

Revel Casino Still Talking With Potential Bidders

Written by Administrator

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A day after announcing it will shut down next month, Revel Casino Hotel told a bankruptcy court judge it is still negotiating with potential buyers.

In a notice adjourning an auction of Revel that had been set for Thursday, its lawyers say they are engaged in "ongoing negotiations" with "certain potential bidders" they did not identify.

The filing follows Revel's announcement that will shut down by Sept. 10, having been unable to find a buyer.

The casino held out hope a buyer could eventually be found through bankruptcy court, but said it needs to begin winding down its operations.

"The debtors have continued to evaluate the bids received and have been working with certain potential bidders with the goal of naming a successful bidder," Revel wrote in its filing on Wednesday. "As a result of these ongoing negotiations, and in an effort to maximize the prospects for a value-maximizing sale transaction," the auction needs to be postponed indefinitely.

Revel officials and attorneys would not comment on the court filing.

The filing did not explicitly say so, but it appears to leave the door open for bidders to try to purchase the property as a non-gambling facility after it shuts down.

The news came on the same day that state casino regulators reported Atlantic City's casinos took in 11 percent less from gamblers in July than they did a year ago.

Figures released Wednesday by the state Division of Gaming Enforcement show the 11 casinos won \$274 million in July, compared with \$297.1 million in July 2013. That includes \$10

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million in Internet gambling revenue, which was up by about \$500,000 from June.

In a note to investors Wednesday, Wall Street agency Fitch Ratings said Revel's anticipated closure "illustrates the depth of distress for the Atlantic City gaming market." Hours later, Gov. Chris Christie announced he will hold a summit and appoint a working group on Atlantic City's future on Sept. 8, including state and local officials, casino and labor leaders.

Revel announced it will close after just over two years amid a rapid, unprecedented contraction of the Atlantic City gambling market. It started the year with 12 casinos, but will have eight before fall.

The Showboat is set to close on Aug. 31, followed by Revel on Sept. 10, and Trump Plaza six days later. The Atlantic Club closed in January.

When the July revenue numbers are adjusted to exclude the Atlantic Club, the year-over-year decline is 6.6 percent.

Revel posted the biggest decline, down more than 36 percent to \$14.8 million. It had warned in June that it might have to shut down if a buyer could not be found.

Trump Plaza was down 34 percent to \$5.3 million, and the Showboat was down more than 19 percent to \$15 million.

The Golden Nugget posted the biggest increase, up 40.5 percent to \$18.2 million. The Tropicana was up more than 34 percent to \$27.7 million.

So far in 2014, the casinos have taken in \$1.55 billion. That would have put Atlantic City on track to reverse a seven-year revenue decline by the end of the year, boosted by Internet gambling. But the impending closures of four casinos will prevent that.

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Analysts say that despite the pain of losing millions in revenue and nearly 8,000 casino jobs, the spate of closings should help the remaining eight casinos do better with less competition.

The Internet gambling market continued to be dominated by the Borgata, at nearly \$3.2 million for the month, and Caesars Interactive, close behind at \$2.7 million. The Tropicana continues to ramp up its online performance, taking in more than \$1.9 million.

For the first seven months of the year, Internet gambling in New Jersey has taken in \$73.1 million. It began in late November last year.

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