

S&P Issues Negative Outlook for CityCenter - ABC News

Written by Administrator
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Standard & Poor's Ratings Services issues a negative outlook on CityCenter, and says the casino complex will have

trouble generating enough cash flow to justify its current capital structure.

The rating agency on Monday gave the casino complex owned by MGM Resorts International and Dubai World a "B-" corporate credit rating.

The agency says a recent offering of \$1.5 billion in new notes only modestly offsets CityCenter's risks.

CityCenter issued \$900 million in notes due 2016 and \$600 million in notes due 2017, using the proceeds to pay down its existing debt and extend its due dates.

Standards & Poor's gave the notes due 2016 a "B" issue-level rating and the notes due 2017 a "CCC" rating.

The agency says holders of the notes due in 2017 can expect negligible recovery.

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