

Branson in advanced talks for Macau casino resort

Richard Branson's Virgin Group Ltd is close to acquiring a prime site in Macau to build the group's first casino resort in the booming Chinese territory, a British newspaper reported yesterday.

„We hope to get all the boxes ticked in the next couple of months and start developing the site soon afterwards,“ the Financial Times quoted Branson as saying.

The paper said Branson met with Macau Chief Executive Edmund Ho on Wednesday to finalize arrangements for the USD 3 billion entertainment complex.

If successful, Virgin would be the latest foreign group to enter the competitive gaming market in Macau.

The former Portuguese enclave has been booming since the government busted up a casino monopoly three years ago and began welcoming US gaming powerhouses like Las Vegas Sands Corp, MGM Mirage Inc and Wynn Resorts Ltd.

Virgin's offices in Hong Kong told reporters to seek comment from London-based company officials, who were not immediately available because of the time difference with Asia.

Macau – the only place in China where casino gambling is legal – has apparently overtaken the Las Vegas Strip as the world's biggest casino center.

The Chinese city said gambling revenue jumped 22 percent to USD 6.95 billion last year.

The Las Vegas Strip has yet to announce its full-year revenue figures for last year, but it would need to have brought in nearly USD 1 billion last month alone to beat Macau's figure.

Virgin is planning a complex with three hotels and a casino on the 20-hectare Macau site, the report said. Branson estimated that the cost of development would be US\$ 3 billion, and the group is targeting an opening date of 2010, the paper said.

Branson planned to fund the project with a mix of Virgin equity and debt financing from international banks, the report said. Virgin expects to recoup its upfront costs within 18 months of opening.

Virgin's strategy is to open a casino that targets the 20-34 age group, the report said.

„The sector is growing, but existing casinos are light on entertainment. There's little to attract the family crowd or make it a memorable value-for-money experience,“ the report quoted Branson as saying.