

CHAIRMAN'S REVIEW



Hassen Adams

Since its inception 11 years ago, GPI has consistently been driven by two passions: to become a profitable and successful enterprise in the gaming and leisure industry, while at the same time uplifting and rewarding its thousands of shareholders. To achieve this GPI had to show exceptional growth, as well as maintain a regular dividend flow.

Over this period GPI's share value has grown by a phenomenal 1 687%, from the original investment of R28 million to a net asset value of R1,6 billion.

GPI has also, through its participation and leadership, consistently sought to ensure that its investments are optimally leveraged for the benefit of all stakeholders and the broader community.

This is because our corporate business philosophy is to invest in transformation, thereby not only unlocking wealth for shareholders, but also embracing a philosophy that advocates an integrated approach to good governance. This is over and above the standard financial and regulatory aspects of corporate governance.

GPI subscribes to the principles of the Code of Corporate Practices and Conduct set out in King II, acknowledging that there must be a move away from the single bottom line (i.e. profit for shareholders) to a triple bottom line which embraces the economic, environmental and social aspects of a company's activities. In this regard, we are privileged to have empowered our shareholders with the confidence and understanding to trade in the formal market.

Pleasant financial results

I am pleased and proud that GPI released its maiden financial year-end results on 2 September 2008 as a listed company.

I am equally pleased to announce that our shareholders will continue to benefit from their investment in GPI as we will be paying dividends for the sixth consecutive year.

Notwithstanding the fact that GPI has made major investments this year, we are able to pay a dividend for 2008 which is an increase of 33% on the dividend paid for 2007.

Major events in 2008

The release of the annual financial results follows on three major events in the past year: raising the GPI stake in SunWest to an effective 33,7%; the acquisition of 30,6% in RAH; and GPI's listing on the JSE. The Chief Executive Officer's report gives more detail on these transactions.

Despite the difficult economic conditions characterised by increasing volatility and uncertainty, we embarked on the journey mandated by our shareholders – to list GPI. This in itself proved to be an exceptional challenge but we were ultimately successful in June 2008.

We have also increased our staff complement this year and now boast a highly competent and skilled team headed by Adrian Funkey, the new Chief Executive Officer, who is a qualified chartered accountant, with extensive commercial experience in the gaming and leisure industries. Adrian replaces Richard Hopton who will focus on developing new business opportunities for GPI.

Looking ahead

We are confident about the year ahead and, as demonstrated in the past, we will continue to grow GPI in a responsible way. Our intention is to add value for our shareholders and expand GPI's portfolio in ways that will consolidate and grow the company into a major player in the South African tourism and gaming industry, thereby achieving our primary mission.

In appreciation

Special thanks to Leaf Capital, our advisers, and PSG Capital, our sponsors, for their loyal service and wise counsel. I must also record a special thanks to our shareholders, my fellow directors and the members of our staff for their ongoing dedication and commitment to the success of GPI.



Hassen Adams

16 October 2008



City Hall, Grand Parade

CHIEF EXECUTIVE OFFICER'S REPORT



Adrian Funkey

It is an honour to have taken over the reigns from Richard Hopton, who played a pivotal part in GPI's listing. I am most grateful to him for his sterling work and for giving me a solid foundation from which to begin mine. Richard will continue to focus on new investments and strategy for the company.

I intend to use my experience, much of which was gained at the "coal face" of Sun International's casino operations within South Africa and abroad, to guide GPI's quest to repeat the phenomenal growth it has experienced since its inception in 1997.

I am pleased to report that the company has had a landmark year with several major acquisitions, the appointment of new board members and the listing on the JSE.

JSE listing

The listing was a coming of age for the company when 11 years earlier, GPI had started as an empowerment vehicle for SunWest, the winning bidder for the Cape Metropole's only casino licence.

The listing was finally effected on 6 June 2008 and affords GPI the opportunity to access funding for further acquisition opportunities.

GPI is now a fully-fledged investment company, well on its way to becoming a major player in the South African tourism, leisure and gaming industry. After listing, thousands of its initial shareholders progressed to a new corporate listed environment, with an opportunity to participate in the continued growth and development of GPI.



