

Boyd Gaming Plans \$500 Million of Eight-Year Notes - Bloomberg

Written by Administrator
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[Boyd Gaming Corp.](#) plans to sell \$500 million of eight-year notes, taking advantage of a rally in casino-company bonds to refinance debt and extend maturities.

Proceeds will be used to buy back senior subordinated

notes due 2012 and to repay bank loans, the Las Vegas-based company said yesterday in a statement distributed by PR Newswire.

Boyd is following [MGM Resorts International](#) in tapping the bond market as high-yield, high-risk debt from gaming companies has returned 4 percent this month, outpacing the 2.2 percent gain for all speculative-grade bonds, according to Bank of America Merrill Lynch index data.

“Deleveraging is our highest priority, as a strong balance sheet will give us flexibility to pursue new growth opportunities created by an improving economy,” said [Keith Smith](#), Boyd’s chief executive officer, in an Oct. 25 conference call with analysts.

The company has \$158.8 million of [7.75 percent notes](#) maturing in December 2012, according to data compiled by Bloomberg. There is also \$1.73 billion outstanding under its revolving credit facility at the end of the third quarter, Smith said.

Boyd, the operator and half-owner of the Borgata Hotel Casino & Spa in Atlantic City, New Jersey, won’t bid for the rest of the resort, being sold by MGM Resorts, it said Oct. 25.

“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,” the company said in a statement.

MGM Resorts, the biggest casino operator on the Las Vegas Strip, sold \$500 million of 10 percent, six-year notes on Oct. 25, Bloomberg data show.

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Boyd debt has returned 5.1 percent this month, the fifth best performer in the Bank of America Merrill Lynch high-yield gaming index.

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