

Corporate Governance Report

The board of GPI endorses the application of the principles recommended in the King Report on Corporate Governance ("King II"). The board is satisfied that the company is compliant with the King Code in most material aspects and with the related Listings Requirements of the JSE.

The extent of the company's compliance with the Code and related Listings Requirements of the JSE is dealt with under appropriate sections throughout this report.

BOARD OF DIRECTORS

The board is the focal point of the company's corporate governance system which is ultimately accountable and responsible for the key governance processes and the performance and affairs of the company.

BOARD CHARTER

The board subscribes to a charter which regulates how business is to be conducted by the board in accordance with the principles of good corporate governance.

The charter regulates and deals with, inter alia:

- retaining full and effective control over the company and monitoring management in implementing board plans and strategies;
- ensuring ethical behaviour and compliance with relevant laws and regulations, audit and accounting principles, and the company's own governing documents and codes of conduct;
- defining levels of materiality, reserving specific powers to the board and delegating other matters with the necessary written authority to management and instituting effective mechanisms that ensure board responsibility for management performance of its functions;
- acting responsibly towards the company's stakeholders;
- being aware of, and committing to, the underlying principles of good governance;
- reviewing the strategic direction of the company and adopting business plans proposed by management for the achievement thereof;
- approving specific financial and non-financial objectives and policies proposed by management;
- reviewing processes for the identification and management of business risk and processes for compliance with key regulatory and legal areas;
- delegating authority for capital expenditure and reviewing investment, capital and funding proposals reserved for board approval; and
- providing oversight of performance against targets and objectives.

BOARD CHAIRMAN

The board has been chaired by Mr H Adams, a non-executive Chairman. The Chairman of the board is responsible, inter alia, for ensuring the integrity and effectiveness of the board's governance processes.

BOARD COMPOSITION

GPI has a unitary structure comprising a mix of executive and non-executive directors. Procedures for appointment to the board are formal and transparent and a matter for the board as a whole. The board is assisted in this process by the remuneration and nomination committee. The board also consults independent experts as and when required.

The board presently comprises two executive directors and seven non-executive directors, of whom two are considered independent in terms of the definitions contained in the Code. The non-executive directors have the necessary skills and experience, as is evidenced from their CVs.

DIRECTORS' PERIOD OF OFFICE AND RETIREMENT

In terms of the company's articles, new non-executive directors may only hold office until the next annual general meeting at which they will be required to retire and may offer themselves for re-election. One-third of the directors are subject to retirement by rotation at least once a year. The retirement age for a director is 70.

Adrian Funkey (CEO) and Richard Hopton (Financial Director) are the only two executive directors who have employment agreements with GPI containing terms and conditions that are normal for such contracts.

The directors who offer themselves for re-election at the next annual general meeting are set out in the notice of the annual general meeting in the annual report.

BOARD NOMINATIONS

Appointments to the board are referred to the remuneration and nominations committee. The remuneration and nominations committee assesses the qualifications and skills of the proposed director. The remuneration and nominations committee recommends all possible directors to the board. The board then decides on the appointment of the directors.

INDUCTION OF DIRECTORS

On appointment, all directors are provided with materials aimed at broadening their understanding of the group and the business environment and markets in which the group operates. All directors are expected to keep abreast of changes and trends in the business and in the group's environments and markets, including changes and trends in the economic, political, social and legal climate.

ACCESS TO COMPANY INFORMATION AND CONFIDENTIALITY

Procedures are in place, through the board Chairman and the company secretariat, enabling the directors to have access, at reasonable times, to all relevant company information to assist them in the discharge of their duties and responsibilities and to enable them to make informed decisions. Directors are expected to strictly observe the provisions of the statutes applicable to the use and confidentiality of information.

INDEPENDENT PROFESSIONAL ADVICE AND COMPANY SECRETARIAT

A procedure is in place for directors to take independent advice, for the furtherance of their duties, if necessary, at the company's expense, subject to prior notification to the board Chairman or the Company Secretary.



The Company Secretary provides a central source of advice to the board on the requirements of the Code on Corporate Governance and, in addition to the Company Secretary's statutory and other duties, provides the board as a whole, directors individually and the committees with guidance as to how their responsibilities should be discharged in the best interest of the company. The appointment and removal of the company secretariat is a matter for the board as a whole.

CONFLICT OF INTEREST

Directors are required to inform the board of any conflicts or potential conflicts of interest which they may have in relation to particular items of business. Directors are required to recuse themselves from discussions or decisions on those matters where they have conflict or potential conflicts of interest and the board may, if it deems appropriate, request a director to recuse himself/herself from the meeting for the duration of the matter under discussion. If material, the matter is put to the shareholders for approval in accordance with the Listing Requirements of the JSE.

