

MGM founder Kirk Kerkorian wants to sell The Mirage

MGM Mirage founder and majority shareholder Kirk Kerkorian wants to sell The Mirage, believing the Strip casino could fetch a heftier price on the auction block than the company's casinos in Detroit and Biloxi, Mississippi.

The New York Post, citing unnamed sources, wrote yesterday that Kerkorian, the 91-year-old billionaire who controls about 53 % of the Strip casino giant, thinks proceeds from a sale of The Mirage will keep the company out of bankruptcy and thwart corporate raider Carl Icahn.

Icahn, it was reported last week, had bought up millions of dollars worth of MGM Mirage's corporate bonds in an effort to force the operator of nine Strip casinos to file bankruptcy.

Earlier this month, MGM Mirage hired Morgan Stanley to sort through offers for MGM Grand Detroit and Beau Rivage in Biloxi. Analysts believe the sales could bring the company about USD 1.5 billion and help stem some of its liquidity issues. MGM Mirage is facing a May 15 deadline from its lenders to come up with a plan for restructuring its USD 13.5 billion in debt.

KDP Investment Advisors analyst Barbara Cappaert told investors Kerkorian's typical public silence as MGM Mirage wades through financial turmoil has been troubling. „The blaring headlines of Kerkorian's involvement aren't really what we or security holders were expecting,“ she told investors. „Whether the company sells assets or not, Kerkorian still hasn't put a new dime of money into the entity to help with the near-term liquidity issues. We are looking for a renewed financial commitment from the current equity owner; that would be meaningful to the current situation.“

In an e-mailed statement, MGM Mirage didn't out and out deny it was trying to sell The Mirage. „MGM Mirage continues to seek a global solution to its financial situation and senior management, along with its advisers, are evaluating all possibilities to improve our balance sheet.“