

INTERIM PROFIT ANNOUNCEMENT FOR THE SIX MONTHS ENDED 31 DECEMBER 2000

- Revenues up 11% to R1,4 billion**
- EBITDA up 19% to R370 million**



Kersaf Investments Limited

(Registration number 1967/007528/06)

- Headline earnings of R111 million in line with last year**
- Three new casinos opened in South Africa**

GROUP INCOME STATEMENT

	Six months ended 31 December 2000	Year ended 30 June 1999	Year ended 30 June 2000	
	Reviewed Rm	% change	Reviewed Rm	Audited Rm
Revenue	1 384	11	1 244	2 572
Direct costs	(624)		(569)	(1 155)
Gross profit	760	13	675	1 417
Indirect costs	(390)		(363)	(746)
EBITDA*	370	19	312	671
Depreciation and amortisation	(108)		(86)	(194)
Property rentals	(19)		(22)	(42)
Exceptional items	(116)		(9)	(190)
Profit from operations	127		195	245
Foreign exchange profits	3		7	19
Interest received	31		69	80
Operating profit	161		271	344
Interest paid	(35)		(51)	(61)
Share of associate company profits				
- normal	25	(36)	39	109
- exceptional	(480)		(8)	57
(Loss)/profit before taxation	(329)		251	449
Taxation	(80)		(70)	(166)
(Loss)/profit after taxation	(409)		181	283
Minority interests	103		(58)	(96)
(Loss)/earnings attributable to ordinary shareholders	(306)		123	187
*Earnings before interest, taxation, depreciation and amortisation				
Number of shares (000's)				
- in issue	88 950		88 650	88 650
- for EPS calculation	88 676		88 650	88 650
- for fully diluted EPS calculation	89 678		88 660	89 080
Earnings per share (cents)				
- headline earnings per share	125		125	266
- basic (loss)/earnings per share	(345)		139	211
Fully diluted earnings per share (cents)				
- headline earnings per share	124		125	265
- basic (loss)/earnings per share	(341)		139	210
Interest cover (times)	8		5	9
Determination of headline earnings				
Attributable (loss)/earnings per the income statement	(306)		123	187
Exceptional items	116		9	190
Pre-opening expenses	91		36	77
Goodwill	10		14	22
Net write downs due to sale and closure of operations	15		(41)	68
Downsizing and restructuring costs	-		-	15
Investment written down	-		-	21
Profit on disposal of interest in subsidiaries	-		-	(8)
Indirect taxation claims relating to prior years	-		-	(5)
Associate companies' exceptional items	480		8	(57)
Pre-opening expenses	14		5	7
Goodwill	3		3	6
Share tender and aborted leveraged buyout costs	-		-	10
Desert Inn termination costs	-		-	16
Profit on Paradise Island land sales	(12)		-	(96)
Loss on sale of Atlantic City	475		-	-
Taxation relief on the above items	-		-	(14)
Minority interests in the above items	(179)		(29)	(70)
Headline earnings	111		111	236

DIVISIONAL EARNINGS ANALYSIS

	Six months ended 31 December 2000	Year ended 30 June 1999	Year ended 30 June 2000
	Reviewed Rm	Reviewed Rm	Audited Rm
Sun International Inc	100	74	152
Sun International South Africa	41	33	61
Other southern African activities	19	20	34
Management activities	32	23	34
Sun International Hotels	21	22	78
Ster Century Europe and Middle East	(17)	(7)	(20)
Central office costs and other	4	1	4
20% minority stake*	-	(18)	(39)
City Lodge	10	9	18
Kersaf central office and other	1	28	66
	111	111	236

This analysis represents the Kersaf share of headline earnings and excludes the impact of exceptional items (normal and associate).

*Effective 30 June 2000, Kersaf acquired the 20% minority stake in Sun International Inc for R425 million. The R18 million in the 1999 period represents the earnings attributable to this minority stake and has been separately reflected so as to enable more meaningful comparison of the divisional earnings.

