SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

[X] QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2003

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File No. 1-4748

KERZNER INTERNATIONAL NORTH AMERICA, INC.
(Exact name of registrant as specified in its charter)

Delaware	59-0763055
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1000 South Pine Island Road, Plantation, FL	33324
(Address of principal executive offices)	(Zip Code)

(954) 809-2000
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ___ No _X_

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Act): Yes ___ No _X_

Number of shares outstanding of registrant's common stock as of November 13, 2003: 100, all of which are owned by one shareholder. Accordingly there is no current market for any of such shares.

The registrant meets the conditions set forth in General Instruction H (1)(a) and (b) of Form 10-Q and is therefore filing this Form 10-Q with the reduced disclosure format permitted by that General Instruction.

KERZNER INTERNATIONAL NORTH AMERICA, INC.
FORM 10-Q
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PART I. – FINANCIAL INFORMATION
Item 1. Financial Statements

KERZNER INTERNATIONAL NORTH AMERICA, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In Thousands of Dollars, except share data)
(Unaudited)

	June 30, 2003	December 31, 2002
ASSETS		
Current assets:		
Cash and cash equivalents	$ 4,831	$ 5,018
Restricted cash	118	95
Receivables, net	1,301	1,229
Inventories	82	45
Prepaid expenses	2,990	2,651
Due from affiliates	8,799	6,449
Total current assets	18,121	15,487
Property and equipment, net	65,226	63,150
Due from affiliate - non-current	262,078	256,508
Deferred tax asset, net	8,336	6,119
Deferred charges and other assets, net	11,917	11,898
Investments in associated companies	10,846	10,639
Total assets	$ 376,524	$ 363,801
LIABILITIES AND SHAREHOLDER'S DEFICIT		
Current liabilities:		
Current maturities of long-term debt	$ 144	$ 135
Accounts payable and accrued liabilities	38,563	36,812
Total current liabilities	38,707	36,947
Other long-term liabilities	3,848	2,696
Long-term debt, net of current maturities	405,697	406,026
Total liabilities	448,252	445,669
Commitments and contingencies (Notes D and I)		
Shareholder's deficit:		
Common stock – 100 shares outstanding, $.01 par value	-	-
Capital in excess of par	192,635	192,635
Accumulated deficit	(264,363)	(274,503)
Total shareholder's deficit	(71,728)	(81,868)
Total liabilities and shareholder's deficit	$ 376,524	$ 363,801

The accompanying notes are an integral part of these condensed consolidated financial statements

KERZNER INTERNATIONAL NORTH AMERICA, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In Thousands of Dollars)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2003	**2002** (As restated, see Note B)	**2003**	**2002** (As restated, see Note B)
Revenues:				
Relinquishment and development fees	$ 8,845	$ 7,319	$ 16,920	$ 13,811
Management and other fees	5,383	4,003	10,753	9,748
Tour operations	8,239	7,668	16,455	14,652
	22,467	18,990	44,128	38,211
Expenses:				
Tour operations	6,407	6,504	13,065	12,022
Selling, general and administrative	5,128	5,849	9,201	9,536
Depreciation and amortization	1,223	788	2,233	1,586
	12,758	13,141	24,499	23,144
Operating income	9,709	5,849	19,629	15,067
Other income (expense):				
Interest income	78	113	128	660
Interest income from affiliates	4,569	6,723	9,138	13,507
Interest expense	(9,010)	(11,422)	(18,023)	(22,984)
Equity in losses of associated company	(194)	(361)	(419)	(599)
Loss on early extinguishment of debt	-	(14,146)	-	(14,146)
Other	-	(24)	-	(160)
Income (loss) before income taxes	5,152	(13,268)	10,453	(8,655)
Income tax benefit (provision)	104	(497)	(313)	(789)
Net income (loss)	$ 5,256	$ (13,765)	$ 10,140	$ (9,444)

The accompanying notes are an integral part of these condensed consolidated financial statements

KERZNER INTERNATIONAL NORTH AMERICA, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of Dollars)
(Unaudited)

	Six Months Ended June 30, 2003	Six Months Ended June 30, 2002 (As restated, see Note B)
Cash flows from operating activities:		
Reconciliation of net loss to net cash provided by (used in) operating activities:		
Net income (loss)	$ 10,140	$ (9,444)
Loss on early extinguishment of debt	-	14,146
Depreciation and amortization	2,233	1,586
Amortization of debt issuance costs, premium and discount	258	818
Provision for doubtful receivables	42	42
Deferred income tax benefit	(5,339)	(4,532)
Net change in restricted cash	(23)	-
Net change in working capital accounts:		
Receivables	(114)	(213)
Inventories and prepaid expenses	(376)	(5,402)
Due from affiliates	(675)	(624)
Accounts payable and accrued liabilities	4,873	11,462
Net change in deferred charges and other assets	(510)	859
Net change in other long-term liabilities	1,152	-
Loss on sale of investments	-	158
Equity in losses of associated company	419	599
Investment in Trading Cove Associates	(73)	(144)
Net cash provided by operating activities	12,007	9,311
Cash flows from investing activities:		
Payments for property and equipment	(4,309)	(476)
Advances to associated companies, net	(553)	-
Repayment of note receivable	-	18,018
Proceeds received from sale of investments	-	4,726
Purchase of investments	-	(4,884)
Net cash (used in) provided by investing activities	(4,862)	17,384
Cash flows from financing activities:		
Proceeds from issuance of debt	-	206,000
Early redemption of debt	-	(224,760)
(Advances to) repayments from affiliates, net	(7,245)	23,649
Repayment of debt	(87)	(35)
Debt issuance and modification costs	-	(4,301)
Net cash (used in) provided by financing activities	(7,332)	553
Net (decrease) increase in cash and cash equivalents	(187)	27,248
Cash and cash equivalents at beginning of period	5,018	3,603
Cash and cash equivalents at end of period	$ 4,831	$ 30,851

