

# At the court of the sun king

Last year, Sol Kerzner's fourth wife, Heather, persuaded her husband – who, at 70, is twice her age – to check himself into the Betty Ford Clinic. The experience wasn't altogether pleasant for South Africa's richest self-made man.

He has consumed industrial quantities of whisky, chased as many women as humanly possible, surrounded himself with the likes of Frank Sinatra and run a sprawling international casino empire on precious little sleep. Small wonder that he has been dubbed the Bugsy Siegel of the veld.

But it wasn't so much the absence of drink at Betty's that grated for Kerzner. It was having to share a room with another man for the first time since National Service, being forced to do his own laundry and, most inconveniently, having the request to bring along his butler, Ricardo, refused.

The man Nelson Mandela called his country's finest entrepreneur learnt that it was not drink that he was specifically addicted to; after all, he never woke up craving one. It was his personality – driven, aggressive, obsessive and addictive – that lay behind his drinking problem.

Kerzner has since lost weight, looks much healthier and has quit a 60-a-day cigarette habit. But there is seemingly one sphere in which his addiction and obsession is uncontrollable: making hundreds of millions of dollars.

Last week, he showed that his financial pulling power has in no way diminished. He pieced together a seven-strong consortium that includes the Dubai government through its investment vehicle Istithmar, together with the real estate investment arm of Goldman Sachs and Stephen Ross, New York's most powerful property developer. Between them, they have offered \$ 3.8bn (£2bn) to take Kerzner International, the company he chairs and which is quoted on the New York stock

market, private.

If the deal pans out, it will seal Kerzner's reputation as the shrewdest operator in the shark-infested waters of international casinos. He and his son, Butch, have in effect engineered a management buyout of a company that controls 12 luxury hotel and casino complexes in the Bahamas, Mauritius, Dubai and Mexico.

The clever bit is that Kerzner will end up controlling 24 per cent of the new firm while at the same time pocketing \$ 418m through the sale. This is because Kerzner and his family own 11 per cent of Kerzner International.

But he is not quite home and dry. Baron Capital Management, run by the aggressive New York fund manager Ron Baron, owns a sizeable 15.8 per cent chunk of Kerzner International. It was Baron who seemingly forced Kerzner to raise the initial buyout price by \$ 200m. And now he will only accept the buyout if he can take a stake in the new investment vehicle. That is likely to light Kerzner's famously short fuse. (Business telephone calls are reputed to start with: 'So what the fuck is going on?')

Born in August 1935 to Jewish Russian immigrants, Kerzner had a tough upbringing. There were few Jewish kids growing up in the rough Johannesburg neighbourhood of Doornfontein. He was small – most of his leggy wives and girlfriends have towered over him. In childhood he was picked on. But regular beatings prompted him to take boxing lessons. The erstwhile punchbag became a boxing champion.

This pattern repeated itself. His entry into the entrepreneurial world came when his poor parents were running a downmarket boarding house in Durban and the young accountant conceived the idea for much bigger, brighter and more entertaining hostelryes.

After building the Beverly Hills in the desultory fishing

village of Umhlanga Rocks with borrowed money, he went on to transform the hotel industry in southern Africa – without ever moving far from his street-fighting past in terms of hard-nosed business sense.

In 1979, Kerzner started on the project that his name will forever be associated with – the opulent over-the-top Sun City in Bophuthatswana, one of apartheid's tribal 'homelands'. It played host to international stars such as Elton John and Shirley Bassey and became a detested symbol of the white supremacist state. To Kerzner though, it was a place where blacks and whites could drink, gamble and even sleep together.

Sun City became the template for a series of gargantuan South African gambling projects as Kerzner became a manic, strutting parody. There were unsubstantiated accusations of him bribing a homeland leader to secure a gaming licence. These dogged him for years, but the case was dismissed by the South African Attorney-General.

In the meantime, the problem made it hard for him to get licences abroad. UK gambling insiders say Kerzner wanted to try his luck in Britain in the late Eighties. According to the Gambling Commission, he applied for a licence in 1986 but then withdrew. This has never been totally explained; some say it was because the word was put out that he was not welcome. 'I think, in fairness, he was doing business in what was an unregulated environment,' said a senior industry figure who was aware of Kerzner's ambitions. 'He was in the homelands. They were totally unregulated.'

There is no doubting his credentials today. Jurisdictions all over the world have approved Kerzner, welcoming his opulent, high-rolling resorts. Granted a British casino licence two years ago, Kerzner is building his first UK gambling den in Northampton. He recently won planning consent for a huge casino at the Millennium Dome and hired Richard Rogers to design a hotel, along with the casino he wants to build there.

But he faces an uphill battle to make the Dome a gambling hotspot. There is only to be one new-style 'super-casino', and the Dome's chances of beating the two favourite sites for it – Blackpool and Cardiff – appear remote. But no one doubts that he will eventually triumph. ,There is no doubt that Kerzner will play a huge role in the new environment,' says the boss of one major UK firm.

However, some would rather not deal with him. ,He's an unconventional bruiser,' says one British gambling boss. ,Would I want to do business with him? He's not the first person I'd choose.'

,When you get to know the guy, you can understand the hesitation and reservation I have in saying too much,' says another.

Kerzner's 70th birthday last August was a two-day affair. A ,welcome cocktail reception' for 150 of his closest friends at his villa in Monaco, set on seven acres of Mediterranean cliffside, was followed by a sumptuous party at Monaco's glamorous Sporting Club. Among those attending were showbiz ,old friends' Liza Minnelli, Shirley Bassey and Natalie Cole, who rubbed shoulders with Las Vegas's most powerful tycoon, Steve Wynn, the multi-millionaire Rausing family and contemporary stars such as Bono, Wyclef Jean and Tracey Emin.

It marked more than just a birthday. It reflected in one night what Kerzner is all about – pulling power, celebrity and money. If he succeeds in taking his business private, the chances are his 75th birthday bash will be even bigger.