

Colony Capital, MGM Mirage break off talks: source

New York (Reuters) – Colony Capital LLC and MGM Mirage are no longer in talks over a potential investment in the struggling casino company, a source close to the discussions said on Thursday.

The source said while there were no talks going on now, the situation could change. The source did not want to be identified because the talks are private.

MGM Mirage was not immediately available to comment. Representatives of Colony could not immediately be reached for comment.

MGM Mirage, the no. 2 casino operator, is trying to find ways to service its USD 13.5 billion debt and fund payments on its USD 8.6 billion City Center project in Las Vegas.

Controlled by billionaire Kirk Kerkorian, the company is grappling with weak consumer demand and reduced access to credit.

A Wall Street Journal report quoted people familiar with the situation as saying MGM Mirage appears to be focused on negotiating a deal with its lenders.

Australian gambling company Crown Ltd has also backed away from investing in MGM Mirage for the time being, the Journal reported.

Crown said on Monday it was not in talks to invest in the Las Vegas project. The project is owned jointly by MGM Mirage and Dubai World.