The accompanying notes are an integral part of these condensed consolidated financial statements

KERZNER INTERNATIONAL NORTH AMERICA, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

A. General

The accompanying condensed consolidated interim financial statements, which are unaudited, include the operations of Kerzner International North America, Inc. and its subsidiaries ("KINA"). The term "Company", "we", "our" and "us" as used herein refers to KINA and its subsidiaries. KINA is a wholly owned subsidiary of Kerzner International Limited ("KZL"), which, through its subsidiaries, develops and operates premier resort and casino properties throughout the world. In the United States, KZL owns and operates its properties and investments through KINA and its subsidiaries.

Our management believes that all adjustments necessary for a fair presentation of these interim results have been made and all such adjustments are of a normal recurring nature. The seasonality of the business is described in Management's Discussion and Analysis of Financial Condition and Results of Operations in the Company's 2002 Form 10-K/A. The results of operations for the three and six-month periods presented are not necessarily indicative of the results to be expected for the entire fiscal year ending December 31, 2003.

The notes presented herein are intended to provide supplemental disclosure of items of significance occurring subsequent to December 31, 2002 and should be read in conjunction with the Company's 2002 Form 10-K/A. The accounting policies followed for interim financial reporting are the same as those disclosed in Note 3 to the financial statements included in the Company's 2002 Form 10-K/A.

B. Restatement

Subsequent to the issuance of the December 31, 2002 consolidated financial statements, the Company determined it necessary to restate its condensed consolidated financial statements for the three and six months ended June 30, 2002.

On May 21, 2003, KZL announced that Trading Cove Associates ("TCA"), a Connecticut general partnership in which the Company is a 50% partner, restated its historically reported financial results. The primary effect of the restatement of TCA's financial statements is to recognize as an expense certain contractual liabilities owed to its partners and their affiliates for prior services performed under contract when their payment became probable pursuant to Statement of Financial Accounting Standard No. 5, as opposed to when such expenses were paid or payable. Additionally, TCA changed the manner in which it recognized losses in connection with the development of Phase II of the Mohegan Sun. Although the accounting for the development fee remained in accordance with Statement of Position 81-1, the timing of recognition changed such that losses were recognized at the time they were known, as compared to the time in which costs which created the losses became payable.

The Company accounts for its investment in TCA under the equity method of accounting. Based on the restatement by TCA, the Company determined it necessary to restate its historical consolidated financial statements.

The adjustments to the Company's consolidated financial statements arising from the restatement by TCA primarily relate to the change in equity income or loss resulting from the change in TCA's revenue and expense recognition policies, as the Company's net income is affected by its proportionate share of TCA's restated income or loss under the equity method of accounting. We record equity income from TCA in "Relinquishment and development fees" in the accompanying consolidated financial statements.

As previously described, the primary effect of the restatement on the Company is to change the timing of recognition of certain partnership revenue and expense items. This timing resulted in the Company's income being increased in the years presented, while income reported in prior years not presented was reduced. Although not as significant, the Company also reversed certain amortization deductions related to its initial investment in TCA.

In connection with the TCA restatement, TCA recognized an additional loss under its agreement with the Mohegan Tribal Gaming Authority, which caused the Company to re-evaluate its own revenue recognition related to this fee under a related development agreement between an affiliate of the Company and TCA (the "TCA Development Agreement"), an agreement which was assigned to the Company by its affiliate. As part of the restatement, the Company has determined that its accounting under the percentage of completion method for development fee revenue received under the TCA Development Agreement would be more properly reflected if it utilized the costs incurred by TCA as the basis to determine the percent complete and the amount earned at the end of each period. The Company believes that this basis of measurement provides the most accurate reflection of the level of service performed. As of June 30, 2003, the Company earned substantially all of its entire development fee under the TCA Development Agreement.

The effect of the TCA related adjustments, which include the adjustments resulting from TCA's restated results and the Company's proportionate share thereof, the reversal of certain amortization deductions related to the Company's initial investment in TCA, and the Company's correction in the manner of recognizing development fee revenue, for the three and six months ended June 30, 2002, was to increase our net loss by $2.1 million and $1.7 million, respectively.