BOARD MEETINGS

A minimum of four board meetings is scheduled per financial year to consider, deal with and review, inter alia, strategic and key issues, financial issues, the review of operational performance and any specific proposals for capital expenditure relative to the company and the group.

	Official board meetings*	Special board meetings#
A Abercrombie	6	2
H Adams	6	2
A W Bedford	5	1
R G Freese	5	2
A Funkey**	5	2
N V Maharaj	4	–
N Mlambo	6	1
R Hopton	6	2
C W Williams	4	–

* Total number of board meetings attended during the year.

** Did not attend one board meeting as this was held before date of appointment.

Total number of special board meetings attended during the year.

BOARD COMMITTEES

The board is authorised to form committees to assist in the execution of its duties, powers and authorities. The board has three standing committees, namely the audit and risk, remuneration and nomination, and investment committees. The terms of reference and composition of the committees were determined and approved by the board during the financial period and have been adopted by the committees. The terms of reference of the committees will be subject to review and amendments on an annual basis. The chairmen of the committees report to the board on a regular basis.

AUDIT AND RISK COMMITTEE

Composition: Messrs R G Freese (chairman), N V Maharaj and C W Williams

The audit and risk committee consists of three non-executive directors of whom two are independent. The audit and risk committee is primarily responsible for overseeing the

company's financial reporting process on behalf of the board, and assists the board in discharging its fiduciary duties relating to the safeguarding of assets, the operation of adequate systems, control processes and the preparation of accurate financial reporting and statements in compliance with all applicable legal requirements and accounting standards.

The mandate of the audit and risk committee includes:

- consideration of the annual appointment and evaluation of the external auditors, the audit plan and audit fees;
- evaluation of the independence and effectiveness of the external auditors;
- consideration of non-audit services performed by them in respect of which a policy has been established;
- review of the interim report and annual financial statements, including the valuation of unlisted investments and loans, prior to submission to the board;
- discussion of problems arising from external audit and review of the external auditors' interim and final reports and identification of key issues;
- consideration of major findings of internal investigations and management responses;
- review of the adequacy of the systems of internal control and any legal matters which could significantly impact on the group's financial statements;
- review of compliance with the King Code and Listings Requirements of the JSE in so far as these relate to the financial statements; and
- consideration of the appropriateness of the expertise and experience of the Financial Director.

The audit committee officially changed to the audit and risk committee during the year. For the 2009 financial year the committee operated under its existing charter as detailed above. However, the committee is in the process of revising its existing charter in order to include risk management principles. This charter will, however, only be effective for the next financial year.

All members of the audit and risk committee are directors and are financially literate. The chairman of the audit and risk committee, or in his absence another member of the committee nominated by him, attends the annual general meeting to answer questions falling under the mandate of the committee.

The audit and risk committee is required to meet at least four times a year. Meeting attendances are detailed below.

	Total number of meetings attended
Ralph Freese	4
Norman Maharaj	3
Charl Williams	4

REPORT OF THE AUDIT AND RISK COMMITTEE

In terms of sections 269A and 270A of the Companies Act, 1973 (No. 61 of 1973) as amended, the audit and risk committee of the company and the group including wholly-owned subsidiaries, discharged its functions as follows:

- considered the annual appointment and evaluated the external auditors, the audit plan and audit fees;
- evaluated the independence and effectiveness of the external auditors;
- considered non-audit services performed by the external auditors;
- reviewed the interim report and annual financial statements, including the valuation of unlisted investments and loans, prior to submission to the board. In the course of the review the audit and risk committee:
 - took appropriate steps to ensure that the annual financial statements are prepared in accordance with IFRS and the Companies Act, 1973 (No. 61 of 1973) of South Africa as amended, and
 - considered and made recommendations, where appropriate, on internal controls;
- discussed problems arising from the external audit and review of the external auditors' interim and final reports and identification of key issues;
- considered major findings of internal investigations and management responses;
- reviewed the adequacy of the systems of internal control and any legal matters which could significantly impact on the group's financial statements;
- reviewed compliance with the King Code and Listings Requirements of the JSE in so far as these relate to the financial statements; and
- reviewed the risk management framework and made recommendations, where appropriate, to the board.

In terms of the JSE Listing Requirement 3.84(h), the audit and risk committee satisfied itself that the group financial director has appropriate experience and expertise.

The chairman of the audit and risk committee is required to report to the board of directors on matters attended to by that committee, which he has done and board members received a copy of audit and risk committee minutes.

