



GOLD REEF

CASINO RESORTS

Gold Reef Casino Resorts Limited ("GRCR")
Registration number: 1989/002108/06
Share Code: GDF ISIN Code: ZAE 000028338

- ATTRIBUTABLE PROFIT UP 39.7%
- HEPS UP 19.8%
- NET CASH GENERATED IN OPERATING ACTIVITIES R221,7 MILLION
- EBITDA: REVENUE 39.2%
- MAIDEN DIVIDEND DECLARED OF 15 CENTS PER SHARE
- THE GARDEN ROUTE CASINO OPENS

PRELIMINARY REVIEWED ANNUAL FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2002

GROUP INCOME STATEMENT

		For the year ended 31 December 2002	For the year ended 31 December 2001	Proforma for the year ended 31 December 2001
		R'000	R'000	R'000
Revenue		787 125	-	605 730
Direct costs		(292 342)	-	(224 694)
Gross profit		494 783	-	381 036
Other operating income		-	17 734	15 438
Other operating expenses		(186 268)	(5 159)	(165 501)
Operating profit before depreciation and amortisation		308 515	12 575	230 973
Depreciation and amortisation		(86 467)	(3 659)	(64 517)
Operating profit		222 048	8 916	166 456
Finance (costs)/income		(50 879)	53 346	(46 228)
Pre-opening costs expensed		-	-	(7 438)
Profit before taxation		171 169	62 262	112 790
Taxation		(56 149)	(17 077)	(32 643)
Net profit after tax		115 020	45 185	80 147
Equity accounted earnings		-	27 374	-
Akani Egoli (Gold Reef City)		-	29 290	-
Akani Msunduzi (Golden Horse)		-	(3 840)	-
West Coast Leisure (Casino Mykonos)		-	(1 068)	-
Pinnacle Point Casino (Garden Route Casino)		-	-	-
CAI Gold Reef Management		-	2 992	-
Profit from ordinary activities		115 020	72 559	80 147
Outside shareholders' interest		(13 663)	-	(7 588)
Profit attributable to shareholders	39.7%	101 357	72 559	72 559
Amortisation of goodwill		7 358	3 568	-
Profit on disposal of property, plant and equipment		(248)	-	-
Amortisation of NDR to the income statement		(1 030)	(1 765)	-
Headline earnings		107 437	74 362	-
Number of shares in issue (000)		213 542	177 262	-
Weighted average number of shares in issue (000)		213 542	177 262	-
HEPS (cents)				
basic	19.8%	50.3	42.0	-
before deducting depreciation on buildings	16.9%	54.6	46.7	-
EPS (cents)				
basic	16.1%	47.5	40.9	-
Diluted EPS (cents)	16.5%	47.4	40.7	-
Net cash generated in operating activities per share (cents)	544.7%	103.8	16.1	-
Dividend per share (cents)		15.0	-	-

GROUP STATEMENT OF CHANGES IN EQUITY

		For the year ended 31 December 2002	For the year ended 31 December 2001
		R'000	R'000
Share capital			
At the beginning of the year		3 545	3 545
Ordinary shares issued		726	-
At the end of the year		4 271	3 545
Share premium			
At the beginning of the year		357 340	357 340
Share premium raised		108 114	-
At the end of the year		465 454	357 340
Total share capital at the end of the year		469 725	360 885
Non-distributable reserves			
At the beginning of the year		14 120	15 885
NDR raised on acquisition of subsidiaries		390	-
NDR raised on consolidation of share incentive scheme		1 663	-
NDR released		(14 399)	(1 765)
At the end of the year		1 774	14 120
Retained earnings			
At the beginning of the year		178 398	110 287
Change in accounting policy		-	(38)
Prior year adjustment		(1 029)	(4 410)*
Adjustment due to increased holding in subsidiaries		(1 760)	-
Share of subsidiary retained income prior to it becoming a subsidiary		55	-
Net income for the year		101 357	72 559
Transfer from reserves		13 185	-
At the end of the year		290 206	178 398

* The prior year adjustment relates mainly to goodwill not previously amortised

COMMENTS

The preliminary annual financial results have been reviewed by PricewaterhouseCoopers Inc. and the review opinion is available for inspection at GRCR's registered office. The preliminary reviewed annual financial results have been prepared in accordance with South African Statements of Generally Accepted Accounting Practice. The accounting policies used in the preparation of these annual financial results are consistent with those used in the annual financial statements for the year ended 31 December 2001 ("the previous year") unless otherwise indicated.

