

# Gaming officials believe industry is growing

By Richard N. Velotta, Las Vegas Sun

Representatives of six gaming companies are optimistic about what the future holds for the industry with expansion and technological advancements leading growth in the next five years.

While executives aren't predicting any major resort openings on the horizon, they are enthusiastic about the potential for new venues internationally and using technology to more effectively market to younger players.

Most of the panelists also view the legalization of Internet poker as a potential driver for more customers in their brick-and-mortar casinos.

Comments were made Wednesday at the third day of the four-day Global Gaming Expo at the Venetian. Representatives of Las Vegas companies MGM Resorts International, Las Vegas Sands and Bally Technologies were among the speakers addressing a broad range of topics on the state of the industry.

Patti Hart, CEO of gaming equipment manufacturer International Game Technology, said she's optimistic about growth because gaming is expected to spread throughout Asia after the successes of Macau and Singapore. She said her company also is continuing efforts to personalize casino experiences with software programs that provide more interactivity between casinos and their customers to appeal to a market of young players comfortable with the portable computer devices they use.

Michael Leven, president and chief operating officer of Las Vegas Sands, and Jim Murren, CEO of MGM Resorts International,

said a number of Asian countries – Vietnam, Cambodia, Thailand, Taiwan, South Korea and Japan – are considering casino-centered integrated resorts after seeing how well operations in Macau and Singapore have performed. Sands and MGM have resorts in Macau, Sands is the market leader in Singapore and MGM is building a nongaming resort in Vietnam and is exploring prospects in the Canadian province of Ontario. Sands also has focused attention on a Las Vegas-style resort in Spain.

Panelists expect the legalization of Internet poker in the United States would lead to expansion of gaming in land-based casinos in the same way that the expansion of gaming in other states and on Indian reservations ultimately led to growth for Las Vegas.

Leven added, however, that his boss, Sands CEO Sheldon Adelson, opposes the legalization of Internet poker because he fears the inability to control underage gambling and because the investment necessary to get enough online customers to make a venture lucrative would diminish its profitability.

“There are three concerns with online gaming which we as a company have studied in-depth,” Leven said. “One is the profitability of it when there are so many people in line. Today, there are a few people in the market nationally that make a lot of money. We believe that when everybody gets in that the cost of acquisition of customers in the online gaming marketplace will go up dramatically so profitability is going to go down. So it’s not going to be a free lunch for everybody where everybody wins.

“Secondly, we believe there is some danger particularly with at the college-student level and with young adults where potentially we can’t control the irresponsibility of their gaming. I think Sheldon has been outspoken about it, but he has not, to my knowledge, talked with any senator or anybody in government about how to vote on the issue. He has just

vocalized that he is worried about that particular control problem.

“The third issue is simply a matter of wealth distribution,” he said. “How much money is available in the market? Will it affect Las Vegas casinos? We don’t really think so. But will it affect some of the Indian casinos or casinos in some of the smaller markets? We think it will have some impact because some of the money will not be available to be played in those markets.”

Leven also said the industry’s desire for federal oversight in online poker could also lead to more government intrusion and lower profits because the federal government tends to build bureaucracies when developing regulatory agencies.