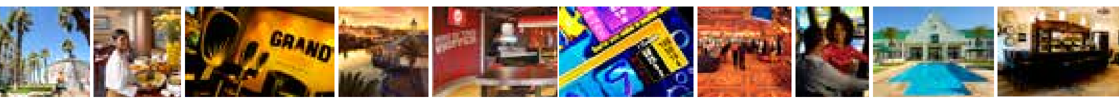
GRAND PARADE
INVESTMENTS LIMITED

investing in change



Reviewed results for the year ended 30 June **2013**

Highlights

14%
Increase
in Group revenue

17%
Increase
in Slots Group GGR

6%
Increase
in adjusted headline earnings per share

Increase of 20% on ordinary dividend to 15 cents per share

Acquired and completed redevelopment of head office building

1st BURGER KING® store generated R5 million revenue in seven weeks

Condensed Group Statement of Comprehensive Income

for the year ended 30 June 2013

	Note	Reviewed 30 June 2013 R'000s	Restated 30 June 2012 R'000s	% change
Revenue	1	**489 353**	430 651	14
Cost of sales	2	**(276 622)**	(231 248)	20
Gross profit		**212 731**	199 403	7
Operating costs		**(142 039)**	(107 599)	32
Operating profit		**70 692**	91 804	(23)
Profit from equity-accounted investments	3	**114 672**	131 072	(13)
Profit on disposal of investments	4	**–**	60 248	(100)
Realisation of fair value reserve	5	**–**	35 588	(100)
Reversal of impairment of investment	6	**–**	336	(100)
Impairment of plant and equipment	6	**(316)**	–	100
Depreciation and amortisation		**(36 130)**	(38 610)	(6)
Profit before finance costs and taxation		**148 918**	280 438	(47)
Finance income	1;7	**6 216**	6 797	(9)
Finance costs	8	**(14 603)**	(24 225)	(40)
Profit before taxation		**140 531**	263 010	(47)
Taxation	9	**(10 955)**	(11 598)	(6)
Profit for the year		**129 576**	251 412	(48)
Other comprehensive income				
Realisation of fair value reserve		**–**	(35 588)	
Unrealised fair value losses on available-for-sale investments, net of tax		**(1 887)**	(5 676)	
Total comprehensive income for the year		**127 689**	210 148	
Profit for the year attributable to:				
– Ordinary shareholders		**131 533**	251 412	
– Non-controlling interest		**(1 957)**	–	
		129 576	251 412	
Total comprehensive income attributable to:				
– Ordinary shareholders		**129 646**	210 148	
– Non-controlling interest		**(1 957)**	–	
		127 689	210 148	

		cents	cents	% change
Basic and diluted earnings per share	10	**28.55**	53.58	(47)
Headline and diluted headline earnings per share	10	**28.76**	34.88	(18)
Adjusted headline and diluted adjusted headline earnings per share	10	**30.97**	29.23	6
Ordinary dividend per share*		**12.50**	10.00	25
Special dividend per share*		**7.50**	60.00	(88)

* Final ordinary and special dividend declared in respect of the previous financial year.

Condensed Group Statement of Financial Position

as at 30 June 2013

	Note	Reviewed 30 June 2013 R'000s	Audited 30 June 2012 R'000s
ASSETS			
Non-current assets	11	1 529 715	1 406 521
Current assets	12	466 909	461 805
Total Assets		1 996 624	1 868 326
EQUITY AND LIABILITIES			
Total equity		1 655 497	1 617 477
Non-controlling interest		(1 957)	–
		1 653 540	1 617 477
Non-current liabilities			
– Deferred tax liabilities		12 107	11 525
– Cumulative redeemable preference shares	13	132 423	101 670
– Interest-bearing borrowings	13	83 436	36 000
– Provisions		768	173
– Finance lease liabilities		244	1 134
Current liabilities	14	114 106	100 347
Total Equity & liabilities		1 996 624	1 868 326

	Cents	Cents	% change
Net asset value per share (before deducting treasury shares)	359	351	2
Adjusted net asset value per share (after deducting treasury shares)	360	352	2
Tangible net asset value per share (before deducting treasury shares)	320	312	3
Adjusted tangible net asset value per share (after deducting treasury shares)	321	314	2