The Company has also made certain other adjustments and reclassifications to its historically reported consolidated financial statements. These adjustments include reclassifying the Company's investment in Trading Cove New York, LLC from deferred charges to investment in associated company in the accompanying consolidated balance sheets and reclassifying the related equity loss from selling, general and administrative expenses to equity in losses of associated company in the accompanying consolidated statements of operations; adjusting accounts payable and accrued expenses to correct for certain over and under accrued expenses and reclassifying certain current receivables to other long-term assets and reclassifying deferred tax asset and certain due from affiliates from current to non-current. The effect of these other adjustments for the three and six months ended June 30, 2002 was to increase the net loss by approximately $0.4 million and $0.7 million, respectively.

The components of the adjustments related to the restatement as they relate to net loss, for the three and six months ended June 30, 2002 are as follows:

	Three months ended June 30, 2002	Six months ended June 30, 2002
Net loss, as reported	$ (11,229)	$ (6,965)
Relinquishment fee adjustment	(5,461)	(5,522)
Development fee adjustment	3,239	3,539
Amortization	120	240
Other adjustments	(434)	(736)
Net loss, as restated	$ (13,765)	$ (9,444)

On December 15, 1997, KZL and the Company, as co-issuers, issued $100.0 million principal amount of 8-5/8% Senior Subordinated Notes due 2007. All of the proceeds received from the issuance of these notes were advanced to entities outside of the KINA consolidated group and were used for general corporate and working capital purposes, as well as to help fund capital expenditure projects for these entities. As a result, any interest expense we incur on the 8-5/8% Senior Subordinated Notes, including amortization of debt issuance costs, would be offset by affiliated interest income from KZL, resulting in no impact to net income or loss in any of the periods presented. These notes were previously not reflected within the Company's consolidated financial statements, but instead were recorded in the consolidated financial statements of an affiliate of the Company, within KZL's consolidated group.

During the six months ended June 30, 2002, a portion of the 8-5/8% Senior Subordinated Notes were repurchased and redeemed by KZL, resulting in a loss on early extinguishment of debt which consisted of the premium paid on the repurchase and redemption of the notes, the write-off of related debt issuance costs and other direct costs. However, given that the proceeds of the original debt issuance were not used for KINA purposes and that the redemption was made by entities outside of the KINA consolidated group, the loss on the related debt extinguishment of $0.9 million was reimbursed to KINA by these entities, resulting in no impact to the Company's operating results during the six months ended June 30, 2002.

The condensed consolidated financial statements for the three and six months ended June 30, 2002, have been restated to incorporate these adjustments. The following tables are comparisons of the Company's condensed consolidated statements of operations as of and for the three and six months ended June 30, 2002 as previously reported and as restated.

Condensed Consolidated Statement of Operations
for the Three Months Ended June 30, 2002

	As Previously Reported	As Restated
	(in thousands of dollars) (unaudited)	
Revenues:		
Relinquishment and development fees	$ -	$ 7,319
Management and other fees	13,544	4,003
Tour operations	7,668	7,668
	21,212	18,990
Expenses:		
Tour operations	6,504	6,504
Selling, general and administrative	5,776	5,849
Depreciation and amortization	908	788
	13,188	13,141
Operating income	8,024	5,849
Other income (expense):		
Interest income	113	113
Interest income from affiliates	4,569	6,723
Interest expense	(9,268)	(11,422)
Equity in losses of associated company	-	(361)
Loss on early extinguishment of debt	(14,146)	(14,146)
Other, net	(24)	(24)
Loss before income taxes	(10,732)	(13,268)
Provision for income taxes	(497)	(497)
Net loss	$ (11,229)	$ (13,765)

Condensed Consolidated Statement of Operations
for the Six Months Ended June 30, 2002

	As Previously Reported	As Restated
	(in thousands of dollars) (unaudited)	
Revenues:		
Relinquishment and development fees	$ -	$ 13,811
Management and other fees	25,542	9,748
Tour operations	14,652	14,652
	40,194	38,211
Expenses:		
Tour operations	12,022	12,022
Selling, general and administrative	9,416	9,536
Depreciation and amortization	1,826	1,586
	23,264	23,144
Operating income	16,930	15,067
Other income (expense):		
Interest income	660	660
Interest income from affiliates	9,111	13,507
Interest expense	(18,571)	(22,984)
Equity in losses of associated company	-	(599)
Loss on early extinguishment of debt	(14,146)	(14,146)
Other, net	(160)	(160)
Income before income taxes	(6,176)	(8,655)
Provision for income taxes	(789)	(789)
Net loss	$ (6,965)	$ (9,444)

C. Trading Cove New York

Through a wholly owned subsidiary, we own 50% of Trading Cove New York, LLC ("TCNY"), a Delaware limited liability company which is not consolidated. In March 2001, TCNY entered into a Development Services Agreement (the "TCNY Development Agreement") with the Stockbridge-Munsee Band of Mohican Indians (the "Stockbridge-Munsee Tribe") for the development of a casino project (the "Project") in the Catskill region of the State of New York (the "State"). The TCNY Development Agreement was amended and restated in February 2002. The Stockbridge-Munsee Tribe does not currently have reservation land in the State, but is federally recognized and operates a casino on its reservation in Wisconsin and has a land claim pending in the U.S. District Court for the Northern District of New York (the "Court") against the State. In July 2003, the Court ordered that a stay of the case that had been in effect since April 1995 will expire on December 1, 2003, at which time the Court will consider summary judgment motions filed by the parties.

