

Trump Marina Hotel Casino sold for USD 316 million

New York (Reuters) – Coastal Marina LLC said on Thursday it agreed to buy Trump Marina Hotel Casino in Atlantic City for about USD 316 million, boosting the shares and bonds of Trump Entertainment Resorts Inc, chaired by property magnate Donald Trump.

Coastal Marina said it will rebrand the casino complex into a new destination resort under the „Margaritaville“ brand.

„Margaritaville“ is a well-known song by singer and songwriter Jimmy Buffett, and a spokesman for Coastal Marina said the rebranded resort will be a licensing agreement with the singer’s company.

„The execution of this transaction will provide us with additional financial flexibility ... ,“ said Mark Juliano, chief executive officer of Trump Entertainment, in a statement issued by Coastal Marina.

„Now we are closely evaluating the variety of options before us to create value for our shareholders, including ... reducing the company’s debt, and potential projects to diversify our interests outside of Atlantic City,“ he added.

Trump Entertainment shares jumped about 16 percent to USD 3.35 in Thursday morning trading and the company’s bonds also rose sharply.

Trump’s 8.5 percent notes due in 2015 rose as high as 70 cents on the dollar, to yield almost 17 percent, up from about 59.4 cents on Wednesday, according to MarketAxess.

Losses

As part of their transaction, Coastal Marina and Trump

Entertainment Resorts have agreed to end unrelated litigation when the deal closes.

Coastal Marina is an affiliate of Coastal Development LLC, a privately held company based in New York that develops resort destinations and is also a shareholder of Suffolk Downs racetrack in Massachusetts.

On May 8, Trump Entertainment reported a wider first-quarter loss, citing general economic weakness and increased competition in Pennsylvania and New York.

Other prominent gaming companies have also reported deteriorating quarterly earnings in recent weeks amid a slowing U.S. economy.