

LAS VEGAS

MGM Resorts International lost less money in its third quarter than a year ago, even as it continued to write down the value of its investment in the mammoth CityCenter development in Las Vegas.

The Las Vegas-based casino operator in which Kirk Kerkorian is a major

investor also provided some good news Wednesday, saying the Las Vegas market continues to stabilize.

"We have made significant progress on our financial position this year and have deployed several programs to better position our portfolio of resorts to benefit from a broader economic recovery going forward," Chairman and CEO Jim Murren said.

MGM Resorts also indicated that it plans to pursue talks with an unnamed bidder for its stake in the Borgata Hotel Casino & Spa in Atlantic City, N.J.

Company stock slid 17 cents to \$10.98 in premarket trading.

MGM Resorts lost \$318 million, or 72 cents per share, for the period ended Sept. 30. That compares with a loss of \$750.4 million, or \$1.70 per share, a year ago.

Writedowns totaled \$357 million, or 51 cents per share, as the company devalued its CityCenter complex with Dubai World as well as CityCenter's residential units and its half of the Borgata.

MGM Resorts posts 3Q loss on CityCenter writedown - BusinessWeek

Written by Administrator

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Without the writedowns, MGM Resorts lost 21 cents per share for the quarter.

Analysts surveyed by Thomson Reuters expected a loss of 23 cents per share. Analysts usually do not account for one-time items.

Revenue rose 2 percent to \$1.56 billion from \$1.53 billion, besting Wall Street's \$1.55 billion. MGM also made more money from entertainment and retail.

Revenue from casino spending and rooms declined -- with occupancy declining -- and customers did not spend as much on food and drinks either.

The casino sector has struggled to recover from the economic downturn as consumers keep a tighter grip on their money.

Las Vegas Strip revenue per available room slipped 2 percent. Revenue per available room, also known as revpar, is a key gauge of a lodging provider's health.

Results in the Chinese enclave of Macau were strong, with MGM Macau having its best quarter ever. Operating income for MGM Macau improved to \$61 million from \$50 million.

Macau is the only place in China where gambling is legal.

Rival Wynn Resorts Ltd. also had success in Macau, reporting on Tuesday that revenue for its Wynn Macau resort surged nearly 50 percent.

Last month MGM Resorts said an unnamed buyer had offered a little more than \$250 million for its 50 percent share of Borgata. MGM Resorts said it took the offer to its Borgata partner, Boyd Gaming Corp. Boyd said that it doesn't plan to exercise its right to first refusal, so MGM Resorts

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plans to hold discussions with the potential buyer.

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