–	–	–	–	120 911	–	(3 596)	117 315
– Other comprehensive income	–	–	–	(1 174)	–	–	–	(1 174)
Non-controlling interest	–	–	–	–	–	–	(67)	(67)
Treasury shares allocated to employees	–	–	228	–	–		–	228
Shares issued	–	40 000	–	–	–	–	–	40 000
Share-based payment reserve	–	–	–	–	–	1 437	–	1 437
Treasury shares acquired	–	–	(10 867)	–	–	–	–	(10 867)
Dividends declared	–	–	–	–	(68 964)	–	–	(68 964)
Balance at 31 December 2013	**301**	**770 364**	**(12 709)**	**5 071**	**966 205**	**1 437**	**(5 620)**	**1 725 049**
Total comprehensive income/(loss) for the period	–	–	–	(4 015)	(49 981)	–	(4 245)	(58 241)
– Profit for the period	–	–	–	–	(49 981)	–	(4 245)	(54 226)
– Other comprehensive income	–	–	–	(4 015)	–	–	–	(4 015)
Shares issued	–	60 000	–	–	–	–	–	60 000
Treasury shares issued	–	–	(60 000)	–	–	–	–	(60 000)
Share issue expense	–	(134)	–	–	–	–	–	(134)
Treasury shares allocated to employees	–	–	(97)	–	–	–	–	(97)
Treasury shares acquired	–	–	97	–	–	–	–	97
Acquisition of subsidiary	–	–	–	–	(391)	–	458	67
Dividends prescribed and written back	–	–	–	–	4 384	–	–	4 384
Share-based payment reserve	–	–	–	–	–	2 183	–	2 183
Balance at 30 June 2014	**301**	**830 230**	**(72 709)**	**1 056**	**920 217**	**3 620**	**(9 407)**	**1 673 308**
Total comprehensive income/(loss) for the period	–	–	–	36 489	620 181	–	(1 358)	655 312
– Profit for the period	–	–	–	–	620 181	–	(1 358)	618 823
– Other comprehensive income	–	–	–	36 489	–	–	–	36 489
Non-controlling interest acquired	–	–	–	–	–	–	36 309	36 309
Release of available-for-sale reserve	–	–	–	(1 124)	1 124	–	–	–
Dividends paid	–	–	–	–	(147)	–	–	(147)
Shares issued	–	15 754	–	–	–	–	–	15 754
Shares acquired	–	–	(1 522)	–	–	–	–	(1 522)
Share-based payment reserve	–	–	–	–	–	2 424	–	2 424
Balance at 31 December 2014	**301**	**845 984**	**(74 231)**	**36 421**	**1 541 375**	**6 044**	**24 544**	**2 381 438**

Segmental analysis

IFRS 8: Operating Segments requires a "management approach" whereby segment information is presented on the same basis as that used for internal reporting purposes to the chief operating decision maker/s who have been identified as the Board of Directors. These directors review the group's internal reporting by industry. The directors do not review the group's performance by geographical sector and therefore no such disclosure has been made. Listed below is a detailed segmental analysis:

	Unaudited 31 December 2014 R000's	Restated and unaudited 31 December 2013 R000's	Audited 30 June 2014 R000's	Unaudited 31 December 2014 R000's	Restated and unaudited 31 December 2013 R000's	Audited 30 June 2014 R000's
		Revenue			**Inter-segment revenue**	
Continuing operations						
Food	134 488	37 968	126 867	–	–	–
Gaming	76	–	–	–	–	–
Manufacturing	76 686	–	–	31 104	–	–
Corporate	20 320	6 970	6 903	38 851	11 966	24 671
Property	3 023	2 467	838	8 369	5 442	13 348
IT	2 655	716	368	3 442	2 939	5 406
	237 248	**48 121**	**134 976**	**81 766**	**20 347**	**43 425**
Discontinued operations						
Casinos	–	2 547	556	–	–	–
Slots	–	279 853	599 060	–	–	–
	–	**282 400**	**599 616**	**–**	**–**	**–**
		EBITDA			**Profit after tax**	
Continuing operations						
Food	(44 396)	(27 675)	(66 820)	(40 498)	(20 354)	(52 686)
Gaming	10 777	–	–	10 597	–	–
Manufacturing	(4 648)	–	–	(7 029)	–	–
Corporate	(35 701)	44 690	1 590	(51 058)	44 823	(3 854)
Property	(5 261)	(351)	8 982	(8 434)	(6 318)	1 851
IT	(2 524)	(2 509)	(3 321)	(3 128)	(2 785)	(4 194)
	(81 753)	**14 155**	**(59 569)**	**(99 550)**	**15 366**	**(58 883)**
Discontinued operations	70 290	63 401	127 861	70 290	63 719	127 860
Casinos	684 338	70 976	142 442	648 083	38 230	(5 888)
Slots	**754 628**	**134 377**	**270 303**	**718 373**	**101 949**	**121 972**

