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Boyd Gaming Corporation Q1 2009 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Your first question comes from Steven Kent - Goldman Sachs.

Steven Kent - Goldman Sachs

Could you give us a little bit of an update as to how things are going since the end of Q1, how April and the first week of May is working about?

And beside the interest in Station, what other kinds of assets are you interested in?

And then finally - I know this is a difficult one - could you just talk about the path that you're looking for to see some recovery in the Local Las Vegas market, what kind of signposts should we be looking for.

Keith E. Smith

Let me see if I can work my way through the various questions.

I think the trends that we are seeing in the first five weeks of Q2 are similar to what we saw in March and in February, so not much has changed. Things are not getting better than what we saw in March and February, but things are certainly not getting much worse and, as we said in our comments earlier, we think we're seeing things stabilize. So kind of much of the same in the first five weeks in the quarter.

With respect to other acquisitions that we may be interested in, as you look back on the history of the company, we've grown the company quite successfully by buying assets strategically in markets where we thought we could do a good job and buying the right assets and we'll continue to do that. Station is one example of that, where I think it fits strategically into a segment we have, the Las Vegas Locals market. There could be regional markets that would be of interest to us, and we'll continue to keep our eyes open for good values or good opportunities. We are not necessarily excluding anything, but we will be careful and we will be prudent and it kind of needs to fit within the overall strategy of the company in terms of where we feel like we should grow.

In terms of the Locals market, in terms of the path I think, look, one of the two big issues we have here in the Locals market are both unemployment, which sit at record-high numbers at 10.5%, as well as housing, which is generally in the West but here in Nevada has been truly hit. And, you know, a tremendous decline in housing prices and tremendously high unemployment create a very difficult environment.

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