REMUNERATION AND NOMINATION COMMITTEE

Composition: Messrs A W Bedford (chairman), A Abercrombie and Ms N Mlambo

The members of the committee are non-executive directors. For as long as the committee also performs a nomination function, the chairman is to be appointed by the committee. The remuneration and nomination committee reviews the design and management of executive salary structures and policies. The group is primarily an investment company where its subsidiaries and investment companies have their own remuneration committees. The committee also regularly reviews the composition of the board and makes recommendations to the board on its composition, the appointment of non-executive directors, the re-election of retiring directors and the composition of the board committees, in terms of the prerequisites set out in the board charter.

A Abercrombie was appointed as a committee member during the year.

The mandate of the remuneration and nomination committee requires the committee, inter alia, to:

- ensure that competitive reward strategies and programmes are in place in support of realising corporate objectives and in safeguarding shareholders' interests;
- recommend the level of non-executive director and board committee fees to the board, having received the proposals/recommendations of the executive directors, and where appropriate, independent remuneration consultants for consideration and approval by shareholders;
- ensure consideration is given to succession planning in the group; and
- review and determine the remuneration of the executive directors, subject to consideration of the short- and longer-term components of remuneration and individual contributions and performance.

No executive director is present at meetings of the remuneration and nomination committee when his own remuneration is discussed or considered. The chairman of the remuneration and nomination committee, or in his absence another member of the committee, is required to attend the annual general meeting to answer questions on the subject of remuneration.

The remuneration and nomination committee is required to meet formally at least once a year. The committee met twice during the year. A number of informal meetings were held during the year.

	Total number of meetings attended
Anthony Bedford	2
Nombeko Mlambo	2



Directors' fees

Executive directors	Salary R	Director's fees R	Audit committee R	Remuneration and nomination committee R	Investment committee R	Total remuneration 2009 R	Total remuneration 2008 R
H Adams	–	–	–	–	–	–	1 213 500
A Funkey	1 254 000	–	–	–	–	1 254 000	–
R Hopton	776 923	–	–	–	–	776 923	240 000
	2 030 923	–	–	–	–	2 030 923	1 453 500
Non-executive directors							
A Abercrombie	–	80 000	–	–	–	80 000	397 500
H Adams	–	905 958	–	–	–	905 958	404 500
A W Bedford	–	80 000	–	30 000	–	110 000	247 500
R G Freese	–	80 000	30 000	–	–	110 000	547 500
N Mlambo	–	80 000	–	15 000	–	95 000	110 000
N V Maharaj	–	80 000	15 000	–	–	95 000	–
C W Williams	–	80 000	15 000	–	–	95 000	–
	–	1 385 958	60 000	45 000	–	1 490 958	1 707 000
	2 030 923	1 385 958	60 000	45 000	–	3 521 881	3 160 500

INVESTMENT COMMITTEE

Composition: Messrs H Adams (chairman), R G Freese and A Abercrombie

GPI's investment policy is to achieve above average returns for its shareholders by investing in undertakings and entering into joint ventures and other similar alliances, whereby it forms partnerships with entities contributing not only to capital, but also providing strategic managerial input, a high profile corporate identity, and, most importantly, impeccable empowerment credentials. The investment committee meets formally twice a year, and engages in regular informal discussions.

	Total number of meetings attended
Hassen Adams	2
Ralph Freese	2
Alex Abercrombie	2

RISK MANAGEMENT, ACCOUNTABILITY AND AUDIT

Risk management

The directors of GPI have committed the group to a process of risk management that is aligned to the principles of the King II Report. Effective risk management is imperative to a group with GPI's risk profile. The realisation of the business strategy depends on GPI being able to take calculated risks in a way that does not jeopardise the direct interests of stakeholders. Sound management of risk enables GPI to anticipate and respond to changes in the business environment, as well as take informed decisions under conditions of uncertainty. Every key risk in each part of the group is included in a structured and systematic process

of risk management. All key risks are managed within a unitary framework that is aligned to the group's corporate governance responsibilities.

The nature of the group's risk profile demands that GPI adopts a prudent approach to corporate risk and GPI's decisions around risk tolerance and risk mitigation reflect this. Nonetheless, the group's response to risk remains flexible and dynamic so as not to hinder the group's growth with inappropriate and burdensome controls. Controls and risk interventions are chosen on the basis that they increase the likelihood that GPI will fulfil its intentions to stakeholders, being the maximising of long-term shareholder value. The risks to which the group's existing investments are exposed are continuously identified and mitigated in terms of a group process that allocates responsibility, determines the action to be taken and monitors compliance with that action.

This involves managing a changing and challenging gaming environment and industry, as well as pursuing new business opportunities on a continual basis.