THE YEAR UNDER REVIEW

Casinos Austria Transactions
GRCR's acquisition of the South African assets of Casinos Austria International Holding GmbH ("Casinos Austria") for the issue of 33 600 000 shares and the specific issue of 2 000 000 shares for cash all at 300 cents per share ("the CA transactions"), were concluded with effect from 1 January 2002. Casinos Austria's 17% stake in GRCR following the CA transactions has subsequently been raised to 31.6% by the acquisition of a further 24 615 384 shares at 325 cents per share.

The CA transactions and Casinos Austria's further acquisition of shares have introduced a significant international shareholder to GRCR. Through the CA transactions GRCR has strategically consolidated its interests in Gold Reef City Casino, Golden Horse Casino and Casino Mykonos and in the management contracts of these casinos, as well as secured access to international opportunities.

Operations

The group's casinos reported strong results and maintained strict cost discipline to post healthy EBITDA percentages and to reduce external debt.

Gold Reef City continued to perform exceptionally well. A resilient Gauteng gaming market and successful marketing initiatives contributed to an increase in revenue. The additional indoor smoking facility, which opened in November, markedly

contributed to the casino's performance. The Theme Park also continued to trade strongly achieving revenue growth and boosting net profit.

Golden Horse Casino performed in line with expectations and was not materially affected by the opening of Durban's new casino in November. The casino also benefited from synergies with the adjacent Scottsville racecourse.

Excellent trading at Casino Mykonos reflects the effects of the 2001 rationalisation and shareholders' recapitalisation, and resulted in the casino exceeding targets.

The new Garden Route Casino in which GRCR has a 10% investment, opened in Mossel Bay in December 2002 and performed well over the festive season. Substantial non-recurring pre-opening expenses resulted in a nil contribution on an equity-accounted basis.

Property	Revenue R'000	EBITDA R'000	EBITDA %
Gold Reef City	622 558	233 954	37.6
Golden Horse	118 604	42 714	36.0
Casino Mykonos	45 607	13 797	30.3
Garden Route Casino*	5 917	2 281	38.5

* The Garden Route Casino only opened on 12 December 2002.

FINANCIAL RESULTS

Revenue grew by 30% to R787.1 million while attributable profit increased by 39.7% to R101.4 million. EBITDA of R 308.5 million representing a 39.2% margin on revenue, together with a net asset value of 356.7 cents per share, reflects the group's robust performance. Net cash generated in operating activities amounted to R221.7 million equating to 103.8 cents per share.

Following the Casinos Austria transactions the board decided to consolidate investments in which the company holds at least a 50% investment. This new approach results in a more meaningful presentation of the group's performance.

GROUP BALANCE SHEET

	At 31 December 2002	At 31 December 2001	Proforma at 31 December 2001
	R'000	R'000	R'000
ASSETS			
Non-current assets			
Property, plant and equipment	866 440	188	896 111
Leasehold improvements	144 280	-	125 995
Intangible assets	24 355	-	26 359
Goodwill	57 492	-	26 949
Investment in associates	11 361	524 250	-
Available-for-sale investments	1	2	2
Share incentive scheme	7 872	7 406	7 406
Deferred tax	-	111	-
	1 111 801	531 957	1 082 822
Current assets			
Inventories	3 513	-	3 503
Receivables and prepayments	9 472	1 140	16 727
Cash and cash equivalents	153 365	31 219	-
Amounts owing by related parties	3 027	-	5 162
	169 377	32 359	25 392
	1 281 178	564 316	1 108 214
EQUITY AND LIABILITIES			
Capital and reserves			
Ordinary share capital	4 271	3 545	3 545
Share premium	465 454	357 340	357 340
Non-distributable reserves	1 774	14 120	14 120
Retained earnings	290 206	178 398	178 398
	761 705	553 403	553 403
Outside shareholders' interest			
	58 178	-	92 839
Non-current liabilities			
Interest bearing borrowings	262 608	-	65 014
Deferred tax liability	8 708	-	2 357
	271 316	-	67 371
Current liabilities			
Trade and other payables	38 809	6 799	56 606
Provisions	17 538	-	9 414
Bank overdraft	-	-	269 144
Tax liabilities	29 926	4 114	22 611
Current portion of interest bearing borrowings	102 676	-	32 790
Amounts owing to related parties	1 030	-	4 036
	189 979	10 913	394 601
	1 281 178	564 316	1 108 214
Net asset value per share (cents)	356.7	312.2	312.2