Pursuant to the TCNY Development Agreement, as amended, TCNY will provide preliminary funding, certain financing and exclusive development services to the Stockbridge-Munsee Tribe in conjunction with the Project. If the Project is approved, TCNY will earn a fee of 5% of revenues, as defined in the TCNY Development Agreement, beginning with the opening of the Project and continuing for a period of twenty years. TCNY has secured land and/or options on approximately 400 acres of property in the Town of Thompson, County of Sullivan (the "County"), of which approximately 333 acres is currently designated for the Project. In February 2002, the Tribe filed a Land to Trust Application with the U.S. Department of the Interior, Bureau of Indian Affairs (the "BIA"), for the Project site properties. Should the BIA approve the Land to Trust Application and the Stockbridge-Munsee Tribe obtain other required approvals, the land could be taken into trust by the Federal Government on behalf of the Stockbridge-Munsee Tribe for the purpose of conducting Class III Gaming.

In October 2001, the State enacted legislation authorizing up to three Class III Native American casinos in the counties of Sullivan and Ulster and three Native American casinos in western New York pursuant to Tribal State Gaming Compacts to be entered into by the State and applicable Native American tribes (Chapter 383 of the Laws of 2001). In January 2002, a lawsuit was filed in the Supreme Court of the State of New York (the "Supreme Court") (Index No. 719-02) by various plaintiffs against New York Governor George Pataki, the State of New York and various other defendants alleging that Chapter 383 of the Laws of 2001 violates the New York State Constitution. Motions to dismiss the litigation were filed in April 2002. In July 2003, the Supreme Court issued a ruling upholding the validity of Chapter 383 of the Laws of 2001. Plaintiff has appealed that decision to the Appellate Division of the New York Supreme Court.

In January 2002, the Stockbridge-Munsee Tribe entered into an agreement with the County pursuant to which the Stockbridge-Munsee Tribe will make certain payments to the County to mitigate any potential impacts the Project may have on the County and other local government subdivisions within the County. The payments will not commence until after the opening of the Project.

The Project is contingent upon the receipt of numerous federal, state and local approvals to be obtained by the Stockbridge-Munsee Tribe, including the execution of a Class III Gaming

Compact with the State, which approvals are beyond the control of TCNY. We can make no representation as to whether any of the required approvals will be obtained by the Stockbridge-Munsee Tribe.

D. Palmilla Resort

KZL closed Palmilla Resort, its 50% owned luxury resort in Los Cabos, Mexico, in April 2003 in order to commence the previously announced $80.0 million expansion project that will increase the room count from 115 rooms to 172 rooms and will significantly upgrade the amenities and public areas offered by the resort. The expansion is expected to be completed by early 2004 and will be financed through local project financing. In connection with the Palmilla Resort operating agreement, we agreed that in the event that Palmilla Resort obtains third-party debt financing for its planned redevelopment, we, along with KZL, would guarantee up to a total of $38.0 million of such financing. In March 2003 we entered into a guaranty agreement with respect to certain interim financing for the redevelopment, whereby we guaranteed $20.0 million of such financing. During the quarter ended June 30, 2003, we guaranteed an additional $10.0 million of such financing. We have agreed to provide these guarantees for a period ending no later than the later of (i) the date of repayment at maturity of the underlying obligations or (ii) three years from the date of the guarantee. The purpose of these guarantees is to assist Palmilla Resort in obtaining financing for its planned redevelopment on commercially reasonable terms. The interim facility matured in August 2003. As of June 30, 2003, we have recorded the fair value of these guarantees of $0.1 million in accounts payable and accrued liabilities in the accompanying consolidated balance sheet. The corresponding entry is reflected as a receivable due from KZL and is included within due from affiliates, current on the accompanying condensed consolidated balance sheet.

On August 14, 2003, the Palmilla Resort closed on its permanent credit facility, which was used to pay off the interim facility and finance their $80.0 million expansion project. Accordingly, as of August 14, 2003, these $30.0 million of guarantees on the interim facility no longer exist and we have guaranteed $38.0 million related to the permanent facility.