ACCOUNTABILITY AND AUDIT

External audit

The primary focus of the external auditors is to express an audit opinion on the group annual financial statements. Whilst performing such duties, the external auditors provide the board and the audit committee with their independent observations and suggestions on the group's controls, as well as suggestions for the improvement of the financial reporting and operations of the business. The external auditors' audit approach is risk-based, requiring them to continually identify and assess risk throughout the audit processes. The external

auditors are reliant on the operating procedures and place emphasis on understanding how management obtains comfort that the business is generating reliable information and then evaluating and validating the basis of this comfort.

Internal control

The board of directors is responsible for the group's systems of internal control. These systems are designed to provide reasonable but not absolute assurance as to the integrity and reliability of the financial statements and to safeguard, verify and maintain accountability of its assets and to detect and minimise significant fraud, potential liability, loss and material misstatement while complying with applicable laws and regulations. Due to the size of the entity and the volume of transactions processed, the risk of a material misappropriation of funds is low. In addition, there is a high level of management and board review. Therefore, no internal audit committee is required to be formed at this time. Nothing has come to the attention of the directors to indicate that a material breakdown in the controls within the group has occurred during the year.

Regulatory environment

The gaming industry in which the group operates is highly regulated and is subject to significant probity and outside regulatory monitoring. This requires the group, its major shareholders, directors, senior management and key employees to observe and uphold the highest levels of corporate governance.

Social responsibility

GPI actively promotes, through its investment in associates and joint venture companies, the upliftment and socio-economic development of the communities in which the group operates by working with community members with the objective of transferring skills. The company is extremely aware of gambling being a problem in such communities and proactively, through its investments in associated and joint venture companies, endorses the National Responsible Gaming Programme ("NRGP") and interacts with individuals,

industry and government to assist in focusing on this important initiative.

Communications

The board strives to provide its shareholders, employees, government, regulatory bodies, industry analysts, prospective investors and the media with relevant and accurate information, promptly and transparently. In this respect, the regulatory requirements regarding the dissemination of information are strictly observed.

DEALINGS IN SECURITIES

Directors, the Secretary and certain identified senior executives who have access to price-sensitive information and are defined as "insiders" may not deal in shares of the company during the closed periods which fall within the following periods:

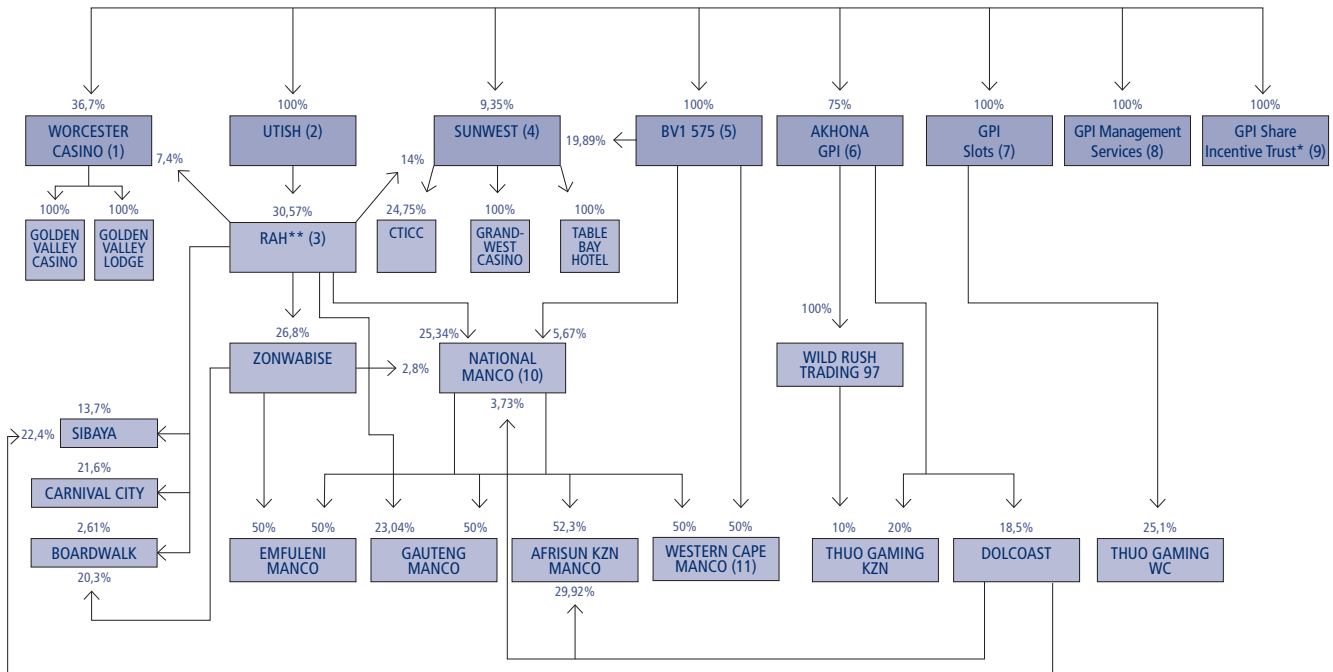
- between 1 January and the date on which the interim results are published;
- between 1 July and the date on which the year-end results are published; and
- outside of the above closed periods while the company is in the process of price-sensitive negotiations, acquisitions, pending any price-sensitive announcements, or while under cautionary.

