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HD **Stakes rise for Jupiters**

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A NEW player in the local casino market could emerge as the owner of Townsville's gaming venue next week.

Echo Entertainment late last year revealed it was aiming to sell its Jupiters Townsville casino, with a possible \$75 **million** price tag, so it could focus on its casinos on the **Gold** Coast and in Brisbane.

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Echo plans to pump \$1.5 **billion** into the redevelopment of Jupiters casino at Broadbeach and the transformation of the Treasury casino in Brisbane.

Sources with knowledge of the Townsville transaction yesterday confirmed reports a deal could be sealed next week for about \$70 **million**.

The potential buyer was rumoured to be a domestic entity with an understanding of high-end tourism but not an existing casino operator.

Other sources said other potential buyers could include New Zealand's SkyCity, which has Adelaide and Darwin casinos, Singapore-listed Lasseters International, with an Alice Springs casino, or interests linked to **Hong Kong** tycoon Tony Fung, who is behind a move on Cairns' casino.

Echo yesterday declined to comment.

But in November, Echo chief executive John Redmond said the "the size and breadth of appeal of the Townsville market means more limited opportunity for the creation of a large-scale integrated resort".

Echo has been focusing on Brisbane and **Gold** Coast markets.

Mr Redmond said Townsville had posted a "positive performance" but trends had been tough. Echo's latest results bunched Jupiters **Gold** Coast and Townsville **operations**, showing earnings for the two had fallen from \$59.2 **million** in 2012 to \$25.5 **million** in 2013.

Jupiters **Gold** Coast is understood to account for a large chunk of earnings. Dr Sudhir Kale, of GamePlan Consultants and Bond University's business faculty, said Townsville was constrained by its market potential. It did not have substantial food and beverage earnings, nor VIP gaming, plus it was known as attracting "the grind market" where people bet in smaller sums. It would be a "gamble" **purchase**, he said.

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