Condensed Group Statement of Cash Flows

for the year ended 30 June 2013

	Note	Reviewed 30 June 2013 R'000s	Restated 30 June 2012 R'000s
Cash flows from operating activities			
Net cash generated from operations	15	84 572	48 344
Income tax paid		(15 048)	(25 704)
Finance income		6 216	6 797
Net cash inflow from operating activities		75 740	29 437
Cash flows from investing activities			
Acquisition of plant and equipment		(78 229)	(35 647)
Acquisition of land and buildings		(78 554)	(25 002)
Acquisition of intangibles		(4 586)	(3 672)
Proceeds from disposal of property, plant and equipment		9	117
Proceeds from the sale of investments		–	733 935
Dividends received		131 495	182 686
Net cash (outflow)/inflow from investing activities		(29 865)	852 417
Cash flows from financing activities			
Dividends paid		(90 873)	(322 405)
Shares bought back		–	(24 321)
Increase/(decrease) in loans	16	57 672	(178 494)
Finance costs		(14 603)	(20 735)
Net cash outflow from financing activities		(47 804)	(545 955)
Net (decrease)/increase in cash and cash equivalents		(1 929)	335 899
Cash and cash equivalents at the beginning of the year		405 147	69 248
Cash and cash equivalents at the end of the year		403 218	405 147

Group Statement of Changes in Equity

for the year ended 30 June 2013

	Capital Redemption Reserve Fund R'000s	Ordinary Share Capital R'000s	Share Premium R'000s	Treasury Shares R'000s	Available-for-sale Fair Value Reserve R'000s	Accumulated Profits R'000s	Non-controlling interest R'000s	Total R'000s
Balance at 30 June 2011	**301**	**117**	**754 047**	**(4 451)**	**49 396**	**957 382**	**–**	**1 756 792**
Total comprehensive income for the year	–	–	–	–	(41 264)	251 412	–	210 148
– Profit for the year	–	–	–	–	–	251 412	–	251 412
– Other comprehensive income	–	–	–	–	(41 264)	–	–	(41 264)
Dividends declared	–	–	–	–	–	(327 768)	–	(327 768)
Shares bought back	–	(2)	(24 319)	–	–	–	–	(24 321)
Treasury shares issued to employees	–	–	521	2 105	–	–	–	2 626
Balance at 30 June 2012	**301**	**115**	**730 249**	**(2 346)**	**8 132**	**881 026**	**–**	**1 617 477**
Total comprehensive income for the year	–	–	–	–	(1 887)	131 533	(1 957)	127 689
– Profit for the year	–	–	–	–	–	131 533	(1 957)	129 576
– Other comprehensive income	–	–	–	–	(1 887)	–	–	(1 887)
Dividends declared	–	–	–	–	–	(91 902)	–	(91 902)
Conversion of par value shares to non-par value shares	–	730 249	(730 249)	–	–	–	–	–
Treasury shares issued to employees	–	–	–	276	–	–	–	276
Balance at 30 June 2013	**301**	**730 364**	**–**	**(2 070)**	**6 245**	**920 657**	**(1 957)**	**1 653 540**

Segmental Analysis

IFRS 8: Operating Segments requires a "management approach" whereby segmental information is presented on the same basis as that used for internal reporting purposes to the chief operating decision-maker/s who have been identified as the board of directors. During the current year, the Group, acquired the Master Franchise for BURGER KING® for Southern Africa. The view of management is that this business will operate independently from the other businesses in the Group and have therefore created a new food segment under which this business will be monitored. Property is now effectively a service centre to other Group companies at this time. Listed below is a detailed analysis:

