

Melco Crown reiterates its City of Dreams plans

New York (AP) – Melco Crown Entertainment Ltd. on Friday maintained that its casino resort under development in Macau will still open during the first half of 2009 and has enough funding for the first two phases of development.

Melco's announcement comes after recent media reports suggested that the project might be delayed.

The casino industry, as well as many other sectors, has been pressured as consumers continue to curb spending due to the ongoing housing slowdown, rising food and fuel costs and eroding credit. Casino operators have also recently started to suspend or cancel development projects due to financing concerns.

Melco Crown said in a filing with the Securities and Exchange Commission that work will continue on City of Dreams „at maximum capacity“ through the end of the year in order to be finished on time.

The Hong Kong-based gaming company also said it has more than USD 1.1 billion in available cash for the project after drawing down about USD 663 million over the past month from senior secured facilities worth USD 1.75 billion. Melco added that it still has USD 570 million left under existing loan agreements that can be put toward the first two phases of City of Dreams if necessary.

City of Dreams is expected to include a 420,000 square foot casino, as well as Crown Towers, Hard Rock and twin-towered Grand Hyatt hotels.

Shares of Melco Crown Entertainment gained 54 cents, or 19.3 percent, to USD 3.34 in morning trading. Over the past year,

the stock has traded between USD 2.31 and USD 18.27.