E. Sale of Resorts Atlantic City

We previously owned and operated Resorts Atlantic City, a 644-room casino and hotel property. On April 25, 2001, we completed the sale of Resorts Atlantic City (the "Resorts Atlantic City Sale") to an affiliate of Colony Capital LLC ("Colony"). Pursuant to the terms of the Resorts Atlantic City Sale, we granted Colony a two-year option (the "Atlantic City Option") to acquire certain undeveloped real estate which we own, adjacent to Resorts Atlantic City, for a purchase price of $40.0 million, which option could be extended by Colony for two additional one-year periods upon notice to us prior to the expiration of the then-current option period and payment to us of a $2.5 million extension payment for each renewal period. In July 2003 and through various extensions thereafter, we and Colony agreed to extend the initial option period through September 12, 2003 in exchange for an option extension payment of $1,250,000, which was paid on July 9, 2003. Our agreement with Colony also provides for an additional payment of $1,250,000 in the event we are not able to reach an agreement to sell the undeveloped real estate. The additional $1,250,000 has not yet been received as we and Colony are currently in negotiations to reach an agreement to sell the undeveloped real estate.

Effective April 25, 2001, Colony leases from us certain of the property included in the Atlantic City Option for $100,000 per month. If Colony does not exercise the Atlantic City Option, upon its expiration, the land lease will continue on a month-to-month basis. At that time the lease can be terminated by either Colony or us with thirty days notice, subject to certain conditions.

F. Cash and Cash Equivalents

Cash equivalents at June 30, 2003 and at December 31, 2002 consisted primarily of reverse repurchase agreements (federal government securities purchased under agreements to resell those securities) under which we had not taken delivery of the underlying securities. The June 30, 2003 agreements matured during the first week of July 2003.

G. Statements of Cash Flows

Supplemental disclosures required by Statement of Financial Accounting Standards No. 95 "Statement of Cash Flows" are presented below.

	Six Months Ended June 30,	
(In thousands of dollars)	2003	2002
Interest paid	$17,764	$21,302
Income taxes paid	$ 2,741	$ 1,629

H. Comprehensive Income

Comprehensive income is equal to net income or loss for all periods presented.

I. Commitments and Contingencies

Litigation

We are defendants in certain litigation. In the opinion of management, based upon advice of counsel, the aggregate liability, if any, arising from such litigation will not have a material adverse effect on the accompanying consolidated financial statements.

J. Income Tax Expense

Realization of future tax benefits related to deferred tax assets is dependent on many factors, including our ability to generate future taxable income. The valuation allowance is adjusted in the period we determine it is more likely than not that deferred tax assets will or will not be realized. We considered these factors in reaching our conclusion to decrease the valuation allowance by $5.3 million during the first six months of 2003.

K. Classification of Extraordinary Item

The Company has adopted the provisions of SFAS No. 145, “Rescission of FASB Statements No. 4, 44 and 64, Amendment of FASB Statement No. 13, and Technical Corrections" ("SFAS 145"). The provisions of SFAS 145 state that any gain or loss on extinguishment of debt that was classified as an extraordinary item in prior periods presented that does not meet the criteria in APB Opinion 30 for classification as an extraordinary item shall be reclassified. The adoption of SFAS 145 has required the $14.6 million extraordinary loss on early extinguishment of debt recognized during the six months ended June 30, 2002 to be reclassified to other income (expense) in the accompany consolidated statements of operations.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

RESULTS OF OPERATIONS - Six Months Ended June 30, 2003 Compared to Six Months Ended June 30, 2002

Relinquishment and Development Fees

Relinquishment and development fees for the six months ended June 30, 2003 increased by $3.1 million as compared to the previous year. We own a 50% equity interest in Trading Cove Associates ("TCA"), a Connecticut general partnership, which we account for in accordance with the equity method of accounting. TCA receives income pursuant to a relinquishment agreement and a development agreement related to the Mohegan Sun Casino in Uncasville, Connecticut. Earnings from our investment in TCA are included in "Relinquishment and development fees" in the accompanying consolidated statements of operations. We recognized $16.9 million from TCA during the first six months of 2003, as compared to $13.8 million in the first six months of 2002. This increase primarily resulted from the additional revenue generated from Phase II of the Mohegan Sun (which opened in June of 2002) being included in 2003.

Management and Other Fees

Management and other fees increased by $1.0 million for the six months ended June 30, 2003 as compared to the same period last year. We earn fees in accordance with an agreement to provide management services to certain unconsolidated affiliated companies. These fees are calculated based on three percent of gross revenues, as defined, and therefore are largely dependent on occupancy levels at KZL's properties in The Bahamas. This resulted in a $0.5 million increase in management fees resulted from the strong results of KZL's properties in The Bahamas during the six months ended June 30, 2003. Additionally, we earned $0.5 million in management, development and other fees related to the Palmilla Resort during the six months ended June 30, 2003.

Tour Operations

Revenues and expenses from our tour operators increased by $1.8 million and $1.0 million, respectively, for the six months ended June 30, 2003 as compared to the same period of 2002.

These increases primarily resulted from increased occupancy related to wholesale operators in the first half of 2003 as compared to the same period last year at resort properties in The Bahamas operated by certain of our unconsolidated affiliates.