	Reviewed 30 June 2013 R'000s	Audited 30 June 2012 R'000s	**Reviewed 30 June 2013 R'000s**	Audited 30 June 2012 R'000s
	Revenue		**Inter-Segment Revenue**	
Casinos	**1 953**	18 821	**–**	–
Slots	**470 760**	403 583	**–**	–
Services	**1 047**	96	**69 574**	63 095
Property	**366**	–	**2 987**	–
Food	**4 965**	–	**–**	–
Other	**10 262**	8 151	**–**	–
	489 353	430 651	**72 561**	63 095
	Finance Income		**Finance Expense**	
Casinos	**–**	–	**–**	–
Slots	**1 623**	1 500	**(119)**	(195)
Services	**165**	281	**(3 755)**	(5 429)
Property	**85**	–	**(687)**	–
Food	**91**	–	**(159)**	–
Other	**4 252**	5 016	**(9 883)**	(18 601)
	6 216	6 797	**(14 603)**	(24 225)
	Depreciation & Amortisation		**Profit from Equity–Accounted Earnings**	
Casinos	**–**	–	**114 672**	131 072
Slots	**(15 888)**	(15 661)	**–**	–
Services	**(19 269)**	(22 785)	**–**	–
Property	**(672)**	–	**–**	–
Food	**(287)**	–	**–**	–
Other	**(14)**	(164)	**–**	–
	(36 130)	(38 610)	**114 672**	131 072
	Taxation		**Profit After Tax**	
Casinos	**–**	–	**114 672**	231 639
Slots	**(13 970)**	(9 826)	**33 479**	24 026
Services	**(835)**	(3 015)	**3 376**	7 741
Property	**(9)**	55	**23**	(141)
Food	**5 074**	–	**(17 193)**	–
Other	**(1 215)**	1 188	**(4 781)**	(11 853)
	(10 955)	(11 598)	**129 576**	251 412
	Total Assets		**Total Liabilities**	
Casinos	**1 092 469**	1 109 667	**–**	(1 769)
Slots	**283 240**	273 278	**(41 590)**	(38 982)
Services	**94 407**	72 270	**(73 035)**	(70 570)
Property	**133 164**	28 574	**(75 727)**	(216)
Food	**83 512**	–	**(20 883)**	–
Other	**309 832**	384 537	**(131 849)**	(139 312)
	1 996 624	1 868 326	**(343 084)**	(250 849)

Notes to the Financial Statements
for the year ended 30 June 2013

ACCOUNTING POLICIES AND BASIS OF PREPARATION

The condensed consolidated Annual Financial Statements (AFS) have been prepared on the historical cost basis, except where stated otherwise, in accordance with International Financial Reporting Standards (IFRS) and the Listing Requirements of the JSE Limited (JSE) and are presented in terms of disclosure requirements set out in IAS 34: Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the Companies Act of South Africa No. 71 of 2008, as amended. The accounting policies applied are consistent with those applied in the financial results for the year ended 30 June 2012, with the exception of the following new and amended standards which are effective for the financial year.

- IAS 1: Presentation of Financial Statements (effective 1 July 2012): and
- IAS 12: Income Taxes: Amendment: Deferred Tax: Recovery of Underlying Assets (effective 1 January 2012)

AUDIT OPINION

Our auditors, EY (previously known as Ernst & Young), have reviewed the condensed consolidated AFS contained herein. Their reviewed report in which they express their unqualified opinion is available for inspection at the Company's registered office.

COMPARATIVE RECLASSIFICATION OF FINANCE INCOME

Finance income of R5.0 million in respect of the prior year has been reallocated from revenue to finance income during the year. As a result of this reallocation, the comparative figures have been restated. Management believes as finance income is not one of its main sources of revenue, that it should not form part of revenue and has therefore disclosed it as finance income. This reclassification has no effect on net earnings.

NOTES TO THE FINANCIAL STATEMENTS

1. Revenue

Revenue comprises Gross Gaming Revenue (GGR) from GPI's Slots Group Limited Payout Machines (LPM), food sales from our Food Division, dividends received from National Casino Resort Manco (Pty) Ltd (National Manco), Winelands Manco (Pty) Ltd (Winelands Manco), Grindrod Bank Limited (Grindrod) and rental income.

GGR is the term used for the net revenue generated by a LPM from the amount of cash played through the LPM less payouts to players. GGR increased by 17.1% compared to the prior year.

Food sales from BURGER KING® amounted to R4.9 million for the seven weeks of trading during the year.