GROUP BALANCE SHEET

	31 December 2000	30 June 1999	30 June 2000
	Reviewed Rm	Reviewed Rm	Audited Rm
ASSETS			
Operating assets and investments			
Operating assets	4 931	3 412	3 795
Goodwill	75	170	78
Investments and loans	1 853	1 927	2 046
	6 859	5 509	5 919
Current assets			
Deposits and cash	226	612	200
Accounts receivable and other	515	595	552
	741	1 207	752
Total assets	7 600	6 716	6 671
EQUITY AND LIABILITIES			
Capital and reserves			
Ordinary shareholders' equity	2 593	2 641	2 744
Outside shareholders' interests	1 547	1 937	1 568
	4 140	4 578	4 312
Non-current liabilities			
Borrowings	2 180	962	1 231
Deferred taxation	432	386	430
	2 612	1 348	1 661
Current liabilities			
Borrowings	211	5	67
Accounts payable and other	637	785	631
	848	790	698
Total liabilities	3 460	2 138	2 359
Total equity and liabilities	7 600	6 716	6 671

GROUP CASHFLOW STATEMENT

	Six months ended 31 December 2000	Year ended 30 June 1999	Year ended 30 June 2000
	Reviewed Rm	Reviewed Rm	Audited Rm
Cash generated by operations before:			
Working capital changes			
Pre-opening expenses	350	307	641
	61	(143)	(211)
	(91)	(36)	(77)
Cash generated by operations	320	128	353
Investment income	31	69	89
Interest expense	(35)	(51)	(61)
Taxation paid	(58)	(100)	(128)
Dividends paid	(35)	(90)	(120)
Cash retained from/(utilised in) operating activities	223	(44)	133
Cash utilised in investing activities	(1 354)	(587)	(1 785)
Cash realised from investing activities	7	15	53
Net cash inflow from financing activities	1 136	202	743
Translation gains on cash balances	14	4	34
Increase/(decrease) in cash balances	26	(410)	(822)

	Ordinary shares and share premium Rm	Foreign currency translation reserve Rm	Total Rm
Balances at 30 June 2000			
- Share issue	527	1 602	615
- Losses for period to 31 December 2000	8	-	8
- Dividends paid	-	(306)	(306)
- Foreign currency translation adjustment	-	(27)	(27)
- Transfer from foreign currency translation reserve to retained earnings	-	174	174
	-	131	(131)
Balances at 31 December 2000	535	1 400	658
			2 593

COMMENTARY

EARNINGS AND DIVIDEND

Trading conditions in South Africa were difficult during the period under review. The negative perceptions created by events in Zimbabwe, HIV/Aids and the cholera outbreak as well as continuing high levels of crime have impacted negatively on economic confidence and particularly on international tourism to the region. The opening of permanent casinos by competitors in Gauteng during the second quarter diluted the revenues of Sun International's three casinos catering to this market. This impact was more than offset by the opening of the Boardwalk casino in Port Elizabeth and GrandWest casino in Cape Town during the period.

The group's headline earnings per share was in line with last year at 125 cents. The improved profitability attributable to the management and ownership of the new casino properties in South Africa was offset by disappointing trading by Ster Century Europe. The divisional analysis has been presented so as to assist comparison by reflecting the impact of the 20% minority stake in Sun International Inc acquired by Kersaf effective 30 June 2000. This additional 20% holding diluted earnings by 4% during the period under review although the transaction will be significantly earnings enhancing in the future.

Revenues for the period of R1 384 million were 11% higher, with the higher margin gaming revenues 17% above last year. Tight cost controls and a significant increase in management fee income resulted in EBITDA increasing 19% to R370 million. Depreciation charges increased by 26% as a result of the commissioning of the new casinos. Net interest paid of R4 million during the current six month period compares to the R18 million net interest earned in the corresponding prior period. This was as a consequence of the funding of the new casinos together with the R425 million acquisition