GROUP CASH FLOW STATEMENT

	For the year ended 31 December 2002	For the year ended 31 December 2001
	R'000	R'000
Cash flow from operating activities		
Profit before taxation	171 169	62 262
Non-cash items and other adjustments	136 005	(50 952)
Cash flow from trading operations	307 174	11 310
Decrease/(increase) in working capital	7 983	(5 093)
Cash flow from operating activities	315 157	6 217
Net interest (paid)/received	(50 879)	53 346
Taxation paid	(42 575)	(30 949)
Net cash generated in operating activities	221 703	28 614
Cash flow from investing activities		
Acquisition of property, plant and equipment	(67 400)	(177)
Proceeds on disposal of property, plant and equipment	2 479	-
Acquisition of intangibles	(381)	-
Investment in associates	*	(2 377)
Increase in loans to associates	(11 361)	(56 863)
Net advances from related parties	509	-
Acquisition of subsidiaries (net of cash acquired)	(300 222)	-
Other investments	-	(2)
Net cash utilized in investing activities	(376 376)	(59 419)
Cash flow from financing activities		
Ordinary shares issued	40	-
Share premium raised	5 960	-
Increase in share incentive scheme loan	(466)	-
Increase in interest bearing borrowings	267 480	-
Increase in outside shareholders' loans	3 805	-
Net cash generated in financing activities	276 819	-
Net increase/(decrease) in cash and cash equivalents	122 146	(30 805)
Cash and cash equivalents at the beginning of the year	31 219	62 024
Cash and cash equivalents at the end of the year	153 365	31 219

* Amount less than R1000

Proforma consolidated comparative information is provided in the Group Income Statement and Group Balance Sheet.

The results take into account a change in accounting policy. In accordance with accounting statement AC 123 the group now depreciates its buildings to nil over a period of fifty years. Results for the previous year have been restated for comparative purposes.

The adoption of AC 123 resulted in additional charges to the income statement totalling R9.1 million. HEPS before deducting depreciation of buildings amounted to R116.5 million translating into 54.6 cents a share for the year. This is a growth of 16.9% over the previous year's published HEPS of 46.7 cents.

POST BALANCE SHEET EVENTS

GRCR will finance the purchase from Gensec by AKA Capital (Pty) Ltd of its investment in Akani Leisure Investments (Pty) Ltd, GRCR's empowerment partner in Akani Egoli (Pty) Ltd. AKA Capital is headed by Akani Egoli Chairman and GRCR non-executive director Reuel Khoza. The transaction is subject to the approval of the Gauteng Gaming Board which is expected mid 2003. This will increase GRCR's effective shareholding in Akani Egoli by 4.19%.

GRCR through a wholly owned subsidiary effected a post year-end pro-rata share repurchase of 14 235 346 ordinary shares (which will not be cancelled or delisted from the JSE Securities Exchange South Africa) at a cost of R42.7 million.

FUTURE DEVELOPMENTS

GRCR holds an interest in the consortium bidding for a casino license in Welkom. Following the application hearing held on 21 January 2003 the consortium anticipates being announced the preferred applicant. CAI Gold Reef Management will hold the management contract for the new casino.

OUTLOOK

Casinos Austria's global expertise in managing casinos has augmented the group's skill in developing, structuring and financing casinos. Management will investigate appropriate opportunities to capitalise on this combined expertise in line with the group's future growth strategy. Access to these opportunities should benefit CAI Gold Reef Management which will endeavour to secure the management contracts for new developments.

The 42% reduction in net interest bearing external debt reduced gearing from 57% to 26%. This together with strong cash flow from the operations has positioned the group well for future growth.

MAIDEN DIVIDEND DECLARATION

The board declared a maiden dividend of 15 cents per share covered 3.4 times by basic HEPS. From time to time the board will reconsider dividend cover based on the group's cash flow, gearing and capital requirements.

The dividend will be financed out of GRCR's free cash flow.

The salient dates for the dividend are as follows:

Last day to trade shares "cum" dividend	Friday 4 April 2003
Shares trade "ex" dividend	Monday 7 April 2003
Record date	Friday 11 April 2003
Payment date	Monday 14 April 2003

No share certificates may be dematerialised or rematerialised between Monday 7 April 2003 and Friday 11 April 2003, both dates inclusive.

ON BEHALF OF THE BOARD. 19 MARCH 2003