



GOLD REEF

C A S I N O R E S O R T S

**FOR THE 6 MONTHS ENDED
30 JUNE 2002**

**ATTRIBUTABLE PROFIT OF R45,1 MILLION
HEPS OF 25.4 CENTS
NAV PER SHARE OF 345 CENTS
MOSSEL BAY CASINO LICENSE AWARDED**

GROUP INCOME STATEMENT

		Unaudited 6 months ended 30 June 2002 R' 000	Unaudited 6 months ended 30 June 2001 R' 000	Audited 12 months ended 31 December 2001 R' 000
Net operating profit		24,904	28,438	64,092
Taxation		6,404	8,531	17,077
Net profit after taxation		18,500	19,907	47,015
Share of results in associates	36,9	26,635	19,460	35,792
Akani Egoli (Gold Reef City)		20,561	18,517	37,595
Akani Msunduzi (Golden Horse)		3,108	-	(3,840)
West Coast Leisure (Casino Mykonos)		-	-	(955)
CAI Gold Reef Management		2,966	943	2,992
Profit attributable to shareholders	14,7	45,135	39,367	82,807
Number of shares in issue (000)		177941	177262	177262
Weighted average number of shares in issue (000)		177941	177262	177262
Earnings per share (cents)	14,4	25.4	22.2	46.7
Headline earnings per share (cents)	14,4	25.4	22.2	46.7
Diluted earnings per share (cents)		24.7	22.2	46.5



GROUP BALANCE SHEET

	Unaudited at 30 June 2002 R' 000	Unaudited at 30 June 2001 R' 000	Audited at 31 December 2001 R' 000
Assets			
<i>Non-current assets</i>			
Property, plant and equipment	149	202	188
Investment in associates	549,938	518,938	538,196
- Akani Egoli	422,516	425,688	409,100
- Akani Msunduzi	95,351	62,743	99,702
- West Coast Leisure	7,305	9,257	6,837
- CAI Gold Reef Management	24,766	21,250	22,557
Other Investments	2	500	2
Loan to share incentive trust	7,406	7,406	7,406
Deferred taxation	111	-	111
	557,606	527,046	545,903
<i>Current assets</i>			
Receivables and prepayments	3,792	494	1,140
Cash and cash equivalents	52,730	47,101	45,801
	56,522	47,595	46,941
	614,128	574,641	592,844
Equity and liabilities			
<i>Capital and reserves</i>			
Ordinary shareholders' equity	362,924	360,885	360,885
Non-distributable reserves	13,238	15,002	14,120
Retained earnings	237,479	149,654	192,344
	613,641	525,541	567,349
<i>Current liabilities</i>			
Payables and provisions	455	11,849	6,799
Bank overdraft	32	28,720	14,582
Taxation liabilities	-	8,531	4,114
	614,128	574,641	592,844
Net asset value per share (cents)	345	296	320

GROUP CASH FLOW

	Unaudited 6 months ended 30 June 2002 R' 000	Unaudited 6 months ended 30 June 2001 R' 000	Audited 12 months ended 31 December 2001 R' 000
Cash flow from operating activities			
Net profit	24,904	28,438	64,092
Non-cash items and other adjustments	(25,273)	(30,705)	(56,339)
Cash flow from trading activities	(369)	(2,267)	7,753
(Increase)/decrease in working capital	(7,033)	603	(5,093)
Cash flow from operating activities	(7,402)	(1,664)	2,660
Net interest received	24,439	29,867	56,903
Taxation paid	(12,481)	(17,875)	(30,949)
Net cash generated by operating activities	4,556	10,328	28,614
Cash flow from investing activities	(9)	(145)	(2,556)
Cash flow from financing activities	16,932	(53,826)	(56,863)
Net increase/(decrease) in cash and cash equivalents	21,479	(43,643)	(30,805)
Cash and cash equivalents at the beginning of the period	31,219	62,024	62,024
Cash and cash equivalents at the end of the period	52,698	18,381	31,219



GROUP STATEMENT OF CHANGES IN EQUITY

	Unaudited 6 months ended 31 June 2002 R' 000	Unaudited 6 months ended 31 June 2001 R' 000	Audited 12 months ended 31 December 2001 R' 000
Share capital			
<i>Ordinary shares</i>			
- at the beginning of the period	3,545	3,545	3,545
- ordinary shares issued	13	-	-
at the end of the period	3,558	3,545	3,545
<i>Share premium</i>			
- at the beginning of the period	357,340	357,340	357,340
- share premium raised	2,026	-	-
at the end of the period	359,366	357,340	357,340
Total share capital at the end of the period	362,924	360,885	360,885
<i>Non-distributable reserves</i>			
- at the beginning of the period	14,120	15,885	15,885
- NDR released	(882)	(883)	(1,765)
at the end of the period	13,238	15,002	14,120
<i>Retained earnings</i>			
- at the beginning of the period	192,344	110,287	110,287
- net profit for the period	45,135	39,367	82,807
- prior year adjustment	-	-	(750)
at the end of the period	237,479	149,654	192,344

INTRODUCTION

The directors of Gold Reef Casino Resorts Limited (“GRCR”) are pleased to present the interim financial results for the six-months ended 30 June 2002 (“the interim period”).