	Unaudited 31 December 2014 R000's	Restated and unaudited 31 December 2013 R000's	Audited 30 June 2014 R000's	Unaudited 31 December 2014 R000's	Restated and unaudited 31 December 2013 R000's	Audited 30 June 2014 R000's
		Assets			**Liabilities**	
Continuing operations						
Food	626 075	93 716	180 864	(316 319)	(28 554)	(43 940)
Gaming	273 778	432 079	–	(184)	(122 823)	–
Manufacturing	171 797	–	–	(47 431)	–	–
Corporate	638 880	245 992	160 243	(741 164)	(158 266)	(209 733)
Property	235 022	152 332	169 776	(126 732)	(67 472)	(70 159)
IT	7 977	4 671	9 012	(3 349)	(2 592)	(7 966)
Casinos		1 175 966			–	
	1 953 529	**2 104 756**	**519 895**	**(1 235 179)**	**(379 707)**	**(331 798)**
Discontinued operations						
Casinos	1 178 205	–	1 179 507	–	–	–
Slots	516 262	–	475 828	(31 379)	–	(170 124)
	1 694 467	**–**	**1 655 335**	**(31 379)**	**–**	**(170 124)**

Supplementary information

Reconciliation of headline earnings	Unaudited 6 months to 31 December 2014 R000's	Restated and unaudited 6 months to 31 December 2013 R000's	Audited 12 months to 30 June 2014 R000's
Earnings attributable to ordinary shareholders	618 823	117 315	63 089
– Continuing operations	(99 550)	15 366	(58 883)
– Discontinued operations	718 373	101 949	121 972
Non-controlling interest	1 358	3 596	7 841
	620 181	120 911	70 930
Remeasurement of investment	(657)	(32 842)	(32 838)
Gain on acquisition of investment	–	(23 843)	(23 637)
Profit on sale of investment	(684 338)	–	
Loss on sale of property, plant and equipment	–	215	190
Adjustments by jointly controlled entities	–	–	253
– Loss on disposal of plant and equipment	–	–	253
Tax effect on above	36 943	(60)	(124)
Headline and diluted (loss)/earnings	**(27 871)**	**64 381**	**14 774**
Reversal of employee share trust	(9)	(108)	(156)
Reversal of cancellation fee	(12 642)	–	
Reversal of IAS 12 tax adjustment	–	–	69 885
Reversal of transaction costs	14 103	4 292	21 580
Adjusted diluted headline earnings	**(26 419)**	**68 565**	**106 083**

Reconciliation of number of shares	000's	000's	000's
Shares in issue (before deducting treasury shares)	486 959	469 588	484 404
Shares in issue (after deducting treasury shares)	468 678	466 170	466 171
Weighted average number of shares in issue	485 820	461 358	466 738
Adjusted weighted average number of shares in issue	467 539	461 358	462 985
Diluted weighted average number of shares in issue	488 215	461 358	468 719
Diluted adjusted weighted average number of shares in issue	469 934	458 934	464 966

Notes to the financial statements

1. Accounting policies and basis of preparation

The accounting policies applied in the interim financial statements are in accordance with International Financial Reporting Standards ("IFRS"), while the disclosures contained within comply with IAS 34: Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Reporting Pronouncements as issued by the Financial Reporting Accountants Council and the Companies Act of South Africa, as amended. The interim report has not been audited and therefore no review opinion has been obtained. The accounting policies and methods of computation are consistent with those applied in the financial results for the year ended 30 June 2014.

2. Discontinued operation and assets held for sale

Due to GPI entering into sale agreements with Sun International Limited to decrease its holding in the GPI Slots, SunWest, Worcester Casino and Dolcoast, GPI's investment in these assets have been classified as assets held for sale in terms of IFRS 5 – Non-current Assets held for Sale and Discontinued Operations.

