

BOYD GAMING CORP
Form 424B1
August 03, 2006
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**A filing fee of \$44,572.00, calculated in accordance with
Rule 457(r), has been transmitted to the SEC in connection with
the securities offered by means of this prospectus supplement.**

Prospectus Supplement No. 2

(To Prospectus Dated December 16, 2005)

11,842,504 Shares Common Stock

BOYD GAMING CORPORATION

The selling stockholder named in this prospectus supplement is offering 11,842,504 shares of our common stock to be sold in this offering. We have entered into an agreement with the selling stockholder to sell him the South Coast Hotel and Casino. To the extent that the conditions to the sale of South Coast are satisfied, as described herein, the selling stockholder will use the proceeds from this offering to pay to us a portion of the purchase price for South Coast. The selling stockholder is currently a member of our board of directors and a member of the board of directors and an executive officer of certain of our subsidiaries.

The selling stockholder has granted the underwriters an option to purchase a maximum of 500,000 shares of our common stock, to cover over-allotments of shares, if any. The over-allotment option is exercisable at any time until 30 days after the date of this prospectus supplement. In the event that the underwriters' over-allotment option is not exercised in full, or at all, we will purchase from the selling stockholder the number of shares of our common stock subject to the unexercised portion of the over-allotment option.

Our common stock is quoted on the New York Stock Exchange under the symbol **BYD**. On August 1, 2006, the last quoted sale price of our common stock was \$34.04 per share.

Investing in our common stock involves a high degree of risk. See **Risk Factors** beginning on page S-12 of this prospectus supplement.

	Per Share	Total
Public Offering Price	\$ 33.75	\$ 399,684,510
Underwriting Discount	\$ 1.2656	\$ 14,987,873
Proceeds to the selling stockholder, before expenses	\$ 32.4844	\$ 384,696,637

None of the Securities and Exchange Commission, any state securities commission, any state gaming commission or any other gaming authority or other regulatory agency has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

The shares will be ready for delivery on or about August 7, 2006.

Joint Book-Running Managers

Deutsche Bank Securities

Lehman Brothers

Co-Managers

Citigroup

JPMorgan

Wachovia Securities

BNP PARIBAS

Calyon Securities (USA) Inc.

CIBC World Markets

Jefferies & Company

Morgan Joseph

Wells Fargo Securities

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The date of this prospectus supplement is August 1, 2006.

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You should rely only on the information contained in or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not authorized anyone to provide you with different information. We are not making an offer of these securities in any jurisdiction where the offer is not permitted. You should not assume that the information contained in or incorporated by reference in this prospectus supplement or the accompanying prospectus is accurate as of any date other than the date on the front of the respective document.

Information contained on or accessible through our Internet site does not constitute part of this prospectus supplement or the accompanying prospectus.

Boyd Gaming Corporation, our logo and other trademarks mentioned in this prospectus supplement are the property of their respective owners.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document has two parts. The first part consists of this prospectus supplement, which describes the specific terms of this offering. The second part, the accompanying prospectus, provides more general information, some of which may not apply to this offering. If there is any inconsistency between the information in this prospectus supplement and the information in the accompanying prospectus, you should rely on the information in this prospectus supplement.

The registration statement of which this prospectus supplement is a part, including the exhibits to that registration statement, provides additional information about us and the securities offered under this prospectus supplement. We have filed and plan to continue to file other documents with the Securities and Exchange Commission, or the SEC, that contain information about us and our business. Also, we will file legal documents that control the terms of the securities offered by this prospectus supplement as exhibits to one or more reports that we file with the SEC and that are incorporated herein by reference. The registration statement and other reports can be read at the SEC Internet site at <http://www.sec.gov> or at the SEC offices noted under the heading Available Information.

Before purchasing our common stock, you should carefully read both this prospectus supplement and the accompanying prospectus, together with the additional information incorporated into this prospectus supplement by reference as described under the heading Incorporation of Certain Documents by Reference.

Unless the context otherwise indicates, references to we, us, our and Boyd Gaming are to Boyd Gaming Corporation and its subsidiaries, taken as a whole.