Directors, secretarial staff and certain identified senior executives are required to obtain prior clearance in writing of any proposed share transactions from the Chairman of the board, or failing him, from the chairman of the remuneration and nomination committee, or failing them, from the chairman of the audit and risk committee. Written requests for clearance should be routed through the Company Secretary who also maintains a written record of requests. Clearance to deal may not be given during closed periods.

Details of any transaction by directors, the Secretary and certain identified senior executives in shares of the company are advised to the JSE through the sponsor for publication on SENS.

Group Structure

Grand Parade Investments



* Held 1,29% of GPI's shares as at 30 June 2009, which eliminate on consolidation.

** RAH has a 76,8% stake in Afrisun Leisure which in turn has a direct shareholding in Sibaya Casino, Carnival City and Boardwalk Casino. The percentages reflected above takes into account the minority stake in Afrisun Leisure.

1. Worcester Casino

GPI has a 36,7% interest in Worcester Casino. The group's effective interest including the share held by RAH equals 38,96%.

2. Utish

Utish Investments (Pty) Limited ("Utish") is a wholly-owned special purpose vehicle established to obtain preference share funding from Sanlam Capital Markets Limited ("Sanlam").

3. RAH

This acquisition indirectly increased GPI's investment in urban casinos.

4. SunWest

In July 2008 the group increased its direct economic interest in SunWest by 2,83% to 29,24%.

5. BVI

Business Venture Investments No. 575 (Pty) Limited ("BVI") is a wholly-owned special purpose vehicle established to obtain preference share funding from The Standard Bank of South Africa Limited ("Standard Bank") and Depfin Investments (Pty) Limited ("Depfin").

6. Akhona GPI

GPI holds a 75% interest in Akhona GPI. Akhona GPI owns an 18,5% stake in Dolcoast, which in turn holds a 22,4% stake in Sibaya Casino in KwaZulu-Natal. It also owns a 30% interest in Thuo Gaming KZN.

7. GPI Slots

Through GPI Slots (Pty) Limited ("GPI Slots"), GPI owns a 25,1% interest in the LPM operations of Thuo Gaming WC.

8. GPI Management Services

GPI Management Services is a wholly-owned entity established to perform management services for the group and third parties. The company is a strategic component of the group's longer-term vision.

9. Grand Parade Share Incentive Trust

The GPSIT was established based on the approval received by the shareholders in the annual general meeting on 9 December 2008. The trust was established as an incentive scheme. On 30 June 2009 the trust purchased 7,6 million of GPI's shares. 1,78 million shares were issued to executive management on 30 June 2009. The balance is available for future issues to staff members.

10. National Manco

GPI holds a 5,67% shareholding in National Casino Resort Management Company (Pty) Limited ("National Manco") and this investment is classified as available-for-sale.

11. Western Cape Manco

GPI owns 50% of Western Cape Manco. This investment is accounted for as a joint venture. The group's effective interest including the share held by RAH equals 57,08%.

Sustainability Report

INTRODUCTION

GPI owes its existence to the outcome of a meaningful commitment to empowerment and sustainability. It is now a substantially empowered, black-controlled listed company but it grew from small beginnings. That is why its commitment to triple bottom line reporting is so strong and its economic, social and environmental impact so positive. Indeed, sustainability is central to its vision, mission and business purpose. A key part of this strategy is the channelling of resources into entities where GPI is able to exercise significant influence.

From this position GPI is able to encourage its underlying investments to grow in a sustainable manner, mindful of the interests of all its stakeholders.

BEE CREDENTIALS

From a black economic empowerment perspective GPI has impeccable credentials. GPI's preliminary score, which is reflected in the table below is in the final stages of assessment. Western Cape's independent BEE verification agency, SERA is in the process of verifying GPI's score of 98%.

This score was derived using GPI's four strongest categories of empowerment and is due to the fact that GPI is classified, based on its reported revenues for 2009, as a qualifying small entity.

