

Las Vegas Sands Falls as Macau Sales Miss Estimates - Bloomberg

Written by Administrator

Friday, 04 February 2011 02:30 -

An indoor gondola travels through the shopping mall of Las Vegas Sands Corp.'s Marina Bay Sands resort and casino, in Singapore. Photographer: Charles Pertwee/Bloomberg

[Las Vegas Sands Corp](#) ., the U.S. casino company that gets most of its business from [Asia](#) , fell 6.6 percent in extended trading after revenue in Macau missed some analysts' estimates.

Net income totaled \$386.4 million, or 34 cents a share, versus a loss of \$74 million, or 17 cents, a year earlier, the Las Vegas-based company said today in a statement. Sales grew 57 percent to \$2.02 billion, missing analysts' \$2.07 billion views.

In Macau, the world's biggest gambling market, revenue totaled \$1.07 billion, shy of the \$1.13 billion projection of Chris Woronka, a Deutsche Bank analyst. Sands founder and Chief Executive Officer [Sheldon Adelson](#) said on a conference call some investors have an "infatuation" with gambling revenue.

"We believe Ebitda should be the focus on which we're judged," Adelson said, referring to property earnings before interest, taxes, depreciation and amortization.

Las Vegas Sands fell \$3.34 to \$46.94 in extended trading after the report. The shares gained 85 cents to \$50.28 during regular New York Stock Exchange hours and have added 9.4 percent this year.

Excluding some items, profit was 42 cents a share, beating the 39-cent average of 19 analysts' estimates compiled by Bloomberg.

Las Vegas Sands' three properties in Macau, the only part of [China](#) that allows gambling, generated adjusted property Ebitda of \$341.2 million, less than some estimates.

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The company, which reported unrestricted cash of \$3.04 billion as of Dec. 31, is considering paying down \$2 billion or so of debt owed by its Macau unit within the next 18 to 24 months, Adelson said on the call.

Paying Down Debt

That would leave the unit unencumbered with the exception of construction loans at Macau Sites 5 and 6 currently being developed. Some [cash flow](#) from Asia may also filter up to the Las Vegas-based parent, Adelson said.

Sands China raised \$2.5 billion in 2009 in a Hong Kong initial public offering and convertible [bond issue](#) to repay loans and resume construction.

In [Singapore](#), the Marina Bay Sands generated \$305.8 million in Ebitda during the quarter, topping the estimates of several analysts.

Marina Bay Sands CEO Tom Arasi, who led development of the \$5.5 billion project, stepped down and was replaced on an interim basis by George Tanasijevich, Sands' managing director of global development. Tasanijevich is a candidate for the permanent job, Sands executives said on the call.

Las Vegas Ebitda was \$80.6 million, the company said. The group and convention business is coming back strongly, executives said, while the opening of luxury properties such as the Cosmopolitan has put pressure on room rates.

Las Vegas Sands has cut back on so-called comps giving guests free passes to shows and free rooms, Adelson said.

(To listen to a replay of the Las Vegas Sands earnings conference call, access the investor

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relations section of the company's website at www.lasvegassands.com.)

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