

Apr. 28, 2009
Copyright © Las Vegas Review-Journal

Wynn interested in buying some MGM Mirage casinos

LAS VEGAS REVIEW-JOURNAL

Steve Wynn, chairman of Wynn Resorts Ltd., said he is interested in buying some of the casinos owned by MGM Mirage, which may sell assets as part of an effort to reduce debt.

Wynn is interested in the Bellagio, a resort he built before his previous company was purchased by MGM Mirage, as well as other Las Vegas properties, he said today in an interview with Bloomberg News.

"I'd be interested, if at the right price, whether it's Bellagio or Circus Circus," Wynn said from the Milken Institute's Global Conference in Beverly Hills, Calif.

Debt burdens at MGM Mirage, the largest casino operator on the Las Vegas Strip, and Harrah's Entertainment Inc., the largest casino owner, have sparked interest from potential buyers including Wynn Resorts, Penn National Corp. and Boyd Gaming Corp. Wynn Resorts has raised more than \$500 million through new stock sales since November.

MGM Mirage rose 32 cents, or 5.8 percent, to \$5.83 at 3:31 p.m. in New York Stock Exchange composite trading. Wynn Resorts, based in Las Vegas, fell 70 cents to \$36.78 on the Nasdaq Stock Market.

Construction costs in Las Vegas have fallen to such an extent that Wynn has to weigh the prospect of building new against the opportunity to purchase existing resorts, he said. The company owns 150 undeveloped acres on the strip and isn't interested in buying more land there, he said. Wynn added he is "kicking tires" at some distressed properties.

Reducing DebtWynn Resorts previously outlined plans to repurchase as much as \$1 billion in debt to reduce annual interest costs by \$55 million.

MGM Mirage, also based in Las Vegas, is considering asset sales, debt buybacks and other steps to avoid default on its \$7 billion senior credit facility. The company faces a May 15 deadline to restructure its finances or risk defaults that may trigger bankruptcy. MGM Mirage sold its Treasure Island hotel on the Strip to investor Phil Ruffin in March for \$775 million.

Wynn may want back assets he developed. He was chairman and chief executive officer of Mirage Resorts, which built and operated Bellagio, Mirage and Treasure Island, when billionaire Kirk Kerkorian's MGM Grand Inc., now MGM Mirage, bought the company for \$6.4 billion nine years ago.

The Mirage mega-resort marked the start of a building boom in Las Vegas when it opened in 1989, and Wynn is credited with leading Las Vegas in the development of more shops, upscale restaurants and luxurious accommodations to attract tourists into gambling resorts.

In 2005, MGM Mirage acquired Mandalay Resort Group, gaining casinos including Mandalay Bay and Luxor, and has become the biggest casino owner on the Las Vegas Strip, with nine operating properties today.

Kerkorian founded MGM Grand Inc., taking it public in 1996. He opened the MGM Grand, Las Vegas's largest casino resort, in 1993.

Find this article at:

http://www.lvrj.com/news/breaking_news/43900967.html

Check the box to include the list of links referenced in the article.

Copyright © Las Vegas Review-Journal, 1997 - 2008

Go Green! Subscribe to the electronic Edition at www.reviewjournal.com/ee/