	2009 %
Ownership	25,00
Management and control	24,95
Employment equity	25,00
Preferential procurement	23,31
Skills development	-
Social development	-
Enterprise development	-
Total	98,26

EMPLOYMENT EQUITY

GPI's underlying investments operate employment equity committees. They ensure that employment equity and succession planning strategies are focused on the businesses core functions. The employment equity plans for 2010 reflect the plans in place to aid with recruitment and development. This doubles as a departmental measurement and guide towards ensuring that employment equity targets are attained.



Table Bay CSI marine outing

SHAREHOLDER EMPOWERMENT

GPI is a business with 100% black origins and was therefore transformed at "birth". GPI is SunWest's biggest local stakeholder in terms of shareholder empowerment: it now owns an effective stake of 33,52% in SunWest, thus fulfilling the terms of the original bid to secure the licence for the Western Cape-based operation. GPI now has 6 300 direct shareholders, most of whom are members of historically disadvantaged communities. The founding consortia themselves account for thousands of previously disadvantaged shareholders which means that indirectly the previously disadvantaged shareholder base of GPI is substantially more.

These shareholders invested their savings in GPI and have since been rewarded with a substantial return on their investment. GPI now holds over 50% of the SunWest voting shares and will use this position to ensure that shareholder interests are maintained over the long term.

As mentioned above, GPI's continued participation in the benefits flowing from the activities of SunWest is central to SunWest's sustainability strategy. It is for this reason that GPI has managed to achieve a BEE lock-in of more than 28% of its share capital until at least 2012.

ECONOMIC IMPACT

GPI's portfolio of assets has contributed substantially to the local economies within which it operates, the biggest contributor being the Western Cape-based SunWest investment.

Economic impact of SunWest

SunWest has made a significant economic contribution to the province and the country, making a cumulative contribution to Gross Domestic Product ("GDP") between 1997 and 2008 of over R15,8 billion.

In 2008 SunWest contributed over R2,8 billion to GDP.

This comprised the following:

- R338,7 million from ongoing capital expenditure at GrandWest due to the expansion of the facilities;



- R1,46 billion from the running of GrandWest;
- R148,3 million from the concessionaires operating at GrandWest;
- R13,6 million from ongoing capital expenditure at The Table Bay Hotel;
- R253,6 million from the running of the hotel;
- R5,7 million from the concessionaires operating at the hotel; and
- R645,5 million from the Cape Town International Convention Centre (Pty) Limited ("CTICC"). This last part of the contribution has a variety of sources and includes construction and maintenance expenditure, operational expenditure, spending by exhibitors, spending by delegates and induced tourism spending.

In addition, by 2008, SunWest had contributed over R600 million to Gross Geographic Product ("GGP"). This is made up of the following:

- R61,6 million in ongoing capital expenditure at GrandWest;
- R252,2 million from the running of GrandWest;
- R27,7 million from the concessionaires operating at GrandWest;
- R2,5 million from ongoing capital expenditure at The Table Bay Hotel;
- R44,9 million from the running of the hotel;
- R1,0 million from the concessionaires operating at the hotel; and
- R210,9 million from the CTICC.

To summarise, between 1997 and 2008, SunWest made a cumulative contribution to GGP of nearly R3,2 billion.

Furthermore, in 2008 SunWest paid R429,1 million in casino levies and VAT, R287,2 million in other forms of direct taxes (such as income and corporate tax) and R24,4 million in licence fees. This resulted in a total of R740,7 million being paid into the fiscus in various forms of direct taxes, while an additional R286,1 million in indirect taxes was also generated during that year.

Job creation

SunWest has, since its inception, spawned many new business opportunities and created employment for thousands of people from its surrounding communities and beyond. Sustainable jobs created include employment provided by the CTICC, which SunWest played a pivotal role in launching by

providing considerable intellectual and financial support. The spin-off benefit of this world-class international convention centre to Cape Town and South Africa has been substantial and is continuing to grow over time.

In 2001, at the peak of the construction of GrandWest, SunWest created or sustained 7 102 direct jobs and 7 455 indirect jobs, resulting in a total of 14 558 jobs created or sustained. By 2008 SunWest activities was sustaining 5 781 direct jobs and 5 235 indirect jobs. This is a total of 11 017 sustainable jobs due to the activities of SunWest.

In addition, GrandWest has 27 concessionaires ranging from fast food outlets and restaurants to entertainment and retail. These provide jobs for over 1 000 people. At the same time, there are eleven outsourced service providers, with the largest being the providers of catering, security and cleaning services. In total these service providers employ more than 1 600 people, most of whom never had jobs before.

The Table Bay Hotel has two concessionaires who employ a total of 37 people and five service providers who employ in excess of 400 people. The CTICC currently has five concessionaires and 22 service providers.