Depreciation and Amortization

Depreciation and amortization increased from $1.6 million for the six months ended June 2002 to $2.2 million for the same period in 2003. This increase resulted primarily from additional leasehold improvements at the Company's office in Plantation, Florida during 2003.

Interest Income

In the first six months of 2003, interest income decreased by $0.5 million from the same period in the previous year. This resulted primarily from $0.5 million of interest earned during the first quarter of 2002 related to the $17.5 million Colony promissory note received in connection with the Resorts Atlantic City Sale during 2001. The Colony promissory note was paid in full in March 2002.

Interest Income from Affiliates

Interest income from affiliates is comprised of amounts due from KIB (which is a wholly owned subsidiary of KZL outside of KINA's consolidated group) and KZL. On August 14, 2001, KZL and KINA, as co-issuers, issued $200.0 million principal amount of 8-7/8% Senior Subordinated Notes. The proceeds were advanced to KIB and were used to pay down borrowings by KIB under a revolving credit facility (the "Amended Revolving Credit Facility"), under which KZL, KINA and KIB were co-borrowers.

On December 15, 1997, KZL and the Company, as co-issuers, issued $100.0 million principal amount of 8-5/8% Senior Subordinated Notes due 2007 (the "8-5/8% Senior Subordinated Notes"). All of the proceeds received from the issuance of these notes were advanced to entities outside of the KINA consolidated group and were used for general corporate and working capital purposes, as well as to help fund capital expenditure projects for these entities.

The advance of proceeds to these affiliated entities is reflected as "Due from affiliate - non-current" in the accompanying consolidated balance sheets.

We earn interest income from these affiliated entities on these advances equal to the interest expense we incur on the 8-7/8% and 8-5/8% Senior Subordinated Notes including amortization of debt issuance costs.

Loss on Early Extinguishment of Debt

During the quarter ended June 30, 2002, KZL and KINA repurchased or redeemed the entire outstanding balance of $200 million principal amount of our 9% Senior Subordinated Notes (9% Notes) and recognized a loss on early extinguishment of debt of $14.1 million. The applicable net income tax effect was $0. The $14.1 million loss consists of the premium paid on the repurchase and redemption of the 9% Notes, the non-cash charge to write-off the balance of the related debt issuance costs and the remaining unamortized discount on the notes.

During the quarter ended June 30, 2002, Kerzner International and KINA also repurchased $15.2 million of the outstanding balance of $100.0 million principal amount of our 8-5/8% Senior Subordinated Notes, resulting in an a loss on the early extinguishment of debt which consisted of the premium paid on the repurchase and redemption of the notes, the write-off of related debt issuance costs, and other direct costs. However, given that the proceeds of the original debt issuance were not used for KINA purposes and that the redemption was made by entities outside of the KINA consolidated group, the loss on the related debt extinguishment of $0.9 million was reimbursed to KINA by these entities, resulting in no impact to the Company's operating results in 2002.

Equity in losses of associated company

During the six months ended June 30, 2003, we recorded equity in losses of associated company of $0.4 million, representing our proportionate share of loss in our 50% investment in TCNY, as compared to a loss of $0.6 million in the same period last year.

Liquidity, Capital Resources and Capital Spending

Our working capital at June 30, 2003 amounted to a deficit of $20.6 million. This deficit was due to the fact that certain receivables that are due from affiliated companies to satisfy current liabilities are classified as due from affiliates-non-current in the accompanying consolidated balance sheets as the affiliated companies are not contractually obligated to pay the amounts owed to the Company within one year. However, the affiliated companies generally pay the amounts owed to the Company on a timely basis in order to satisfy the Company's current liability obligations.

During the next twelve months, we expect the primary source of funds from operations to be income received from TCA pursuant to the relinquishment agreement. In addition, we will continue to earn management fees for services provided to certain of our unconsolidated affiliates. We do not have any immediate plans for significant capital expenditures during the next twelve months.

We are co-borrower, along with KZL and KIB, on a revolving bank credit facility. As of June 30, 2003, there was no outstanding balance on this facility.

We believe that available cash on hand at June 30, 2003, combined with funds generated from operations and, if required, funds available under our revolving bank credit facility will be sufficient to finance our cash needs for at least the next twelve months.

New Accounting Pronouncements

Classification of Extraordinary Items

In April 2002, the Financial Accounting Standards Board ("FASB") issued SFAS No. 145, "Rescission of FASB Statements No. 4, 44, and 64, Amendment of FASB Statement No. 13, and Technical Corrections" ("SFAS 145"). SFAS 145 rescinds FASB Statement No. 4, "Reporting Gains and Losses from Extinguishment of Debt" ("Statement 4"), and an amendment of Statement 4, FASB Statement No. 64, "Extinguishments of Debt Made to Satisfy Sinking Fund Requirements" ("Statement 64"). SFAS 145 also rescinds FASB Statement No. 44, and amends FASB Statement No. 13. SFAS 145 also amends other existing authoritative pronouncements to make various technical corrections, clarify meanings or describe their applicability under changed conditions. The provisions of SFAS 145 related to the rescission of Statement 4 shall be applied in fiscal years beginning after May 15, 2002. Any gain or loss on extinguishment of debt that was classified as an extraordinary item in prior periods presented that does not meet the criteria in APB Opinion 30 for classification as an extraordinary item shall be reclassified.

