

# Some casino operators hit new lows as markets fall

New York (AP) – Shares of casino operators tumbled Monday – several to new multiyear lows – as jittery investors watched Wall Street and global markets slide on fears the financial crisis is spreading.

The markets have realized that the USD 700 billion rescue plan won't work quickly to unfreeze the credit markets, and that many banks are still having difficulty gaining access to cash. That's caused investors to exit stocks and move money into the relative safety of government debt.

Aside from market news, Goldman Sachs analyst Steven Kent said in a client note that funding MGM Mirage garnered for its CityCenter joint venture project may have come in below expectations.

Earlier in the day, MGM Mirage said it secured a USD 1.8 billion senior bank credit agreement for CityCenter that matures April 2013. The financing is considered the first stage of the USD 3 billion financing package for the USD 9.2 billion Las Vegas casino project.

MGM Mirage's stock fell USD 3.50, or 16.6 percent, to USD 17.50 in afternoon trading. It hit a nearly five-year low of USD 17.28 earlier the session.

In addition, Dennis Forst of KeyBanc Capital Markets trimmed some of Penn National Gaming Inc.'s estimates after the casino operator lowered its third-quarter earnings before interest, taxes, depreciation and amortization forecast to USD 146 million from USD 178 million. The analyst was also concerned about a potentially worse-than-expected economic slowdown.

Casino operators, and many other businesses, have been

pressured as consumers tighten spending due to diminishing credit, the ongoing housing downturn and escalating food and gas costs.

Forst reduced his third-quarter earnings estimate to 31 cents per share from 52 cents per share and cut his fourth-quarter forecast to 32 cents per share from 41 cents per share.

The analyst reiterated a „Hold“ rating.

Penn National Gaming's shares dropped USD 1.73, or 8.6 percent, to USD 18.30. It declined to a more than four-year low of USD 16.89 earlier in the day.

Other stocks hitting fresh lows included Las Vegas Sands Corp., which slipped to an all-time low of USD 19.10, and Wynn Resorts Ltd., which sagged to a more than two-year low of USD 62, before making back some losses.