Online poker generating income for gaming firms

By Richard N. Velotta, Las Vegas Sun

Gaming companies blazing the trail for online poker are starting to generate revenue from their Internet investments.

It's still too early to determine exactly how much they have made and how sustained the results will be, but frontrunners Caesars Entertainment and Station Casinos both have realized proceeds from online gaming.

Caesars, parent company of Harrah's Lake Tahoe and Harveys, began generating online poker revenue during the third quarter of the year in Nevada and the fourth quarter in New Jersey. The company's third-quarter earnings included only 11 days of online poker revenue. Caesars unveiled its World Series of Poker site Sept. 19. The company didn't specify online poker revenue in its earnings report.

Station got an even earlier start, having already managed more than 1 million hands here, and is ready to roll out its product in New Jersey. Both companies take a percentage of gamblers' money for every hand played.

Overall, Caesars reported revenue of $2 billion, down 0.7 percent from the third quarter last year. The company reported $112 million in casino revenue, a 7 percent decline offset by lower promotional expenses and increases in nongaming revenue.

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