Under Statement 4, all gains and losses from extinguishment of debt were required to be aggregated and, if material, classified as an extraordinary item, net of related income tax effect. SFAS 145 eliminates Statement 4 and, thus, the exception to applying APB Opinion 30 to all gains and losses related to extinguishments of debt (other than extinguishments of debt to satisfy sinking fund requirements-the exception to application of Statement 4 noted in Statement 64). As a result, gains and losses from the extinguishment of debt should be classified as extraordinary items only if they meet the criteria in APB Opinion 30. Applying the provisions of APB Opinion 30 will distinguish transactions that are part of an entity's recurring operations from those that are unusual or infrequent or that meet the criteria for classification as an extraordinary item.

The adoption of SFAS 145 has required the $14.6 million extraordinary loss on early extinguishment of our 9% Notes recognized during the six months ended June 30, 2002 to be reclassified to other expense in the accompanying condensed consolidated statement of operations.

Guarantees

In November 2002, the FASB issued FASB Interpretation ("FIN") No. 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others." This interpretation clarifies that a guarantor is required to disclose (a) the nature of the guarantee, including the approximate term of the guarantee, how the guarantee arose and the events or circumstances that would require the guarantor to perform under the guarantee; (b) the maximum potential amount of future payments under the guarantee; (c) the carrying amount of the liability, if any, for the guarantor's obligations under the guarantee; and (d) the nature and extent of any recourse provisions or available collateral that would enable the guarantor to recover the amounts paid under the guarantee. This interpretation also clarifies that a guarantor is required to recognize, at the inception of a guarantee, a liability for the obligations it has undertaken in issuing the guarantee, including its ongoing obligations to stand ready to perform over the term of the guarantee in the event that the specified triggering events or conditions occur.

The initial recognition and initial measurement provisions of this interpretation are applicable on a prospective basis to guarantees issued or modified after December 31, 2002, irrespective of the guarantor's fiscal year-end. The disclosure requirements in this interpretation are effective for financial statements of interim or annual periods ending after December 15, 2002. We are one of the guarantors under the Amended Revolving Credit Facility. There were no amounts outstanding on this facility as of June 30, 2003. In addition, during March 2003, we issued a $20.0 million guarantee in connection with the Palmilla Resort. During the quarter ended June 30, 2002 we issued an additional $10.0 million guarantee. As of June 30, 2003, we have recorded the fair value of these guarantees of $0.1 million in accounts payable and accrued liabilities in the accompanying condensed consolidated balance sheet. The corresponding entry is reflected as a receivable due from KZL and is included within due from affiliates, current on the accompanying condensed consolidated balance sheet.

On August 14, 2003, the Palmilla Resort closed on its permanent credit facility, which was used to pay off the interim facility and finance their $80.0 million expansion project. Accordingly, as of August 14, 2003, these $30.0 million of guarantees on the interim facility no longer exist and we have guaranteed $38.0 million related to the permanent facility.

Consolidation of Variable Interest Entities

In January 2003, the FASB issued Interpretation No. 46 "Consolidation of Variable Interest Entities" ("FIN 46"). This interpretation of Accounting Research Bulletin 51, "Consolidated Financial Statements," addresses consolidation by business enterprises of variable interest entities which have one or both of the following characteristics: (i) the equity investment at risk is not sufficient to permit the entity to finance its activities without additional subordinated financial support from other parties, which is provided through other interests that will absorb some or all of the expected losses of the entity, or (ii) the equity investors lack one or more of the following characteristics of a controlling financial interest: (a) the direct or indirect ability to make decisions about the entity's activities through voting rights or similar rights, (b) the obligation to absorb the expected losses of the entity if they occur, which makes it possible for the entity to finance its activities, or (c) the right to receive the expected residual returns of the entity if they occur, which is the compensation of the risk of absorbing the expected losses.

The provisions of FIN 46 are required to be applied to an interest held in a variable interest entity or potential variable interest entity for the first interim or annual period ending after December 15, 2003 if both of the following two conditions apply (1) the variable interest entity was created before February 1, 2003; and (2) the public entity has not issued financial statements reporting that variable interest in accordance with FIN 46. FIN 46 applies immediately to variable interest entities created after January 31, 2003 and to variable interest entities in which an enterprise obtains an interest after that date. We have not yet assessed the impact that FIN 46 will have on our financial position or results of operations.

Derivative Instruments

In April 2003, FASB issued SFAS No. 149, "Amendment of Statement 133 on Derivative Instruments and Hedging Activities" ("SFAS 149") that amends and clarifies accounting for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities under Statement 133. With certain exceptions, SFAS 149 is effective for contracts entered into or modified after June 30, 2003, and for hedging relationships designed after June 30, 2003. We do not believe adoption of this standard will have a material impact on our financial position or results of operations.

