

## Gaming & Entertainment

# Nevada Gaming to Recover by 2014: Report

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By Jeanine Poggi

NEW YORK (TheStreet) -- Nevada gaming will return to pre-recession levels in 2014, according to a report released by PricewaterhouseCoopers on Tuesday.

While in the short-term PwC is forecasting that the region will report a 2.9% decline in 2010, it will start seeing mid-single-digit gains between 2012 and 2014.

The Nevada market is expected to grow at a rate of 4.1% annually from \$10.2 billion in 2009 to \$12.5 billion in 2014.

This is good news for Las Vegas-based casinos like **MGM Resorts**(MGM\_), but the road to recovery in 2014 won't be all uphill. According to analysts, the rebound in Las Vegas in 2011 will be slow, with some predicting supply will have to exit the market before a true turnaround can occur.

MGM and **Harrah's Entertainment** will be the most likely to sell off assets in Vegas and other parts of the country, says Alex Calderone, who provides turnaround and crisis management services for the gaming sector at Conway MacKenzie.

And while the U.S. will remain the dominant gaming market, Asia threatens this position. Overall, PwC projects that U.S. gaming revenue will increase to \$68.3 billion in 2014, which would be a 3.6% compound annual jump. This compares to the 23.6% compound annual growth rate it forecasts for the Asia Pacific market, which should hit \$62.9 billion in 2014.

Singapore, which recently legalized gaming and saw its first two casinos from **Las Vegas Sands** (LVS\_) and **Genting**, is expected to overtake Australia and South Korea in 2011, making it Asia's second-largest gaming market behind

Macau. PwC foresees Singapore revenue hitting \$2.8 billion in 2010 and \$5.5 billion next year.

But not every region will experience such robust growth. Atlantic City, for one, will see gaming revenue decrease 3.2% per year. In fact, the New Jersey gaming hub will be the only market where casino revenues will be lower in 2014 than in 2009, according to the report.

--Written by Jeanine Poggi in New York.