In the 2008 financial year, GrandWest spent over R130 million in purchasing goods and services in the local economy, and because 60% of tracked procurement was placed with the BEE sector, GrandWest has substantially advanced the provincial government's agenda in respect of transformation in the Western Cape leisure industry.

Economic impact of Worcester Casino

In 2009 Worcester Casino made the following contributions to GDP:

- R8 million from ongoing capital expenditure;
- R104 million from running the casino and lodge in 2009; and
- Total capital investment for the lodge and casino was R225 million.

Worcester Casino currently employs 135 direct staff and has appointed three major service providers in the categories of catering, cleaning and security, creating employment for 214 people.

Economic impact of LPM Investments

Over the past year, Thuo Gaming WC and Thuo Gaming KZN have made a substantial economic impact. All venues through which the LPM machines are operating are subject to strict regulations and accordingly fall within the tax net. Many of the venues received substantial upgrades and the activities associated with these upgrades provided an important economic benefit.



Greening of schools

The nature of route operations is that they are geographically dispersed throughout the provinces within which they operate and accordingly the benefit of the network is shared as opposed to being concentrated for the exclusive benefit of the big urbanised cities.

An updated economic assessment of the economic benefits of these operations is under way and through this we will be able to confirm and provide a report on how the actual benefit stacks up against the projected benefits at the inception of these businesses.

CORPORATE SOCIAL INVESTMENT

GPI's most important investment, SunWest, has built up an enviable track record in terms of its focus on sustainability, as has Thuo Gaming WC. Both entities allocate a substantial percentage of their profits to corporate social investment and the uplifting of the communities within which they operate.

SunWest



GrandWest communicate launch

GrandWest's Corporate Social Investment ("CSI") contribution has become increasingly prominent in the social investment landscape of Cape Town and the operation boasts numerous CSI projects and achievements in its portfolio.

GPI can take much of the credit for SunWest's achievements in this regard through its representation on the SunWest board and the role of Western Cape Manco, which is jointly controlled by GPI and Sun International. Western Cape Manco is responsible for the management of SunWest's empowerment policy, which covers all aspects of empowerment including community empowerment, shareholder empowerment, procurement empowerment and, importantly, employee empowerment.

By 2007 GrandWest's CSI committee, under the guidance of GPI representatives who serve on the Western Cape Manco board, had overseen the allocation of R25 million to social investment projects. The expansion at GrandWest further increased CSI spending by an additional R1,7 million, which is set to rise to a potential R14,7 million in 2015.

Since 2000, GrandWest CSI has invested its R25 million CSI budget in local community projects and programmes, concentrating on those that are viable and sustainable in the long term and those that empower local communities.

The allocation of CSI is managed across different category types which are weighted according to needs and community priorities.

Some of the projects and programmes that have benefited from GrandWest CSI include:

- Blisters for Bread – a charity family fun walk which raises money to feed hungry Cape Peninsula schoolchildren: more than 15 000 walkers take part;
- Ruyterwacht Community Learning Centre – a wireless network facility with computers and internet where the people of Ruyterwacht are able to acquire skills, tuition, life skills training, career guidance and also have access to employment opportunities;
- Zeekoevlei Environmental Education programme – enabling disadvantaged children to acquire environmental and social life skills and receive a certificate at the end of the course;
- Soundtrack 4 Life – GrandWest CSI's successful life skills programme which uses theatre to empower learners with the behavioural skills necessary to deal with social issues such as HIV: the programme has already reached over 100 000 Cape Peninsula learners;
- Red Cross Society – GrandWest CSI has provided field kitchens which offer relief to poor Western Cape communities devastated by floods, fire and other natural disasters;



- The GrandWest CSI-SHAWCO mobile community health clinics – these provide primary health care to an ever-increasing number of Cape Metropole citizens. R5,1 million has been spent to date on this project;
- SHARE Literacy Project – an adult basic education project in Somerset West providing real life experience training;
- Noluthando School for the Deaf – based in Khayelitsha, this school also accommodates learners with other physical challenges: GrandWest CSI funded the equipping of a sewing room;
- Western Cape Primary Science programme – the teaching of science is a problem area in schools: GrandWest CSI funded the translation of a series of books into Xhosa, as well as the production of a DVD that would benefit both educators and learners;
- Ntwasahlobo Primary, Litha Primary, Siyanda Educare and Siphamandla Educare – GrandWest CSI funded reading materials, mattresses, educational toys, musical instruments, tables and desks;
- GrandWest’s CSI committee has always recognised and valued the immense part education plays in transforming our society, and supports a number of education-related projects and programmes in the Western Cape.

Motivated by the announced shortage of skilled engineers and scientists in the province, the GrandWest CSI Bursary Fund was launched in August 2007 aimed at Western Cape tertiary students studying in the disciplines of mathematics, science or technology, as well as FET (Further Education and Training) students who are bridging towards a university education. The Bursary Fund makes R5 million’s worth of bursaries available over a five-year period.