	Reviewed 30 June 2013 R'000s	Audited 30 June 2012 R'000s
Gaming revenue	471 807	403 680
– *Grandslots*	281 107	249 634
– *Kingdomslots*	142 817	119 259
– *Grand Gaming; Slots*	39 425	26 713
– Gross Gaming Revenue	463 349	395 606
– *Other Gaming Revenue*	8 458	8 074
Food sales	4 965	–
Dividends received	12 215	26 971
Rental income	366	–
Revenue	489 353	430 651
Finance income	6 216	6 797
Total revenue	495 569	437 448

The dividend income of R12.2 million for the current year consists of R10.2 million from the Grindrod preference share investment, R1.1 million from National Manco and R0.9 million from Winelands Manco. The prior year dividend income of R26.9 million included a R13.3 million dividend from Real Africa Holdings Limited (RAH), which was disposed of on 2 December 2011 as part of the restructuring deal with Sun International Limited (SUI).

2. Cost of sales

Overall cost of sales increased by 19.6%. Cost of sales mainly consists of cost of sales in respect of LPMs, which includes direct costs such as commissions to site owners, gambling levies and monitoring fees. Cost of sales in respect of LPMs has increased by 18.0%, which is slightly higher when compared to the increase in GGR, as a result of the payment of additional taxes due to the increased GGR and the increased contribution in respect of corporate social investments by our Slots Group. Other amounts included in cost of sales for the current year are the cost of sales in respect of food sales from our Food Division, which was not part of the Group figures in the prior year.

3. Profit from equity-accounted investments

Profit from equity-accounted investments is made up of profits from jointly-controlled entities and profits from associate.

The 12.5% decrease in the equity-accounted earnings from the prior year is as a result of the cancellation fees paid by SunWest International (Pty) Ltd (SunWest) and received by Western Cape Casino Resort Manco (Pty) Ltd (Western Cape Manco) as part of the restructuring with SUI being included in the prior year earnings.

4. Profit on disposal of investments

There was no disposal of investments in the year under review. In the prior year a profit of R60.2 million was recognised on the sale of a 4.9% interest in SunWest, a 21.2% interest in Worcester Casino (Pty) Ltd (Golden Valley) and the entire investment of 30.6% in RAH, which were sold as part of the deal with SUI and disclosed in the 2012 AFS.

5. Realisation of fair value reserve

There was no realisation of fair value reserve in the current year. In the prior year the Group released, in terms of IAS 39: Financial Instruments Recognition and Measurement, R35.6 million of fair value adjustments previously recognised as a result of disposing its interest in RAH in the Statement of Comprehensive Income.

6. Impairment and reversal of impairment

In terms of IAS 36: Impairment of Assets, an entity must determine whether there is any indication of impairment at each reporting date. IAS 36 requires assets to be impaired to the higher of fair value less cost to sell or value-in-use, based on discounted cash flow valuations. The impairment in the current year relates to certain LPMs that are no longer being used and have become obsolete.

In the prior year, in terms of IAS 36: Impairment of assets, the Group reversed R0.3 million of previously recognised impairments of the investment in Golden Valley Casino.

7. Finance income

Finance income of R5.0 million in respect of the prior year has been reallocated from revenue to finance income during the year. As a result of this reallocation, the comparative figures have been restated. Management believes as finance income is not one of its main sources of revenue, that it should not form part of revenue and has therefore disclosed it as finance income. This reclassification has no effect on net earnings.

8. Finance costs

Finance costs decreased by 39.7% from R24.2 million to R14.6 million due to lower average debt levels. During the prior year the Group repaid its R40.0 million term loan with Grindrod and redeemed R125.7 million preference shares with Sanlam Capital Markets (SCM). The Group also repaid R20.0 million of its term loan originally raised at the time of acquiring the Slots Group with SCM during the current year. An additional term loan of R75 million from SCM was secured during May 2013 in respect of the head office building purchased and redeveloped by the Group.

9. Taxation

The tax charge in the Statement of Comprehensive Income is relatively low compared to the profit before tax due to exempt income earned, permanent differences and assessed losses raised.

10. Headline earnings, HEPS and adjusted HEPS

Headline earnings per share (HEPS) decreased by 17.5%, while adjusted HEPS increased by 5.9%. HEPS decreased mainly as a result of the prior year non-recurring income and adjustments arising from the SUI deal and the R9.9 million transaction costs incurred relating to the investment in BURGER KING® South Africa.

