



# GOLD REEF

CASINO RESORTS

(Incorporated in the Republic of South Africa)  
(Registration number 1989/002108/06)  
(Share code GDF ISIN ZAE00028338)  
("GoldReef")

## ACQUISITION ANNOUNCEMENT, SPECIFIC ISSUE OF SHARES FOR CASH AND FURTHER CAUTIONARY

### 1. INTRODUCTION

Further to the cautionary announcements published between 24 May 2001 and 16 January 2002, Nedcor Investment Bank Limited is authorised to announce that GoldReef has entered into an agreement with Casinos Austria International Holding GmbH ("Casinos Austria"), a company registered in Austria, to introduce Casinos Austria as a significant strategic shareholder in Gold Reef with effect from 1 January 2002 through a combination of:

- the acquisition of Casinos Austria's South African casino assets ("the acquisition"); and
- a specific issue of ordinary shares in GoldReef ("GoldReef ordinary shares") to Casinos Austria for cash ("specific issue of shares for cash"), (jointly, "the transaction"). The agreement is subject to certain conditions precedent, as set out below.

### 2. DETAILS OF THE TRANSACTION

Casinos Austria will subscribe for 35 600 000 GoldReef ordinary shares at R3,00 per share ("issue price"). This issue price represents a premium of 51,1% to the 30-day volume weighted average traded price and 35,5% to the closing price of the GoldReef ordinary shares on 23 May 2001 (the date immediately prior to the issue of the first cautionary announcement) respectively. This issue price further represents a premium of 27,2% to the closing price of GoldReef ordinary shares on 6 March 2002.

The subscription consideration payable by Casinos Austria will be discharged through a cash payment of R6 000 000 and the transfer to GoldReef of Casinos Austria's South African assets, as set out below:

- 11,9% of the issued preference share capital of Akani Leisure Investments (Proprietary) Limited ("ALI"), a special purpose vehicle providing funding to the Gold Reef City empowerment partners (equivalent to an effective interest of 4,16% in Akani Egoli (Proprietary) Limited which owns the Gold Reef City Casino and Theme Park) and all claims which Casinos Austria may have against ALI, for R23 503 291;
- 10% of the issued ordinary share capital of Akani Msunduzi (Proprietary) Limited ("AM"), (which owns the Golden Horse Casino in Pietermaritzburg) and all claims which Casinos Austria may have against AM for R8 906 662;
- 20% of the issued preference share capital of Akani Leisure Msunduzi Investments (Proprietary) Limited ("ALM") (a special purpose vehicle providing funding to the Golden Horse Casino empowerment partners) and all claims which Casinos Austria may have against ALM for R11 735 595;
- 26,66% of the issued ordinary share capital of West Coast Leisure (Proprietary) Limited ("WCL") (which owns Casino Mykonos) and all claims which Casinos Austria may have against WCL for R8 153 124;
- 50% of the issued ordinary share capital of CAI Gold Reef Management (Proprietary) Limited ("CAI Gold Reef"), and claims which Casinos Austria may have against CAI Gold Reef including the entitlement to receive a royalty fee of 0,625% based on gross gaming revenue in each of the casino operations (including the Casino Mykonos and Golden Horse casino management contracts, and an effective 75% interest in the Gold Reef City Casino management contract) for R48 501 326;
- all of the issued ordinary shares in and all claims which Casinos Austria may have against Akani Egoli Management (Proprietary) Limited for R1; and
- all of the issued ordinary shares in and all claims which Casinos Austria may have against Akani Msunduzi Management (Proprietary) Limited for R1.

(Collectively "Casinos Austria's South African assets").

As set out above, Casinos Austria will subscribe for 2 000 000 GoldReef ordinary shares for R6 000 000 in cash. This specific issue of shares for cash will be subject to the approval of GoldReef shareholders in a general meeting in accordance with the JSE Securities Exchange South Africa Listings Requirements ("listings requirements").