To date the GrandWest CSI Bursary Fund has awarded bursaries to 150 students and many of these early bursars are already achieving impressive academic results at their various institutions;

- SOS Children’s Village, Thornton – GrandWest CSI adopted House 13 and House 15 in 2005 and besides initially purchasing appliances, from time to time has taken care of the two homes’ needs: SOS children are also included in Christmas parties, visits to the Aquarium, shows at the Grand Arena and other activities;

- Home of Hope – this project is involved with child protection and the provision of safety, well-being and protection of all children in communities such as Table View, Du Noon, Joe Slovo and Doorbach: GrandWest CSI responded to the Homes’ need for a vehicle to transport social workers and provide supplies to areas of need.

The Table Bay Hotel

In the 2009 financial year, The Table Bay Hotel spent over R133 000 on corporate social investment, with this being fairly evenly spread between health and welfare projects, educational projects and community development.

The Golden Valley Casino and Lodge

Although The Golden Valley Casino is not yet in a profit-generating position, the unit is assisting the local community with meal and accommodation vouchers, as well as a considerable amount of management’s time and energy. In 2009 Golden Valley made a cash contribution of R50 000 to the Pioneer Rally. The main beneficiary of the Rally is the Pioneer School for the Blind in Worcester. At a gala banquet an additional R200 000 was raised.



LPM Investments/Thuo Gaming

Thuo Gaming WC has committed to invest at least 5% of its pre-tax profits on CSI projects. Priority is given to programmes which uplift and support the communities in the categories of community development, health and welfare, and education. Those which benefited during the past year are:

- The Somerset Hospital, to whose board a donation of R1 million was made to rebuild their trauma unit. The new unit will be three times larger and is expected to be completed by March 2010. Thuo’s contribution will aid short-term job creation during the construction phase and long-term employment for doctors, nurses and hospital administrative staff. The facility will furthermore be a training ground for intern doctors.

- The Chaeli Campaign, which will use their R200 000 donation to enable people with various disabilities to support themselves. Programmes offered by Chaeli include:
 - physiotherapy and occupational therapy to children with various disabilities;
 - a resource centre for parents, siblings, students and visitors;
 - therapist training;
 - family and parent support groups and social worker services; and
 - upkeep of therapy equipment.
- Noah, which received an amount of R30 000 as sponsorship of a home for the aged in Atlantis for a period of one year.
- Girls' & Boys' Town, who were recipients of a R20 799 donation that will cover the cost of education for three youngsters for a period of one year.
- The Marsh Memorial Home, which offers sanctuary to abused and neglected children placed there by the court. The home has received R18 709.
- The St George's Home for Girls also received R18 709 for continued well-being of girls placed in the Home's care.

Thuo Gaming KZN is still in its start-up phase and is accordingly not in a profit-making position yet. We are confident that this business will become profitable in the next two years and will therefore commence making a meaningful contribution to community social development and enterprise development in the short to medium term.

ENTERPRISE DEVELOPMENT

GPI is reviewing its investment in community projects and will be reprioritising the allocation of a portion of GrandWest's funding to enterprise development initiatives, in accordance with the new code.

ENVIRONMENTAL SUSTAINABILITY

GrandWest

GrandWest first implemented the National Heritage Environmental Management System in May 2006, for which the complex was awarded a Silver rating. In March 2009 GrandWest was awarded a Gold rating.

In addition to improving on set targets for the elimination of waste and the reduction of the company's carbon footprint, refuse and any wasteful use of water and energy, GrandWest

is also committed to applying its environmental policy principles to surrounding areas. These include Goodwood, Thornton and Ruyterwacht.

Table Bay Hotel

Among its most important conservation efforts are electricity, gas, water and waste saving. Energy-saving electric light bulbs have been fitted and water is saved with the introduction of dual-flushing toilet tanks and showerheads that mix the water with air.

In just under two years of adhering to the principles of the National Heritage Programme, The Table Bay Hotel's Silver status was upgraded to Gold. In its audit report on the hotel, the Heritage Programme said that one of the most impressive aspects of the hotel's conservation work was the degree to which suppliers were advised of the hotel's environmental policies.

Worcester Casino

Worcester Casino is also a member of the National Heritage Environmental Management System. The property's efforts are focused on reducing water and energy consumption at the complex in order to safeguard Africa's most precious resources.

THE WAY FORWARD

GPI will continue to ensure that its underlying investments focus on excellence with respect to the triple bottom line. GPI firmly believes that, over the long term, shareholder value will be optimised through this focus on sustainability.