	Reviewed 30 June 2013 R'000s	Audited 30 June 2012 R'000s
Headline earnings reconciliation		
Earnings attributable to ordinary shareholders	129 576	251 412
Add back: non-controlling interest	1 957	–
Basic earnings attributable to ordinary shareholders	131 533	251 412
Reversal of impairment of investment	–	(336)
Impairment of plant and equipment	316	–
Profit on disposal of investments	–	(60 248)
Realisation of fair value reserve	–	(35 588)
Loss on sale of property, plant and equipment	733	447
Adjustments by jointly-controlled entities	167	–
– Loss on disposal of plant and equipment	167	–
Tax effect on above	(252)	7 950
Headline earnings	132 497	163 637
Reversal of employee share trust	8	(95)
Preference share early redemption fee	–	2 100
Change in intended recovery of jointly-controlled entity	–	(10 918)
Reversal of cancellation fee	–	(32 271)
Reversal of transaction costs	9 904	13 907
Tax effect on above	(81)	170
Adjusted headline earnings	142 328	136 530

	Number of shares '000s	Number of shares '000s
Shares in issue (before deducting treasury shares)	460 680	460 680
Shares in issue (net of treasury shares)	459 648	459 510
Weighted average number of shares in issue	460 680	469 195
Adjusted weighted average number of shares in issue	459 623	467 166

Headline earnings calculation	Cents	Cents
Basic and diluted earnings per share	28.55	53.58
Headline and diluted headline earnings per share	28.76	34.88
Adjusted headline and diluted adjusted headline earnings per share	30.97	29.23
Ordinary dividend per share#	12.50	10.00
Special dividend per share#	7.50	60.00

Final ordinary and special dividend declared in respect of the previous financial year.

11. Non-current assets

The increase in non-current assets is mainly due to the investment in land and buildings. GPI, through its wholly-owned subsidiary, GPI House Properties (Pty) Ltd (GPIH), acquired a landmark building in Heerengracht Street, Cape Town, which is being used as the Group's head office. GPIH also acquired a building in Gauteng which is being used as the offices and warehousing for Grand Gaming Gauteng (Pty) Ltd (Grand Gaming: Slots). Further increases in non-current assets are that GPI Management Services (Pty) Ltd (GPIMS) continued to invest in new generation LPMs which are leased to the Slots Group as well as assets acquired in respect of rolling-out BURGER KING®.

12. Current assets

Current assets mainly increased due to outstanding amounts from site owners. This is due to timing difference in respect of collections occurring weekly on a Thursday and the year end closing off on a Sunday.

13. Non-current liabilities

The increase in non-current liabilities is due to the Group obtaining a R75 million term loan from SCM in respect of the head office building. The cumulative redeemable preference shares outstanding relate to the facility with Standard Bank and Depfin Investments (Pty) Ltd, which is currently being re-negotiated. In the prior year a portion of the cumulative redeemable preference shares were classified as current liabilities. Due to the re-negotiation no portion has been classified as current liabilities and has been included in non-current liabilities. During the year, R20 million has been repaid on the SCM term loan originally raised at the time of acquiring the Slots Group.

14. Current liabilities

The increase in current liabilities is due to trade and other payables increasing from R36.2 million to R69.4 million, and is mainly due to the development costs in respect of the head office building and the procurement of the new generation LPMs.

15. Net cash generated from operations

The reconciliation of net profit for the year to cash generated by operations is as follows:

	Reviewed 30 June 2013 R'000s	Audited 30 June 2012 R'000s
Profit before taxation	140 531	263 010
Depreciation and amortisation	36 130	38 610
Finance income	(6 216)	(6 797)
Finance costs	14 603	24 225
Loss on sale of property, plant and equipment	733	447
Dividends received	(12 215)	(26 971)
Profit from equity-accounted investments	(114 672)	(131 072)
Profit on disposal of investments	–	(60 248)
Realisation of expenses previously recognised against share premium	–	1 189
Impairment of loans	–	217
Reversal of impairment of investments	–	(336)
Realisation of fair value reserve	–	(35 588)
Treasury shares allocated to employees	276	–
Impairment of plant and equipment	316	–
Net cash generated from operations before working capital movements	59 486	66 686
Decrease in inventories	530	296
Increase in accounts receivables	(12 185)	(11 843)
Increase/(decrease) in accounts payables	36 741	(6 795)
Net cash generated from operations	84 572	48 344

