

# Raising the Stakes for Casinos: Macao's High Rollers

**Stanley Ho** (*Founder and managing director SJM*)

The elusive billionaire had a 40-year monopoly on Macao gambling and remains one of the world's biggest casino operators, despite inroads by American companies, such as Las Vegas Sands Corp. and Wynn Resorts Ltd., that have cut his market share nearly in half.

Ho is countering with more elaborate casinos, including the Grand Lisboa, which debuted in February, and two outsized casino projects, Oceanus and Ponte 16.

Ho also owns residential real estate, hotels, convention centers, and Turbojet, which dominates ferry service from Hong Kong to Macao.

Expanding the family gambling empire, Ho's son, Lawrence, 30, has launched a new gaming company – Melco PBL Entertainment – and Ho's daughter, Pansy, 44, is an equal partner with MGM Mirage in MGM Grand Paradise Limited, which is building casinos in Macao.

Ho, now 85, is a scrapper who still relishes a good fight. „Whoever is tougher isn't my concern,“ he recently said of his American gambling rivals, „because, to me, SJM is always the toughest.“

**Sheldon Adelson** (*Chairman and CEO Las Vegas Sands Corp.*)

Last year, Forbes magazine listed Adelson, 74, as the No. 3 richest American, with a net worth of USD 20.5 billion – thanks in no small part to his investments in Macao.

In an interview, he said that the future of his gambling company was in Macao and Asia, and that he anticipated his casinos there would generate 70 percent of LV Sands' total

revenue by 2010, up from 58 percent last year. It won Singapore's first gaming license last year and is building a USD 3.5 billion casino there.

Among his staff, Adelson is affectionately called „His Excellency, the King of MICE“ – an acronym for meetings, incentives, conventions and exhibitions. He made his first fortune leasing space for trade shows, and is credited with bringing weeklong conventions, a lucrative new market, to Las Vegas.

In 1989, he bought the former Sands Casino on the Las Vegas Strip, demolished it, and resurrected it as the USD 1.5 billion, all-suites Venetian Resort Hotel Casino. Adelson said he got the inspiration and theme for the mega-resort while honeymooning in Venice. In 1990, he developed the 1.2 million-square-foot Sands Expo and Convention Center, the largest privately held convention center in the United States.

Adelson aims to take over Asia's MICE business with the Aug. 28 debut of the \$ 2.4 billion Venetian Macao Resort Hotel, the centerpiece of a USD 12 billion development that features 1.2 million square feet of convention and meeting space, a giant retail mall, and three canals with 48 gondolas.

His other casino, Sands Macao, has been Macao's most profitable casino since opening in May 2004. „Five years ago,“ he says, „Macao was just a box.“

**Stephen A. Wynn** (*Chairman, CEO and founder Wynn Resorts Ltd.*)

Gaming mogul Wynn, a 1963 graduate of the University of Pennsylvania, was a pioneer in Atlantic City gambling, developing the Golden Nugget in 1980, which he sold in 1987. It's now the Atlantic City Hilton Casino Resort.

He then redefined Las Vegas with the USD 650 million Mirage Hotel & Casino in 1989 – the first of the city's fantastical mega-casino/hotels, with a volcanic display at its entrance.

Wynn, 65, the son of a bingo hall operator, also built Treasure Island, the Golden Nugget and the Bellagio before he sold his company, Mirage Resorts Inc., in 2000, in a hostile takeover by MGM Grand Inc. He pocketed USD 6.6 billion.

And then got even. In 2002, his new gaming company, Wynn Resorts Ltd., went public, and in 2005 he opened the USD 2.7 billion Wynn Las Vegas, the most expensive casino resort ever built.

Last September, Wynn trumped the first American casino in Macao (the \$ 400 million Sands Macao) when he opened the USD 1.2 billion Wynn Macao Casino Resort, the first with hotel rooms to test Chinese demand for resort-style gambling.

His gamble's paying off. With revenue up sharply, Wynn Resorts earned 82 cents a share last quarter, up from a loss of 20 cents a share a year ago.

**Terry Lanni** (*Chairman and CEO MGM Mirage Inc.*)

**Pansy Ho** (*Managing director MGM Grand Paradise Limited*)

As chairman and CEO of gambling powerhouse MGM Mirage Inc. (formerly MGM Grand), Lanni oversees some of the nation's signature casinos, including the Bellagio, Mandalay Bay and Luxor in Las Vegas and the Borgata in Atlantic City, which his company co-owns with Boyd Gaming Corp.

The unpretentious, gentlemanly Lanni, 64, has been the driving force of MGM's expansion – including the takeover of Mirage Resorts Inc. from Steve Wynn.

The company is building CityCenter, a USD 7.4 billion mega-casino complex on the Las Vegas Strip slated for a 2009 opening.

In Macao, MGM Mirage got into the game by purchasing a gambling subconcession from Pansy Ho, Stanley Ho's daughter, and making her a 50-50 partner in 2005. The joint venture is building the USD 1 billion MGM Grand Macao casino, opening

this fall. Another is planned for Macao's Cotai Strip.

Macao „is of significant importance to American operators,“ Lanni said.

**Lawrence Ho** (*Cochairman and CEO Melco PBL Entertainment*)

Lawrence Ho, at 30, is emerging from the formidable shadow of his father, Macao's gambling impresario Stanley Ho.

„Clearly, Lawrence Ho has made a name for himself,“ said Deutsche Bank gambling analyst Andrew Zarnett. „He's already a significant player in Macao.“

After his father put him in charge of Melco International Development, a Hong Kong company, it merged in 2004 with a company run by Australian billionaire James Packer.

Now called Melco PBL Entertainment, the Packer-Ho enterprise is focused solely on building casinos in Macao. In May it opened the USD 512 million Crown Macao casino, catering to high-end gamblers; it's building the USD 2.1 billion City of Dreams casino resort next to the Venetian Macao on the Cotai Strip; and it's planning a third hotel-casino complex in Macao.

It also runs Mocha Clubs, which offer instant electronic gaming in six cafe-style settings in Macao.