FORWARD-LOOKING STATEMENTS

This prospectus supplement, including the documents we incorporate by reference into it, contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. Such statements include, without limitation, statements regarding our expectations, hopes or intentions regarding the future. Forward-looking statements can often be identified by their use of words such as may, will, might, expect, believe, anticipate, could, would, estimate, continue, pursue, or the negative thereof or comparable terminology, and may include (without limitation) information regarding our expectations, hopes or intentions regarding the future, including but not limited to statements regarding the pending sale of South Coast, the terms of the South Coast sale, including with respect to the Notes and the Escrow Agreement related thereto, the financing for the pending acquisition of Dania Jai Alai, the details and terms of our potential Pennsylvania gaming opportunity, including our ownership and development plans, the start date for development of the North Las Vegas locals casino, our plans for the Echelon Place, including the plans for the resort hotel, casino and spa and the additional hotel and retail joint ventures, the cost, our contribution to the joint venture with Morgans, the development phases, the source of funds and the timing for ceasing operations at the Stardust.

Forward-looking statements involve certain risks and uncertainties, and actual results may differ materially from those discussed in each such statement. In particular, we can provide no assurances regarding the pending sale of South Coast, the pending acquisition of Dania Jai Alai or the various expansion projects, including the development plans for the Echelon Place, our Pennsylvania development project, our North Las Vegas development project and the Borgata projects, and whether such projects will be completed within the estimated time frame and budget, or at all. Among the factors that could cause actual results to differ materially are the following:

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The satisfaction of the conditions to closing the pending sale of South Coast and the consummation of such transaction.

The effects of intense competition that exists in the gaming industry.

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The fact that our expansion, development and renovation projects (including enhancements to improve property performance) may face significant risks inherent in undertaking construction projects or implementing new marketing strategies, including receipt of necessary government approvals and increased costs (including marketing costs).

The risks associated with growth and acquisitions, including our ability to identify, acquire, develop or profitably manage additional companies or operations or successfully integrate such companies or operations into our existing operations without substantial costs, delays or other problems.

The risk that we may not receive gaming or other necessary licenses for new projects or that gaming will not be approved in jurisdictions where it is currently prohibited.

The risk that we may be unable to finance our expansion, development and renovation projects as well as other capital expenditures through cash flow, borrowings under our bank credit facility and additional financings, which could jeopardize our expansion, development and renovation efforts.

The risk that we may not be ultimately successful in dismissing the action filed against our Treasure Chest Casino property and may lose our ability to operate the property, which result could materially, adversely affect our business, financial condition and results of operations.

The effects of the extensive governmental gaming regulation and taxation policies that we are subject to, as well as any changes in laws and regulations, including increased taxes, which could harm our business.

The effects of extreme weather conditions on our facilities, and our ability to recover insurance proceeds (if any).

The risks relating to mechanical failure and regulatory compliance at any of our facilities.

The effects of events adversely impacting the economy or the regions where we draw a significant percentage of our customers, including the effects of war, terrorist or similar activity or disasters in, at, or around our properties.

The effects of energy price increases on our cost of operations and our revenues.

Financial community and rating agency perceptions of our Company, and the effect of economic, credit and capital market conditions on the economy and the gaming and hotel industry.

Additional factors that could cause actual results to differ are discussed under the heading "Risk Factors" and in other sections of our Form 10-K for the fiscal year ended December 31, 2005, on file with the SEC, and in our other current and periodic reports filed from time to time with the SEC. All forward-looking statements in this prospectus supplement are made as of the date hereof, based on information available to us as of the date hereof, and we assume no obligation to update any forward-looking statement.

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The following summary contains basic information contained elsewhere or incorporated by reference in this prospectus supplement and accompanying prospectus. It does not contain all of the information that is important to you in connection with this offering. You should read this prospectus supplement, the accompanying prospectus and the information incorporated herein and therein by reference, especially the description of the risks of investing in our securities discussed under "Risk Factors" in this prospectus supplement.

