

# Malaysian firm bags Stanley for GBP 605m

The Malaysian gaming group Genting International is this weekend working towards an agreed GBP 605m takeover of Stanley Leisure, the British casino group.

The two sides intend to make an announcement early this week. Leonard Steinberg, Stanley's chairman, has agreed that his company will be taken over for 860p a share. He has also given an irrevocable undertaking to sell half his 11% stake to Genting.

Steinberg will retain ownership of the remainder of his stake, effectively hedging his bets that a counterbid could yet be tabled. This could come from Harrah's Entertainment, the American gaming giant, which is keen to expand in Europe.

As The Sunday Times first revealed four weeks ago, Harrah's wants to buy both London Clubs International (LCI) and Stanley. It has already made a GBP 280m offer for the former and now it is considering whether to make a move on Stanley.

Peter George, former chief executive of Ladbrokes, is representing Harrah's in both deals. But analysts say that Genting has established a strong hand in both British gaming groups. It owns a sizeable stake in LCI, where it controls 29.7% and Stanley, where it has amassed a 20% holding. This will make it difficult for Harrah's, unless it offers a knock-out price.

Bankers say that Harrah's, headed by chief executive Gary Loveman, is keen to step up its international expansion. LCI is an attractive target because, while it is smaller than Stanley, it has the attraction of having been awarded six licences in cities, including Manchester, Glasgow and Blackpool.

There has been heavy buying of shares in Stanley in recent days on hopes that a bidding war will erupt. One new investor is Fred Done, owner of the Betfred betting-shop chain. He has built up a 1.16% stake via contracts for difference.

In the past Ladbrokes has been keen to buy Stanley, but it could never agree on terms. Chris Bell, Ladbrokes' chief executive, is now looking elsewhere and it is unlikely he will be drawn into a contest against either Genting or Harrah's.