

Strip project gets new investor

Australian casino operator buys into Fontainebleau builder

By HOWARD STUTZ
REVIEW-JOURNAL

Australia's largest gaming operator announced late Monday it is buying almost 20 percent of the company building the \$2.8 billion Fontainebleau on the Strip's north end.

Publishing & Broadcasting Ltd., which is controlled by James Packer, son of the late Australian business tycoon Kerry Packer, is spending \$250 million to acquire 19.6 percent of Las Vegas-based Fontainebleau Resorts LLC.

Fontainebleau Resorts is developing Fontainebleau-Las Vegas, a 63-story hotel-casino planned for a 100,000-square-foot casino and 3,889 hotel rooms, suites and condominium-hotel units. Site development has been continuing for the Fontainebleau, but a formal groundbreaking has not been held. The project is expected to open in fall 2009.

The company is also spending \$500 million to remake the Fontainebleau in Miami Beach.

Fontainebleau Resorts was co-founded in 2005 by Jeffrey Soffer, the chairman and majority owner who is the principal owner of the Turnberry group of companies. Fontainebleau's chief executive officer is Glenn Schaeffer, former president of Mandalay Resort Group.

PBL, owns and operates two casinos in Australia, Crown Entertainment Complex in Melbourne and Burswood International Resort and Casino in Perth.

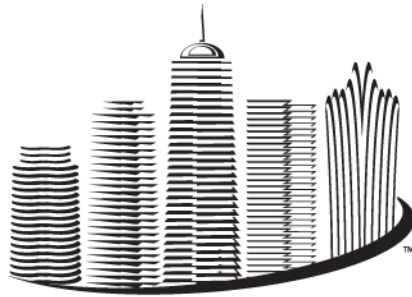
The company is also building the Crown Macau and the City of Dreams gaming projects in Macau.

PBL, which is a 41 percent shareholder of Melco PBL Entertainment, which is listed on the Nasdaq National Market (ticker: MPEL), has a market capitalization of more than \$11 billion and is among the top 25 companies listed on the Australian Stock Exchange.

"This transaction provides PBL Gaming with a first-class entrance into the U.S. casino resort market, in particular, the renowned Las Vegas Strip," Packer said in a statement.

Nevada Gaming Control Board Member Randy Sayre said Monday it was unclear if PBL would have to be licensed by state gaming regulators.

"At this point, we're unsure if (PBL) would require licensing, but we clearly have the jurisdiction to call them forward if we decide we need to," Sayre said. "We'll make that assessment at some point."



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