Boyd Gaming Corporation

We are a multi-jurisdictional gaming company that has been operating for over 30 years. Our 18 wholly-owned casino facilities, which we operate, are located in nine distinct gaming markets in five states. We currently own and operate twelve properties in or near Las Vegas, Nevada, including the South Coast Hotel and Casino, which opened on December 22, 2005, and six properties outside the state of Nevada. We and MGM MIRAGE each own 50% of a limited liability company that owns and operates Borgata Hotel Casino and Spa, located at Renaissance Pointe in Atlantic City, New Jersey. In July 2004, we consummated a \$1.3 billion merger with Coast Casinos, Inc., pursuant to which Coast became a wholly-owned subsidiary of Boyd Gaming Corporation.

As of March 31, 2006, our wholly-owned properties contained an aggregate of approximately 992,000 square feet of casino space with 27,242 slot machines and 625 table games, and Borgata contained approximately 124,000 square feet of casino space with 3,212 slot machines and 133 table games.

The following table sets forth certain information regarding our wholly-owned properties (listed by the segment in which each such property is reported) and Borgata as of and for the three months ended March 31, 2006 (updated to give effect to our new segment presentation).

							Average	
	Year Opened or Acquired	Casino Space (Sq. Ft.)	Slot Machines	Table Games	Hotel Rooms	Land (Acres)	Hotel Occupancy	Daily Rate
LAS VEGAS LOCALS								
Barbary Coast Hotel and Casino	2004	30,000	608	36	197	4	96%	\$ 93
Gold Coast Hotel and Casino	2004	87,000	2,064	54	711	26	95%	\$ 66
The Orleans Hotel and Casino	2004	135,000	3,110	68	1,885	77	93%	\$ 81
Sam's Town Hotel and Gambling Hall	1979	133,000	3,084	33	648	63	97%	\$ 58
Suncoast Hotel and Casino	2004	82,000	2,434	52	419	49	88%	\$ 102
South Coast Hotel and Casino	2005	80,000	2,343	52	647	53	90%	\$ 93
Eldorado Casino	1993	16,000	473	5		4		
Jokers Wild Casino	1993	22,500	521	7		14		
LAS VEGAS STRIP								
Stardust Resort and Casino	1985	75,000	1,255	57	1,552	72	90%	\$ 66
DOWNTOWN LAS VEGAS								
California Hotel and Casino	1975	36,000	1,138	34	781	16	92%	\$ 35
Fremont Hotel and Casino	1985	32,000	1,112	25	447	2	91%	\$ 38

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Main Street Station Casino, Brewery and Hotel	1993	28,500	911	19	406	15	94%	\$	40
CENTRAL REGION									
Mississippi									
Sam's Town Hotel and Gambling Hall	1994	75,000	1,339	39	1,070	272	81%	\$	54
Illinois									
Par-A-Dice Hotel Casino	1996	26,000	1,130	24	208	20	89%	\$	58
Indiana									
Blue Chip Hotel and Casino	1999	65,000	2,170	53	184	37	98%	\$	52
Louisiana									
Treasure Chest Casino	1997	24,000	966	41		14			
Delta Downs Racetrack Casino & Hotel	2001	15,000	1,462		206	211	89%	\$	63
Sam's Town Hotel and Casino	2004	30,000	1,122	26	514	18	87%	\$	89
<hr/>									
Total of wholly-owned properties		992,000	27,242	625	9,875	967			
<hr/>									
Atlantic City, New Jersey									
Borgata Hotel Casino and Spa ⁽¹⁾	2003	124,000	3,212	133	2,000	42	92%	\$	132

⁽¹⁾ Borgata is our 50% joint venture with MGM MIRAGE. As of June 30, 2006, in connection with the opening of Borgata's public expansion project, Borgata's casino space increased to 160,000 square feet, with 4,073 slot machines and 177 table games.

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In addition to the properties discussed above, among others, we own and operate a travel agency located in Hawaii. Also, we have recently organized other entities for the development of Echelon Place and from time to time may organize entities for potential development projects.

