

## Wynn, Sands Shares Rise After Macau Gambling Revenue Jumps 40% - BusinessWeek

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By Wendy Leung and Beth Jinks

Oct. 4 (Bloomberg) -- Shares of casino owners including Wynn Resorts Ltd. and Las Vegas Sands Corp. rose after gambling revenue

in Macau jumped 40 percent in September.

Revenue for SJM Holdings Ltd., Sands China Ltd. and four other casino operators in the world's biggest gambling hub rose to 15.3 billion patacas (\$1.9 billion) last month from a year earlier, Macau's Gaming Inspection and Coordination Bureau said.

Wynn climbed 4 percent to \$90.55 at 12:03 p.m. in Nasdaq trading, and Melco Crown Entertainment Ltd. rose 3.5 percent to \$5.27. Las Vegas Sands jumped 3.2 percent to \$36.31, and MGM Resorts gained 0.9 percent to \$11.36 in New York Stock Exchange composite trading. The four U.S.-listed companies own casinos in Macau, the only place in China where they're legal.

Growth in Macau is slowing from the 67 percent pace in the first half, when an economic recovery boosted gambling. China's economic expansion moderated to 10.3 percent in the second quarter from 11.9 percent the previous three months as the government introduced measures to cool its property market.

Macau growth is "still at attractive levels, even as the rate decelerates," Janet Brashear, an analyst at Sanford C. Bernstein & Co. in New York said in a note to clients dated today. "The real news is the share battle under way. Reports suggest that MGM and Melco have been particularly aggressive in attempting to shift junket share to their casinos."

MGM last week filed a preliminary application for an initial public offering in Hong Kong. MGM China Holdings Ltd., the Macau venture between the biggest casino owner on the Las Vegas Strip and Pansy Ho, daughter of billionaire Stanley Ho, has said it plans to sell shares in Asia this year.

### Nine-Month Revenue

Casino revenue in the first nine months advanced 60 percent to 133 billion patacas from the same period last year, according to the government bureau. September's results matched an estimate by Macquarie Group Ltd.

"Asia's macro-economic performance continues to be strong and Macau will benefit as long as this dynamic remains," independent industry consultant Jonathan Galaviz said. "There continues to be tremendous asset bubbles in the region. Hence, we are also cautious on Macau due to its sensitivity to what we see as an eventual Asia downturn sometime in 2011."

Sands China, the Hong Kong-listed unit of billionaire Sheldon Adelson's Las Vegas-based company, climbed 6 percent to close at HK\$14.84 in Hong Kong trading, before the announcement. Stanley Ho's SJM rose 6.9 percent to HK\$9.47.

Melco International Development Ltd., which has a venture with Australian billionaire James Packer's Crown Ltd., advanced 6.8 percent to HK\$4.23 and Wynn Macau Ltd. climbed 4 percent to HK\$13.96. Galaxy Entertainment Group Ltd. declined 1.4 percent to HK\$6.84.

Las Vegas Sands Corp., the parent of Sands China, in June forecast growth of more than 30 percent for the second half, slower than the 67 percent expansion in the first six months.

The territory surpassed the Las Vegas Strip as the world's biggest gambling hub in 2006, after the government ended Stanley Ho's four-decade gambling monopoly and allowed the entry of foreign operators.

For More News and Information: Las Vegas Sands short interest: {LVS US <Equity> SI <GO>} SJM candle graph: {880 HK <Equity> CNDL <GO>} Wynn Macau intraday graph: {1128 HK <Equity> GIP <GO>} Melco International pivot graph: {200 HK <Equity> PIVG <GO>}

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