16. Increase/(decrease) in loans

	Reviewed 30 June 2013 R'000s	Audited 30 June 2012 R'000s
Loans receivable recovered	5 308	–
Loans receivable advanced	(1 450)	(1 250)
Employee loans receivable recovered	120	1 110
Employee loans receivable advanced	–	(7)
Redemption of cumulative redeemable preference shares	–	(125 726)
Finance leases advanced	178	424
Finance leases repaid	(1 116)	(1 045)
Term loans repaid	(20 368)	(52 000)
Terms loans received	75 000	–
Net loans advanced/(repaid)	57 672	(178 494)

REVIEW OF OPERATIONS

2013 was a year in which the company entered into a growth phase. Typical of such a phase, many overheads, specifically employee costs, increase at rates above the norm. As alluded to in prior years, the group needs to employ talent that can manage this growth and the acquisition of BURGER KING® has seen us employ a further 142 new employees. This is the primary reason for the increase by 64% in employee costs. We still regard these costs, at 15% of revenue, to be contained and appropriate.

Other operating expenses, including marketing and communications costs, increased significantly, almost exclusively due to BURGER KING®. Occupancy costs are up 12%, but this must be seen in the context of how much more space we occupy and validates our decision to acquire our own building. These are the chief contributors to the 46% increase in the operating costs, but we still consider that management have done a great job in containing these costs and that the resultant revenues will flow in the next financial year.

Casino Group

The Casino Group consists of the Group's equity investments in SunWest, Golden Valley Casino and Akhona Gaming Portolia Investment (Pty) Ltd (Akhona GPI). Whilst the South African economy takes time to emerge from the tough trading environment of the last few years, our casino investments continue to perform well, showing growth in revenues, EBITDA and net profit after tax.

SunWest

SunWest consists of GrandWest Casino and Entertainment World (GrandWest Casino) and the Table Bay Hotel.

GrandWest's revenue increased by 4.9% year-on-year and its EBITDA increased by 6.0% to R789.1 million (2012: R746.0 million). The increase translated into a 51.6% increase in profit after tax to R486.6 million (2012: R320.9 million). As our major investment we are very pleased with the results for the year and acknowledge the effort that GrandWest's management team have put in to achieve these results.

The Table Bay Hotel continued to reflect a loss after tax for the year of R46.5 million (2012: R61.8 million) despite showing a R2.2 million operating profit (2012: R13.8 million operating loss). Pleasingly, the loss for the year is 24.7% lower than the prior year. The current year EBITDA of R21.8 million (2012: R7.0 million) is 210% higher than that of the prior year and most encouragingly the revenue of R181.2 million (2012: R153.2 million) has increased by 18.3% compared to the prior year. The board of SunWest continues to investigate several measures to significantly influence this performance.

The dividend declared by SunWest of R475 million has increased 46.2% when compared to the prior year dividend of R325 million.

Golden Valley Casino

Golden Valley Casino's revenue remained flat at R128 million compared to the prior year. Its EBTIDA decreased by 14.2% to R28.5 million compared to the prior year and its EBTIDA percentage decreased by 3.8% to 21.4%, as a result of being negatively affected by the farm workers strikes in its region. This did however not negatively affect attributable earnings as this increased by 255.9% from R0.9 million loss to R1.4 million profit.

Akhona GPI

Through our investment in Akhona GPI, GPI holds an indirect stake of 3.3% in Sibaya Casino.

We concluded a deal with our partners in Akhona GPI during the year, through which we acquired the remaining stake in the company and in so doing, gained full control of this investment. The deal will increase our exposure to the best-performing casino in KwaZulu-Natal to 5.6%. The KwaZulu-Natal Gambling Board has yet to give their final approval of this acquisition, but we expect it imminently.

At the time of writing these results, we have not received any Group consolidated accounts from Akhona GPI. Akhona GPI did not equity account its investment in Dolcoast due to the information not being available at this time. Akhona GPI recognised R4.2 million as its share of equity accounted profit from Dolcoast during the prior year, which is the same amount we included in the current year.

Slots Group

During the year GPI owned and operated three LPM route licences – Grandslots in the Western Cape, Kingdomslots in KwaZulu-Natal and Grand Gaming: Slots in Gauteng.

The Group's LPM GGR increased by 17.1% from R395.6 million to R463.3 million for the year, whilst the number of active LPMs in South Africa increased by only 7.8% from 7 439 to 8 021.

