

Gaming at PBL's Macau casino off to slow start

James Packer's Publishing & Broadcasting has told analysts that mass-market gambling at its newly opened Macau Crown casino is trading below expectations, prompting it to increase its focus on wealthier gamblers.

The six-star casino had a strong start with VIP gamblers, with chip turnover rising significantly from last month, PBL executives reportedly said at a market briefing in Sydney yesterday. Crown Macau is the first of three casinos PBL and its partner Melco are developing in the former Portuguese colony. It has only been fully open for business for about three weeks.

The PBL boss, John Alexander, the chief financial officer, Geoff Kleemann, and the gaming head, Rowen Craigie, faced analysts and investors two days after PBL reported a 4.9 per cent fall in full-year profit amid start-up losses in Macau. Mr Packer did not attend the meeting, which had been hastily scheduled after analysts complained about the company's initial decision not to explain its results.

The 90-minute briefing at the Westin Hotel centred around accounting questions, with executives coy about the company's wider strategy, participants said. The media were not welcome, and company officials could not be reached for confirmation of the comments.

In an email to the Herald this week, the company said it would „continue to take a disciplined approach to new investment opportunities in both the media and gaming opportunities“.

PBL executives have been zipping around the globe to source new deals. Net costs rose by more than half to AUD 53 million last year as it had higher fees and staffing and travel costs

„associated with investigation and execution of investment opportunities“. This month PBL revealed a \$ 600 million deal to buy control of Germany's biggest property website with Macquarie Bank.

The company sounded confident its split into two separate media and gaming companies would take place later this year, analysts said. Meetings to vote on the demerger have been delayed to November.