Financial Instruments with Characteristics of both Liabilities and Equity

In May 2003, FASB issued SFAS No. 150, "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity" ("SFAS 150") that improves the accounting for certain financial instruments that, under previous guidance, issuers could account for as equity. SFAS 150 requires that those instruments be classified as liabilities in the statement of financial position. This statement is effective for the Company's fiscal quarter beginning June 30, 2003. We do not believe adoption of this standard will have a material impact on our financial position or results of operations.

Forward Looking Statements

The statements contained herein include forward looking statements, within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements are based on current expectations, estimates, projections and management's beliefs and assumptions. Words such as "expects", "anticipates", "intends", "plans", "believes", "estimates" and variations of such words and similar expressions are intended to identify such forward-looking statements. Such statements include information relating to plans for future expansion and other business development activities as well as capital spending, financing sources and the effects of regulation (including gaming and tax regulation) and competition. Such forward-looking information involves important risks and uncertainties that could significantly affect anticipated results in the future and accordingly, such results may differ from those expressed in any forward-looking statements made herein. These risks and uncertainties include, but are not limited to, those relating to development and construction activities, dependence on existing management, leverage and debt service (including sensitivity to fluctuations in interest rates), availability of financing, global economic conditions, pending litigation, the impact of actual or threatened terrorist activity or war on the economy in general and the travel and hotel industries in particular, acts of God, including hurricanes and other natural disasters (which may result in uninsured losses), changes in tax laws or the administration of such laws and changes in gaming laws or regulations (including the legalization of gaming in certain jurisdictions). You should not place undue reliance on any forward-looking statements. Other than as required by applicable law or the applicable rules of any exchange on which our securities may be listed, we have no intention or obligation to update forward-looking statements.

Item 3. Quantitative and Qualitative Disclosure about Market Risk

Our major market risk exposure is interest rate risk associated with our long-term debt. As previously noted, we are part of a consolidated group for which KZL is the parent corporation. KZL attempts to limit the exposure of the consolidated group to interest rate risk by managing the mix of fixed and floating rate debt and by entering into variable interest rate swap agreements to hedge certain of its fixed rate debt. KINA does not have any derivative instruments.

As of June 30, 2003, the carrying value of long-term debt reflected on our balance sheet includes $405.5 million of 8-7/8% Senior Subordinated Notes.

We are a co-borrower under a revolving bank credit facility, and therefore, have future borrowing capacity comprised of variable rate debt based on LIBOR. As of June 30, 2003, KINA had not drawn any amounts on this facility.

Item 4. Controls and Procedures

As of the end of the period covered by this report, management, including our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures. As part of this evaluation, we considered the nature of the adjustments made to the consolidated financial statements as a result of the restatement. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are effective to provide reasonable assurance that material information regarding the Company, including its subsidiaries, required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is made known to them in a timely manner. During the period covered by this report there have not been any changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. - OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

A. Exhibits

The following Part I exhibits are filed herewith:

Exhibit Number	Exhibit
31(1)	Certification Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31(2)	Certification Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32	Certification Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

B. Reports on Form 8-K

The following Current Reports on Form 8-K were filed by KINA between the first quarter of 2003 and this Form 10-Q on the dates indicated:

(a) June 4, 2003 – Fourth Supplemental Indenture dated as of May 7, 2003 supplementing the indenture dated as of August 14, 2001 to the 8.875% Senior Subordinated Notes due 2011.

(b) July 10, 2003 – to announce the restatement of KINA's consolidated financial statements as of December 31, 2000, 2001, and 2002 as a result of the changes in accounting by TCA, a 50% owned subsidiary of KZL as Relinquishment fees from TCA represent a significant portion of KINA's income.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

KERZNER INTERNATIONAL NORTH AMERICA, INC.
(Registrant)

Date: November 14, 2003 By /s/ Anne Robertson

Anne Robertson
Senior Vice President
Chief Financial Officer
(Authorized Officer of Registrant
and Chief Financial Officer)

Exhibit 31(1)

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Anne Robertson, certify that:

1. I have reviewed this report on Form 10-Q of Kerzner International North America, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on evaluation; and

c) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: November 14, 2003

/s/ Anne Robertson
Anne Robertson
Chief Financial Officer

Exhibit 31(2)

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, John R. Allison certify that:

1. I have reviewed this report on Form 10-Q of Kerzner International North America, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on evaluation; and

c) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: November 14, 2003

/s/ John R. Allison
John R. Allison
Chief Executive Officer

Exhibit 32

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Each of the undersigned hereby certifies in their capacity as an officer of Kerzner International North America, Inc. (the "Company") that the Quarterly Report of the Company on Form 10-Q for the period ended June 30, 2003 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and the information contained in such report fairly presents, in all material respects, the financial condition and result of operations of the Company for such period.

Date: November 14, 2003

/s/ John R. Allison
John R. Allison
Chief Executive Officer

Date: November 14, 2003

/s/ Anne Robertson
Anne Robertson
Chief Financial Officer