Grandslots (Western Cape)

The Western Cape remains the best-performing province in the country in terms of LPM GGR, similarly Grandslots remains our best-performing LPM operation, generating GGR of R281.1 million, 12.6% up on the prior year. With only one competitor, Grandslots enjoyed a 56.1% annual GGR market share and a 52.8% (854 LPMs) LPM market share in June 2013 compared to 56.8% and 54.2% (873 LPMs) respectively, for the prior year. Our average GGR per machine per day increased from R767.68 to R889.08 over the same period.

Kingdomslots (KwaZulu- Natal)

Kingdomslots remained the market leader in KwaZulu-Natal, generating GGR of R142.8 million, 19.8% up on the prior year. With three competitors, Kingdomslots enjoyed a 40.1% annual GGR market share and a 39.4% (836 LPMs) LPM market share in June 2013 compared to 41.2% and 35.5% (708 LPMs) respectively in June 2012. Notwithstanding the significant increase in our number of active LPMs from 708 in June 2012 to 836 in June 2013, our average GGR per machine per day increased from R465.67 to R496.48 compared to the prior year, further emphasising the value in our successful application for the re-allocation of 150 LPMs to the Durban Metropole and KwaZulu-Natal South Coast.

Grand Gaming: Slots (Gauteng)

Grand Gaming: Slots, which is still in its relative infancy, generated GGR of R39.4 million, 47.6% up on the prior year. With four competitors in Gauteng, Grand Gaming: Slots enjoyed an annual GGR market share of 15.8% at end June 2013 and a 16.5% (229 LPMs) LPM market share compared to 14.5% and 14.9% (203 LPMs) for the same period last year. Our average GGR per machine per day increased from R409.43 to R464.99 over the last twelve months.

Grand Gaming: Slots and the Gauteng province as a whole continued to have its LPM roll-out hampered during the reporting period by the fact that, since May 2012, the Gauteng Gambling Board has not been in a position to approve any LPM site licences. That said, we continued to submit site licence applications and remained confident that once the Gauteng Gambling Board was reconstituted we would benefit significantly from our increased number of active sites and LPMs. We are pleased to report that the Gauteng Gambling Board has now been reconstituted and that subsequent to year end a further 127 LPMs have been approved and added to the Grand Gaming: Slots network.

Property Group

During the financial year under review, GPIH, a wholly-owned subsidiary of GPI Capital Investment Holding (Pty) Ltd (Grand Capital), which, itself, is wholly-owned by GPI, began investing in property, and acquired two properties, namely 33 On-Heerengracht, Foreshore, Cape Town, and 21 Friesland Drive, Longmeadow, Johannesburg. Subsequent to year end GPI House also acquired a factory described as, Portion 128 of the farm 1183, City of Cape Town, in Atlantis.

33 On-Heerengracht was purchased for R25 million and redeveloped for an approximate further R75 million while 21 Friesland Drive was purchased for R20.6 million.

A mortgage backed business loan over 33 On-Heerengracht of R75 million has been advanced by SCM to finance this acquisition.

Food Group

The first BURGER KING® store in Southern Africa opened its doors to the public on 9 May 2013 with the first 1 000 people receiving a free Whopper® as part of the marketing launch campaign. This created much hype with people queuing as long as 13 hours for the chance to bite into a Whopper® on South African soil. Subsequent to year end, two additional stores were opened in the Western Cape at Tygervally Centre and Cavendish Square respectively.

The turnover of R4.9 million in the first seven weeks was just short of double our expectations, however the gross margin remains tight, due to the importation of the majority of product, and will continue to do so for the medium-term, until we have successfully vetted suppliers to produce the product locally. The margin will normalise once these local suppliers come on line during the remainder of this calendar year. Currently the approval of local suppliers is tracking ahead of the project plan with us having secured, ahead of schedule, our local supplier of buns in July 2013.

BURGER KING® International's strategy is to establish partnerships with fuel retailers. To this end an agreement was entered into with Sasol and this partnership will yield a strong roll-out of stores using Sasol's national footprint, from the beginning of 2014.

RELATED PARTY TRANSACTIONS

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 AFS of the Group as presented.