Profit from discontinued operations and assets held for sale is broken down as follows:

	Unaudited 31 December 2014	Unaudited 31 December 2013	Audited 30 June 2014
Dividends received – SunWest	65 260	–	–
Dividends received – Dolcoast	5 030	–	–
Dividends received – National Manco	–	318	556
Equity earnings – SunWest	–	61 172	116 512
Equity earnings – Dolcoast	–	2 229	10 792
Equity earnings/(losses) – GPI Slots	–	38 230	(5 888)
Tax on sale of 25.1% of GPI Slots	(36 255)	–	–
Gain on derecognition of GPI Slots as a subsidiary	684 338	–	–
	718 373	**101 949**	**121 972**

3. Business combinations

On 28 July 2014, all the conditions related to the purchase of an additional 42.8% of Mac Brothers Catering Equipment were fulfilled and the acquisition became effective on the same date. The acquisition increased GPI's total holding in Mac Brothers to 65.0% and gave GPI control of the business, therefore the transaction was treated as a business combination in terms of IFRS 3 – Business Combinations. The total consideration paid for both the initial purchase of 22.2% and the subsequent purchase of 42.8% was R65.1 million.

In terms of the requirements of IFRS 3, all the assets purchased and liabilities assumed in the purchase were identified at their fair values and were recognised separately from goodwill. No intangible assets were recognised during the identification process.

Goodwill of R38.6 million was recognised as part of the business combination, and comprises the value of expected synergies with GPI's existing food-related assets, most notably BURGER KING® and Spur.

The table below provides an analysis of the values recognised:

Acquisition date	Mac Brothers Catering Equipment 28 July 2014
Economic and voting percentage acquired	65%
Revenue since acquisition	107 790
Profit/loss since acquisition	3 528
Revenue if acquired 1 July 2014	125 145
Profit/loss if acquired 1 July 2014	4 797
Identifiable assets and liabilities	
Property plant and equipment	65 509
Inventory	50 796
Trade and other receivables	17 608
Cash and cash equivalents	(7 788)
Deferred tax liability	(6 830)
Finance lease liability	(9 765)
Taxation	(902)
Trade and other payables	(45 086)
Total identifiable net assets at fair value	**63 542**
Calculation of goodwill	
Non-controlling interest	36 309
Fair value of existing equity interest	23 040
Purchase consideration	42 791
Less: Total identifiable net assets at fair value	(63 542)
Goodwill	**38 598**
Purchase consideration made up as follows:	
Cash paid in respect of acquisition	42 791
Analysis of cash flow on acquisition	
Net cash acquired on acquisition	(7 788)
Cash paid in respect of acquisition	42 791
Net cash flow	**35 003**

In determining the fair values of the existing equity interest and the non-controlling interest, as required by IFRS 3 – Business Combinations, a discounted cash flow valuation method was used. The key assumptions used in this valuation method are a discount rate of 20.3% and a terminal growth rate of 5%.

4. Fair value estimation

The information below analyses financial instruments, carried at fair value, by level of hierarchy as required by IFRS 13 – Fair Value Measurement. The different levels have been defined as follows:

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

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

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

The Group had the following financial instruments measured at fair value:

	Level 1 R000's	Level 2 R000's	Level 3 R000's
31 December 2014			
Spur Corporation Limited	339 437	–	–
Total	**339 437**	**–**	**–**
31 December 2013			
National Manco	–	–	6 237
Total	**–**	**–**	**6 237**
30 June 2014			
National Manco[1]	–	–	1 300
Total	**–**	**–**	**1 300**

[1] National Manco was reclassified as an asset held for sale at 30 June 2014. On 2 December 2014 it was sold to Sun for R1.3 million.

5. Prior period error

As disclosed in note 3 in the Notes to the 30 June 2014 Annual Financial Statements, adjustments were made to the prior period results due to VAT related errors identified in certain subsidiaries of GPI. The retained earnings at 31 December 2013 has been reduced by R6.4 million so as to account for these errors.

DIRECTORS

H Adams (Executive Chairman), A Abercrombie#, A Keet (Chief Executive Officer), W Geach#*, Dr N Maharaj#*, N Mlambo#, D Pienaar (Financial Director), C Priem#* (# *non-executive* * *independent*)

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