Our principal executive office is located at 2950 Industrial Road, Las Vegas, Nevada 89109, and our telephone number is (702) 792-7200.

Recent Developments

Results of Operations

On July 25, 2006, we announced our earnings for the quarter ended June 30, 2006. The following discussion includes excerpts from our earnings release. In addition, you should read this information in conjunction with our audited consolidated financial statements incorporated by reference herein. See Incorporation of Certain Information by Reference.

For the three months ended June 30, 2006, we reported net income of \$10.2 million, or \$0.11 per share, compared with \$48.6 million, or \$0.54 per share, in the same period in 2005. Additionally, on January 1, 2006, we adopted Statement of Financial Accounting Standards (SFAS) No. 123R, *Share-Based Payment*, resulting in \$6.3 million of non-cash compensation expense in the current quarter, or \$0.04 per share; there was no such expense recorded in the same period last year. In addition, net revenues increased 10.2% from the 2005 period to \$610.9 million for the second quarter of 2006, largely attributable to the addition of South Coast, as well as the Blue Chip expansion, both of which were not open in the second quarter of 2005.

For the six months ended June 30, 2006, net income was \$73.4 million, or \$0.81 per share, as compared to \$88.7 million, or \$0.98 per share for the six months ended June 30, 2005, which included a \$16.4 million net of tax charge, or \$0.19 per share, for the cumulative effect of a change in accounting principle. Pursuant to the adoption of SFAS No. 123R on January 1, 2006, we have recorded \$12.1 million of share-based compensation expense in the 2006 year-to-date period, or \$0.09 per share; there was no such expense recorded for the same period last year. In addition, net revenues were \$1.3 billion and \$1.1 billion for the six months ended June 30, 2006 and 2005, respectively.

All references to per share earnings are reported on a diluted basis.

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The following table sets forth our results of operations for the three and six months ended June 30, 2006 and June 30, 2005, respectively.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2006	2005	2006	2005
(Unaudited) (In thousands, except per share data)				
Revenues				
Gaming	\$ 491,736	\$ 452,805	\$ 1,020,995	918,751
Food and beverage	90,282	81,558	182,549	164,667
Room	53,378	45,835	106,523	91,593
Other	41,628	37,565	81,164	73,898
Gross revenues	677,024	617,763	1,391,231	1,248,909
Less promotional allowances	66,158	63,513	133,892	127,769
Net revenues	610,866	554,250	1,257,339	1,121,140
Costs and expenses				
Gaming	233,660	204,435	464,946	412,215
Food and beverage	58,621	51,243	118,555	101,766
Room	17,066	13,833	33,921	26,904
Other	31,771	33,191	60,922	65,166
Selling, general and administrative	87,939	80,113	173,560	163,850
Maintenance and utilities	29,258	23,541	56,310	46,176
Depreciation and amortization	56,986(a)	44,129	113,676	87,532
Corporate expense	13,581	11,497	27,089	21,290
Preopening expenses	7,712(b)	2,601	14,848	4,535
Write-downs and other charges, net	31,249(c)		32,740	(390)
Total costs and expenses	567,843	464,583	1,096,567	929,044
Operating income from Borgata	19,144(d)	21,151	43,400	42,580
Operating income	62,167	110,818	204,172	234,676
Other income (expense)				
Interest income	36	40	72	81
Interest expense, net of amounts capitalized	(44,320)	(32,763)	(86,090)	(64,869)
Other non-operating expenses from Borgata, net	(2,070)	(3,268)	(4,295)	(6,055)
Total	(46,354)	(35,991)	(90,313)	(70,843)
Income before provision for income taxes and cumulative effect of a change in accounting principle	15,813	74,827	113,859	163,833
Provision for income taxes	5,653	26,189	40,459	58,676
Income before cumulative effect of a change in accounting principle	10,160	48,638	73,400	105,157
Cumulative effect of a change in accounting for intangible assets, net of taxes of \$8,984				(16,439)
Net income	\$ 10,160	\$ 48,638	\$ 73,400	\$ 88,718
Basic Net Income Per Common Share				

