

Genting's British casino associates in merger talks

Petaling Jaya – British casino group Stanley Leisure Plc said yesterday it was in merger talks with its rival, London Clubs International, sending shares in both firms higher, according to wire reports.

Genting Bhd holds substantial stakes in both British companies.

Justin Leong, Genting group's head of strategic investments, told StarBiz over the telephone yesterday: "As a major shareholder in both Stanley and London Clubs, Genting is pleased to note the announcement earlier today (Monday) that the boards of those two companies are in discussions about a merger of Stanley and London Clubs."

Agencies reported that it was speculated for months that there might be a bid for London Clubs when Genting was building up a stake in that company.

Genting built its stake in London Clubs to 29.9% in April, just below the 30% threshold at which it must make a general offer under British takeover rules.

Genting owns about 13% of Stanley, the largest casino operator in Britain. The latter, which operates 40 provincial casinos and four in London, was valued at £466mil (RM3.1bil) yesterday.

London Clubs currently runs six casinos and it has six new approved projects in Britain. It was valued at £239mil yesterday.

If Stanley and London Clubs merge, it will create command a share of about 35% of the casino market in Britain.

Last month, Stanley reported a large increase in visitors to its provincial casinos after laws were deregulated, which lifted the rule requiring new punters to register 24 hours in advance and scrapped limits on jackpot prizes.

While the industry is growing, it is keen to consolidate as international casino groups are expected to enter the scene with new casinos following recent changes to gaming laws.