

Boyd Gaming says profit slips - MarketWatch

Written by Administrator

Monday, 25 October 2010 13:21 -

```
<!--<for each="var content in flow.Content"> #var paragraph =
content as Paragraph; #var textChunk = chunk as TextChunk; #//
#// -->
```

By [William Spain](#) , MarketWatch

CHICAGO (MarketWatch) — Across-the-board declines in all of its markets helped drag Boyd Gaming's third quarter profit down, although the casino operators said Monday that it is finally seeing some signs of improvement in the sector.

It also said that it will not to exercise its option to match the an offer that MGM Resorts International [/quotes/comstock/13*!mgm/quotes/nls/mgm](#) ([MGM](#) **10.98**, -0.26 , -2.31%) received for its 50% interest in Borgata, an Atlantic City casino the two companies operate as a joint venture.

Boyd [/quotes/comstock/13*!byd/quotes/nls/byd](#) ([BYD](#) **8.39**, +0.40, +5.01 %)

earned \$5.6 million, or 6 cents a share, for the period – down from \$6.3 million, or 7 cents, in the same quarter of 2009. Adjusted to exclude various items, it would have earned 2 cents a share, down from 9 cents. Revenue fell 4.1% to \$595.4 million from \$620.8 million.

The average of analysts polled by FactSet Research had been for the company to earn 5 cents a share on revenue of \$576 million. .

Shares of Boyd were up more than 5% at \$8.40.

“We saw both stabilization and improvement in our business, as we reported the smallest declines in revenues and earnings before interest, taxes, depreciation and amortization since the third quarter of 2009,” said Keith Smith, chief executive, in the earnings report. “We are encouraged by our results so far in October, and expect fourth-quarter comparisons will be the

Boyd Gaming says profit slips - MarketWatch

Written by Administrator

Monday, 25 October 2010 13:21 -

best of the year.”

Still, the company was stung by declining revenue at all of its regional operations. The Las Vegas locals market slipped to \$145.6 million from \$150.7 million while Downtown Sin City was off from \$54.9 million to \$51.9 million. Boyd’s “riverboat” operations in the Midwest and South took in \$188.7 million vs. \$190.9 million, although it said it “maintained or increased market share at all six properties in the region.”

At Borgata, revenue slumped to \$207.7 million from \$222.6 million. Atlantic City has been getting hammered by both the economic slowdown and new competition in nearby states that has siphoned off a good portion of its visitor base. And Boyd got an extra slap this time around due to “unusually lucky play by table game customers during the quarter, which decreased our hold percentage to below historical levels.”

So it should come as no surprise that the company declined to purchase MGM’s half of that property.

“Given other opportunities and our current focus on deleveraging our balance sheet, the current offer would not provide a sufficient return on investment for our shareholders,” Boyd said in explaining the decision. “Despite this decision, we are confident in the future of Borgata. The property represents a major investment by Boyd Gaming, and it has delivered substantial value for our shareholders.”

MGM was forced to sell its interest in Borgata by New Jersey regulators who are concerned that company’s joint venture partner in Macau, Pansy Ho, may have ties to organized crime.

William Spain is a MarketWatch staff writer in Chicago.

[Powered by WizardRSS](#) | [Full Text RSS Feeds](#)

Source: <http://news.google.com/news/url?sa=t&fd=R&usg=AFQjCNEYARscOp6NP>

Boyd Gaming says profit slips - MarketWatch

Written by Administrator

Monday, 25 October 2010 13:21 -

[0KZnehZHtpdf0EHEg&url=http://www.marketwatch.com/story/boyd-gaming-says-profit-slips-2010-10-25?reflink=MW_news_stmp](http://www.marketwatch.com/story/boyd-gaming-says-profit-slips-2010-10-25?reflink=MW_news_stmp)