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Income before cumulative effect of a change in accounting principle	\$ 0.11	\$ 0.55	\$ 0.82	\$ 1.19
Cumulative effect of a change in accounting for intangible assets, net of taxes				(0.18)
Net income	\$ 0.11	\$ 0.55	\$ 0.82	\$ 1.01
Average Basic Shares Outstanding	89,635	88,366	89,473	88,039
Diluted Net Income Per Common Share				
Income before cumulative effect of a change in accounting principle	\$ 0.11	\$ 0.54	\$ 0.81	\$ 1.17
Cumulative effect of a change in accounting for intangible assets, net of taxes				(0.19)
Net income	\$ 0.11	\$ 0.54	\$ 0.81	\$ 0.98
Average Diluted Shares Outstanding	91,103	90,518	90,978	90,232

- (a) Includes a \$2.7 million charge for accelerated depreciation for Stardust and related assets.
- (b) Includes \$5.3 million of preopening expenses related to our Echelon development project and \$2.4 million of preopening expenses related to our other developments projects.
- (c) Amount principally relates to the permanent retirement of the original gaming vessel at our Blue Chip Hotel and Casino.
- (d) Includes \$1.9 million of preopening expenses related to Borgata's public space expansion project.

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Pending Sale of South Coast

Purchase Agreement

On July 25, 2006, we entered into a definitive Unit Purchase Agreement, or Purchase Agreement, with Coast Hotels and Casinos, Inc., or Coast, our indirect, wholly-owned subsidiary, Silverado South Strip, LLC, or LLC, a wholly-owned subsidiary of Coast, and Michael J. Gaughan, the selling stockholder. In connection with the proposed sale of the South Coast Hotel and Casino, or South Coast, to the selling stockholder, we intend to transfer all of the assets of South Coast to LLC. Pursuant to the terms of the Purchase Agreement, we have agreed to sell all of the membership units of LLC to the selling stockholder for the Purchase Agreement Consideration described below. The selling stockholder is currently a member of our board of directors, as well as a member of the boards of directors of Coast and our wholly-owned subsidiary Coast Casinos, Inc., or Coast Parent, the parent of Coast. The selling stockholder is also the Chief Executive Officer of Coast Parent and an executive officer of Coast. Pursuant to the terms of the Purchase Agreement, the selling stockholder has agreed to resign as a member of our board of directors, and his positions with Coast and Coast Parent, within 30 days following the consummation of the offering of his securities pursuant to this prospectus supplement and the Share Repurchase, as it relates to the Primary Shares, described below. However, the selling stockholder will remain the chief executive officer of South Coast until and after the consummation of the sale of South Coast to him, pursuant to the terms of the Purchase Agreement.

As consideration for South Coast, the selling stockholder will, upon consummation of the sale of South Coast:

pay us the net proceeds from this offering and from the exercise of the underwriters' over-allotment option, if any (the proceeds to the selling stockholder from the sale of his shares of common stock pursuant to this offering less underwriting discounts and commissions), and

apply the principal amount of the Notes described below to the purchase price,

subject to adjustment pursuant to cash and working capital provisions in the Purchase Agreement, collectively referred to as the Purchase Agreement Consideration.

The sale of South Coast is subject to the completion of the offering contemplated by this prospectus supplement, the completion of the Share Repurchase discussed below, receipt of gaming and other regulatory approvals and other closing conditions. The Purchase Agreement contains limited representations and warranties of us, Coast and the selling stockholder, as well as customary indemnification and termination rights in favor of the parties to the agreement.

Upon consummation of the sale of South Coast, we will use the cash proceeds that we receive from the selling stockholder to repay a portion of the outstanding balance on our revolving credit facility. See Unaudited Pro Forma Condensed Consolidated Financial Information.

As of the date hereof, the selling stockholder beneficially owned 15,840,005 shares, or approximately 17.7%, of our outstanding shares of common stock (which includes 50,000 shares of our common stock that are issuable to the selling stockholder upon the exercise of outstanding options held by the selling stockholder). Following the consummation of the offering contemplated by this prospectus supplement and the Share Repurchase, the selling stockholder will not own any of our shares of common stock or any options to purchase shares of our common stock. See

Selling Stockholder Information.