Notes to the Financial Statements
for the year ended 30 June 2013

DIVIDENDS

Notice is hereby given of the declaration of an ordinary cash dividend of 15 cents (gross) per share (2012: 12.5 cents per share ordinary dividend and 7.5 cents per share special dividend) subject to the applicable tax levied in terms of the Income Tax Act No. 58 of 1962, as amended.

In terms of Paragraph 11.17(a)(i) to (x) and 11.17(d) of the JSE's Listing Requirements the following additional information is disclosed:

- The dividend has been declared out of income from reserves;
- Local dividends tax rate is 15%;
- Gross local dividend amount is 15 cents per share;
- Net local dividend amount is 15 cents per share;
- GPI has Secondary Tax on Companies (STC) credits that it will utilise. The full dividend of 15 cents per share will be covered by the STC credits;
- Income tax reference number 9037/0380/24; and
- Ordinary shares in issue 460 679 901.

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

• Dividend declaration date	Friday, 30 August 2013
• Last date to trade “cum” the dividend	Thursday, 19 September 2013
• Trading commences “ex” the dividend	Friday, 20 September 2013
• Record date	Friday, 27 September 2013
• Date of payment of the dividend	Monday, 30 September 2013

Share certificates may not be dematerialised or rematerialised between Friday, 20 September 2013 and Friday, 27 September 2013, both dates included.

SUBSEQUENT EVENTS

Following our SENS announcement earlier this year regarding our intention to purchase the route operator licence and site operator licences of Zimele Slots (Pty) Ltd (Zimele) in Mpumalanga, and that the Mpumalanga Gambling Board approved our licence transfer application in early August 2013, we are pleased to announce that we have now taken control of Zimele. Furthermore, the Slots Group concluded an agreement in early August 2013 to acquire the route operator license and operational sites of Bohwa 1 Gaming (Pty) Ltd (Hot Slots) in Gauteng. This acquisition is still subject to Gauteng Gambling Board approval. Lastly, our application to the Western Cape Gambling and Racing Board (WCGRB) for a sports betting licence in the name of Grand Sport (Pty) Ltd was approved in July 2013.

BURGER KING® opened two additional stores subsequent to year end in the Western Cape in Tygervalley Centre and Cavendish Square Centre on 4 July and 30 July respectively. BURGER KING® has signed an exclusive deal with Sasol to roll-out BURGER KING® restaurants across the national Sasol network.

Subsequent to year end an offer was made to purchase a property in Atlantis, Western Cape for R15.4 million. The offer has been accepted and is awaiting transfer.

PROSPECTS

The future of our Slots Group is extremely exciting and we are looking forward to an even stronger growth trend in 2014. The increase in the number of route operator licences we own has already been reported on and we have every intention to increase these further in the medium term. This, accompanied by the savings and performance we expect from our machine manufacturing joint-venture point towards an even more successful year for the Slots Group.

Whilst our casino assets forecast modest growth, an increased stake in Akhona GPI and resultant further exposure to Sibaya Casino, will see continued good cash flows from these assets. The Table Bay Hotel is expected to improve operationally and we continue to look at ways to enhance this investment.

BURGER KING® will start to gain traction in 2014, particularly as a result of our relationship with Sasol. Furthermore we are looking at ways to improve our supply chain and these initiatives should be concluded in 2014.

The National Lotteries Board published a notice in June 2013 inviting interested parties to acquire a copy of the Request for Proposal (RFP). We will be submitting our pre-qualification application by the due date of 31 August 2013 in this regard.

There are other opportunities we continue to explore but we are currently focused on extracting maximum value from our existing assets.

Any reference to future financial performance in these results have not been reviewed and/or reported on by GPI's auditors.

For and on behalf of the Board

H Adams	**A Keet**
Executive Chairman	Chief Executive Officer
30 August 2013	30 August 2013

Prepared by: Financial Director, S Petersen, CA (SA)
02 September 2013

Notes to the Financial Statements
for the year ended 30 June 2013

Directors
H Adams (Executive Chairman), A Abercrombie, A W Bedford #, A Keet (Chief Executive Officer), S Petersen (Financial Director), Dr N Maharaj #*, N Mlambo #, C Priem #*, MF Samaai #
(#non-executive * independent)

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Share code
GPL

GRAND PARADE

INVESTMENTS LIMITED