Sibaya Lodge Exterior

Review of operations

RAH acquisition

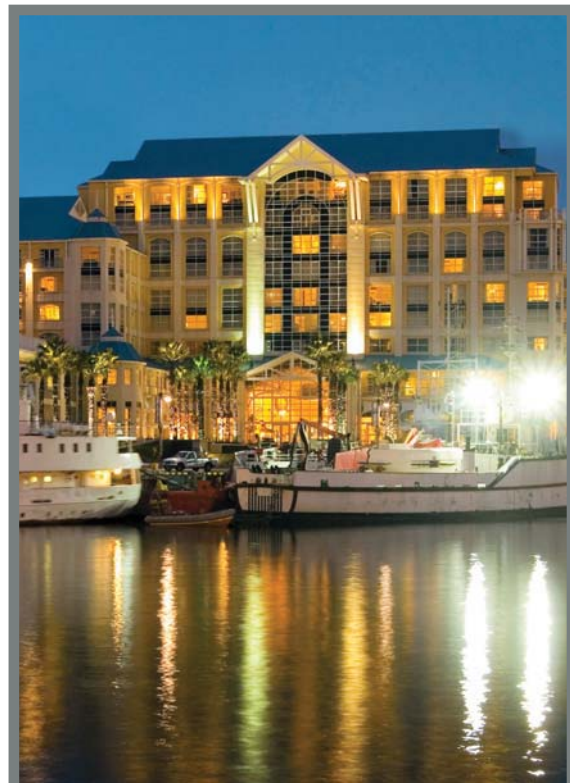
With growth in mind, GPI was firmly on the acquisition trail in 2008, both before and after the listing. In June the company purchased a 23% stake in RAH, giving it a share in Gauteng's Carnival City Casino & Entertainment World, KwaZulu-Natal's Sibaya Casino & Entertainment Kingdom and the Eastern Cape's Boardwalk Casino & Entertainment World. Four days after its listing, GPI announced that it had increased its stake in RAH to 30,6%, allowing it to exert significant influence as a material shareholder.

Increased stake in SunWest

In July post-balance sheet, GPI announced that it was increasing its direct shareholding in SunWest from 26,41% to 29,24%, in a R92,4 million purchase of 560 000 shares. It is also most pleasing that as a result of the RAH transaction, GPI's effective stake in SunWest has increased to 33,7%.



Sibaya Casino Slots



"Table Bay Hotel" – V&A Waterfront

Expanding GPI's LPM footprint

GPI acquired a 50% economic stake and minority voting stake in Akhona GPI which holds a 20% stake in Thuo Gaming KZN. This transaction had the added benefit of increasing GPI's exposure to the highly lucrative Sibaya Casino through a 6% stake in Dolcoast and Dolcoast's 22% stake in Afrisun KZN.

CHIEF EXECUTIVE OFFICER'S REPORT continued

Trading performance

We announced our maiden annual financial results on 2 September 2008 as a listed company and it is notable that shareholders were informed that they were to receive a 10 cents-per-share dividend, a 33% increase on the previous year and the sixth year running that they receive a dividend. Headline earnings per share increased by 13% (or 20% if the once-off listing fees of R5 million is excluded) and net asset value increased to 335 cents per share.

Strengthening the board

Dr Norman Maharaj and Mr Charl Williams were appointed as non-executive independent directors, effective 1 August 2008.

Norman's extensive public service experience will help broaden the GPI board's analytical and decision-making abilities.

Charl's legal expertise, in particular, will also add to the skills base of the GPI board.

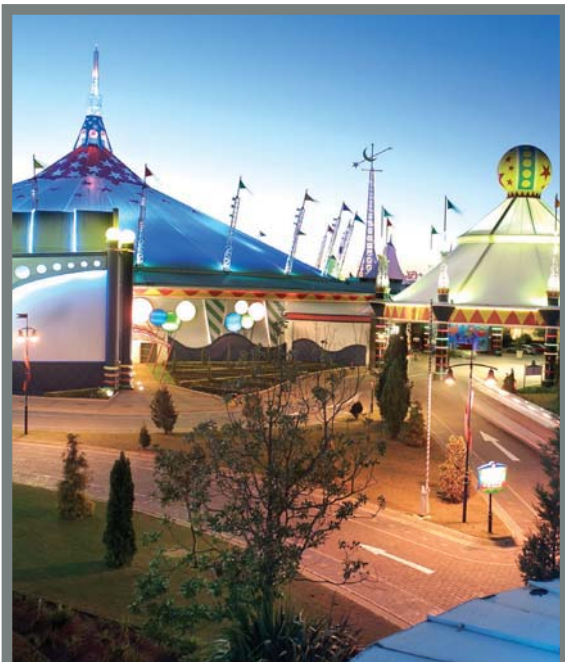


"Grand Hotel" – GrandWest Casino



Blackjack table – GrandWest

“The listing was also a coming of age for the company.”



Carnival City Exterior

Sustainability

Sustainability is core to our investment strategy, which is to invest in assets where we can exercise significant influence. It is from this position that we ensure that our underlying investments focus on excellence with respect to the triple bottom line. We believe that over the long term shareholder value will be optimised by having this focus on sustainability. It is for this reason that we ensure that all our investments have formalised CSI committees in place and that these committees receive a portion of the profits to invest in the communities in which they operate. Please also refer to page 20.

Future focus

We will focus on consolidating and leveraging full value from our existing investments, as well as bedding down our most recent acquisitions. Especially while the world economy is in an incredibly volatile phase, we will continue to seek out opportunities to acquire further high-quality assets to complement our existing portfolio. We will also continue to pursue further opportunities in the LPM market, which is still very much in the “green-field” stage of its life cycle.

From small beginnings, GPI has come a long way, but remains true to its original objective: the empowerment and creation of wealth for all its shareholders.

A handwritten signature in black ink, appearing to read 'Adrian Funkey'.

Adrian Funkey
16 October 2008