### 3. RATIONALE FOR THE TRANSACTION

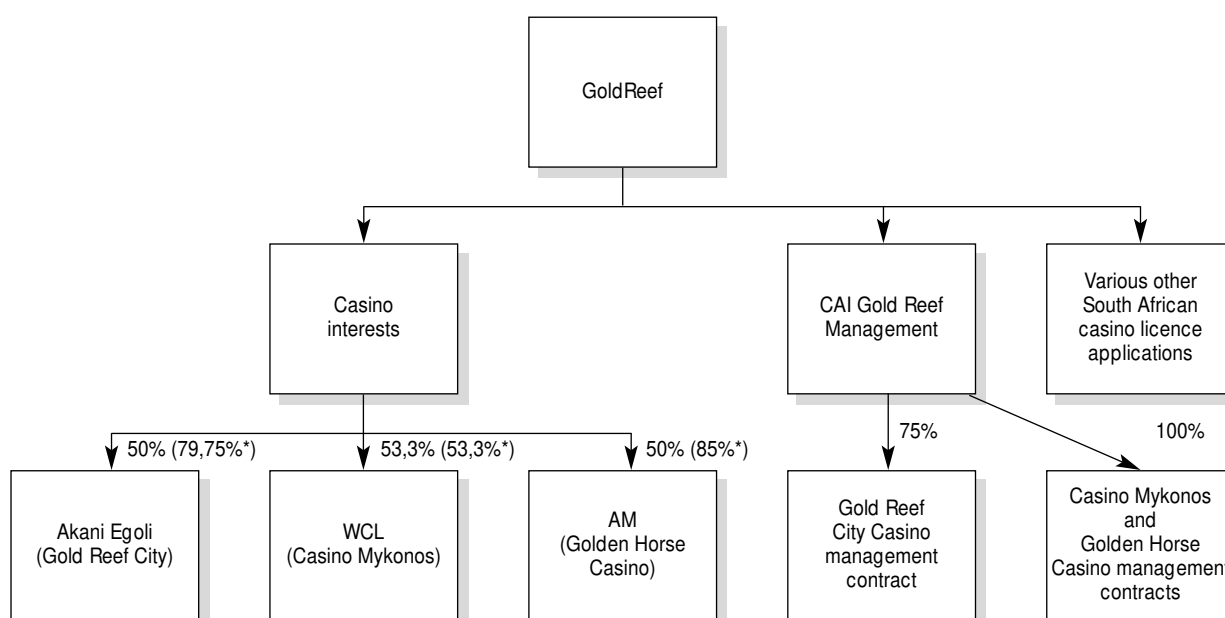
GoldReef's ongoing strategic objective is to consolidate the ownership of its underlying investments in one listed company and to introduce the existing investors in the underlying investments as long-term strategic shareholders in GoldReef.

The transaction will further consolidate GoldReef's interests in Gold Reef City Casino, Casino Mykonos and Golden Horse Casino and will increase its effective interest in the management contracts of these casinos. Casinos Austria currently holds 588 034 GoldReef ordinary shares. The transaction will allow Casinos Austria to consolidate its South African assets through acquiring an additional 16,7% shareholding in GoldReef, increasing its total shareholding in GoldReef to 17%.

The introduction of Casinos Austria as a strategic shareholder will enable GoldReef and Casinos Austria through their respective expertise in developing, structuring and financing of major casino complexes and knowledge and expertise in casino management, both locally and internationally, to continue to actively pursue, obtain and develop further casino projects and management contracts domestically and internationally.

### 4. RESULTANT GROUP STRUCTURE

The resultant group structure post the acquisition will be as follows:



\* denotes economic interest

### 5. FINANCIAL EFFECTS

Had the transaction been effected on 1 January 2001 the effects of the transaction on the published interim unaudited results at 30 June 2001 would have been as follows:

Per GoldReef ordinary share (cents)	Before	After	Percentage change
Net tangible asset value per share	296,0	297,1	0,4
Headline earnings per share	22,2	21,0	(5,4)
Earnings per share	22,2	21,0	(5,4)

#### Notes

1. Headline earnings per share and earnings per share figures in the "After" column have been calculated based on six-months' trading for Gold Reef City and Casino Mykonos, and no income from Golden Horse Casino. Accordingly, the effect of the transaction would be negative on an historical basis. It is anticipated that the transaction will be earnings enhancing on future headline earnings and earnings per share.
2. Interest earned on the specific issue of shares for cash has been calculated at the then ruling prime rate, as the cash proceeds would have been utilised to repay debt.

### 6. CONDITIONS PRECEDENT

The transaction is subject to the fulfilment of, inter alia, the following suspensive conditions:

- approval of the acquisition by the relevant gaming boards;
- approval of the specific issue of shares for cash by the GoldReef shareholders in accordance with the listings requirements;
- approval of all other regulatory authorities as required;
- the entering into of agreements firstly between Consolidated Rand Parts (Proprietary) Limited ("CRP") and Twintech (Proprietary) Limited ("Twintech") (being the controlling shareholders of GoldReef) and secondly between CRP, Twintech and Casinos Austria pertaining to their interests in GoldReef; and
- the release of Casinos Austria from its suretyship given for the debt funding of AM in the amount of R11 000 000.

### 7. FURTHER CAUTIONARY

As the transaction is subject to the suspensive conditions (including gaming board approval) being fulfilled, shareholders are advised to continue to exercise caution when dealing in GoldReef ordinary shares until a further announcement is made in this regard.

Johannesburg  
7 March 2002

Investment bank and sponsor



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