These unaudited interim financial results have been prepared in accordance with South African statements of Generally Accepted Accounting Practice. The accounting policies used in the preparation of the unaudited interim financial results are consistent with those used in the annual financial statements for the year ended 31 December 2001.

GRCR’s continued growth during the interim period was reflected in sturdy profit levels and a steady rise in headline earnings per share (HEPS).

THE CASINOS AUSTRIA TRANSACTION

As the acquisition by GRCR of the South African casino assets of Casinos Austria International Holding GmbH (“Casinos Austria”) and the specific issue of shares for cash announced on 7 March 2002 (“the Casinos Austria transaction”) remain subject to the fulfilment of two outstanding conditions precedent, the results for the interim period do not incorporate the effects of the transaction. The two outstanding conditions precedent are the approvals of shareholders and of the competition authorities to the extent required. A circular detailing the Casinos Austria transaction and a notice of general meeting to seek approval of the transaction will be posted today. A ruling from the competition authorities to the effect that their approval is not required has been sought. The ruling is expected shortly.

As evidenced by the diluted earnings per share of 24.7 cents, arising primarily from the potential issue of 35,600,000 shares to Casinos Austria, the Casinos Austria transaction would not have enhanced earnings for the interim period. However, the alignment of GRCR and Casinos Austria as a result of the transaction has significant strategic impact going forward.

THE INTERIM PERIOD

Gold Reef City Casino continued to trade strongly and exceeded its performance in the previous comparative period. A resilient gaming market and successful marketing initiatives contributed to improved revenues during the latter part of the interim period. However, the increase in interest rates impacted on the casino’s bottom line and consequently on GRCR’s equity-accounted profits. Gold Reef City Theme Park also performed well, benefiting from completion of all major developments.

The effects of its rationalisation exercise in 2001 resulted in Casino Mykonos exceeding targets. Development at Golden Horse in Pietermaritzburg was completed with the opening of the science centre and museum. Initial revenue levels were below expectations but are showing signs of strengthening.

Casino management company CAI Gold Reef Management (“CAI GoldReef”) continued to pursue new management contracts and showed strong growth in revenues.

FINANCIAL RESULTS

Attributable profit of R45,135 million grew 14,7% from R39,367 million for the half-year period ended 30 June 2001. Healthy EBITDA percentages for all three casinos reflect ongoing cost discipline.

HEPS increased 14,4% to 25.4 cents from 22.2 cents, reflecting the robust performances of Gold Reef City and Casino Mykonos as well as overall effective cost-control.

Gold Reef City Casino’s contribution to GRCR’s equity-accounted profits of R20,561 million was up 11% from the previous comparative period, after payment of interest on shareholders’ loans of R21,532 million. Casino Mykonos achieved a trading profit of R1,85 million for the interim period. Interest was levied on shareholders’ loans in the same amount. No interest was charged on shareholders’ loans to Golden Horse, reducing interest received by GRCR to R24,439 million from R29,867 million.

Net asset value per share of 345 cents was 16,6% higher than the 296 cents at 30 June 2001. At 30 June 2002 GRCR had no interest bearing liabilities.

NEW PROJECTS AND FUTURE DEVELOPMENTS

In line with strategy announced at year-end GRCR acquired for R10 million a 10% equity interest and loan account in the company which was granted the casino licence for Mossel Bay. CAI GoldReef was awarded the casino management contract. It is intended that the casino be open in time for the December holiday season.

GRCR's bid for a casino licence at Welkom in the Free State is still pending. Any investment will not be material.

OUTLOOK

The Casinos Austria transaction will realise immediate cash-flow benefits for GRCR and enable the company to endeavour to secure casino projects and management contracts locally and internationally.

GRCR anticipates that traditionally stronger market conditions during the second half of the year will sustain the recent improvement in revenues at Gold Reef City Casino, with similar positive expectations for Casino Mykonos during the holiday season. Management does not expect that the new Durban casino to be opened in December will impact materially on Golden Horse. While the Mossel Bay casino will have no significant effect on results to year-end it is expected to contribute to profits in 2003.

POSSIBLE OFFER, PROPOSED PRO-RATA SHARE REPURCHASE AND RENEWAL OF CAUTIONARY ANNOUNCEMENT

As announced on 3 September 2002 a consortium including the controlling shareholders of GRCR is considering making an offer to acquire GRCR's assets and assume its liabilities for a consideration equivalent to R3,25 per share (less STC and transaction costs of approximately 5 cents per share), a significant premium over the share price at the date of the announcement.

GRCR's proposed pro-rata share repurchase of 8% of its issued share capital at R3,00 per share referred to in the announcement dated 20 March 2002, has been placed on hold until the consortium indicates whether or not it will make the offer. If the offer is not made, or if it is made but not accepted, GRCR will proceed with the proposed repurchase. The consortium is expected to make an announcement on or about 31 October 2002.

Shareholders are advised to continue exercising caution in their share dealings pending further announcements.

DIVIDEND

Pending the decision of the consortium in respect of its proposed offer and the consequent effect on GRCR's proposed pro-rata share repurchase, no dividend has been declared for the interim period.

On behalf of the Board.

12 September 2002

REGISTERED OFFICE

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DIRECTORS

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Gold Reef Casino Resorts Limited
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