

Australia's Crown in USD 1.75 bln casino buy

Sydney (Reuters) – Australian gaming group Crown Ltd has agreed to buy Las Vegas casino operator Cannery Casino Resorts (CCR) for USD 1.75 billion, adding to its stable of North American gaming operations.

Crown, controlled by Australia's richest man James Packer, will buy all of CCR, a joint venture between gaming magnates Bill Paulos and Bill Wortman and private equity firm Oaktree Capital Management.

CCR owns three Las Vegas casinos and a racetrack in Pittsburgh, Pennsylvania. Two of the facilities are currently being redeveloped.

A big U.S. gaming acquisition had been widely-flagged by Crown, which was hived off from the media arm of the Packer family corporate empire last month when former company Publishing & Broadcasting Ltd was split in two.

Packer has been expanding aggressively in gaming and selling off media assets since the death of his father Kerry in 2005.

„The business is looking very changed to how James Packer's father ran it. They are in the right market. It is in a fairly competitive market,“ said Lucinda Chan, division director at Macquarie Equities.

The deal gives Crown further inroads into Las Vegas after it bought a USD 250 million stake in casino developer Fontainebleau Resorts in April.

Crown shares firmed 0.2 percent to AUD 13.83, in a broader market down around 1 percent.

The Melbourne-based gaming group agreed to pay USD 1.75

billion plus estimated acquisition costs of USD 49.6 million. The deal will be funded by cash reserves and should be earnings per share accretive after completion.

Crown said last month it was close to agreeing a big gaming deal in North America and had AUD 2.7 billion set aside for acquisitions.

CCR is also developing a new casino/hotel complex in Las Vegas which will replace its existing Nevada Palace Casino in 2008. It is also developing a new Meadows Racetrack and Casino complex in Pennsylvania.

Crown said CCR will operate about 8,400 slots, 75 tables and 720 hotel rooms when the two new projects are completed.

The deal is subject to U.S. regulatory approvals which are expected to take about 12 months.

Crown also has a casino joint venture in Macau and spent CAD 1.37 billion buying nine Canadian casinos in April.