Share Repurchase and Term Notes

Pursuant to the terms of the Purchase Agreement, prior to the consummation of the offering contemplated by this prospectus supplement, we will enter into an agreement with the selling stockholder whereby we will agree to purchase from the selling stockholder 3,447,501 shares of our common stock owned by the selling stockholder, referred to as the Primary Shares, plus an additional number of shares equal to the number of shares of our common stock subject to the underwriters' over-allotment option that are not purchased by the underwriters, if any (a maximum of an additional 500,000 shares of our common stock, referred to as the Option).

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Shares). Our purchase of the Primary Shares and the Option Shares is collectively referred to as the Share Repurchase. We will purchase the Primary Shares from the selling stockholder concurrent with the consummation of the offering contemplated by this prospectus supplement, at a per share price equal to the per share price pursuant to this prospectus supplement (less the per share underwriting discounts and commissions). We will purchase the Option Shares, if any, from the selling stockholder on the later of (i) the closing of the last purchase by the underwriters of Option Shares upon exercise of the over-allotment option, or (ii) the date that is 30 days after the date of this prospectus supplement if the over-allotment option is not exercised in full, at a per share price equal to the per share price pursuant to this prospectus supplement (less the per share underwriting discounts and commissions). In the event that the underwriters, at any time prior to the expiration of the over-allotment option, inform us that they will not exercise any remaining portion of the over-allotment option, we will purchase the Option Shares then remaining as promptly as practicable following the date of such notice.

As consideration for the purchase of the Primary Shares, we have agreed to issue a term note, or the Primary Share Note. In addition, as consideration for the purchase of the Option Shares, if any, we have agreed to issue a term note, or the Option Share Note. The Primary Share Note and the Option Share Note are collectively referred to as the Notes. The Notes will serve as part of the Purchase Agreement Consideration, as described above. The Notes will be payable upon the earlier of (a) the closing of the sale of South Coast pursuant to the terms of the Purchase Agreement, at which time the Notes will be applied as partial consideration for the South Coast, or (b) as soon as practicable, and in any event no later than the first business day, following any termination of the Purchase Agreement pursuant to its terms. Until the maturity date of the Notes (or the date the principal balance has been paid in full), interest will be payable on the unpaid principal balance of the Notes, in an amount equal to the amount of any per share dividend that we pay to holders of our common stock during the term of the Notes, multiplied by the nearest whole number obtained by dividing (x) the unpaid principal balance of the Notes outstanding at the applicable dividend payment record date by (y) the per share price of the shares sold pursuant to this prospectus supplement (less the per share underwriting discounts and commissions).

Pursuant to the terms of the Notes, the following constitute an event of default under the Notes:

the failure to apply or pay any interest within two (2) business days of the due date thereof and notice of such default from the selling stockholder to us or the failure to apply or pay any principal when due under the applicable Note;

any acceleration of our Obligations under and as defined in our bank credit agreement dated as of May 20, 2004 (as such agreement has been and may be amended, modified, supplemented or restated from time to time), or the Credit Agreement ; or

at any time from and after one (1) business day after acceleration of any of our outstanding Subordinated Indebtedness (as defined in the Credit Agreement) which acceleration has not been rescinded unless both (x) payment of such Subordinated Indebtedness is subject to payment blockage pursuant to the subordination provisions of the related indenture, and (y) we have not made any principal payment on such Subordinated Indebtedness as a result of such acceleration.

Upon the occurrence of any event of default described in the first two clauses above, all sums of principal and interest outstanding under the applicable Note will be immediately due and payable. Upon the occurrence of any event of default described in the third clause above, the selling stockholder, at his option, may declare all sums of principal and interest outstanding under the applicable Note to be immediately due and payable.

Pursuant to the terms of the Purchase Agreement, prior to the closing of the offering contemplated by this prospectus supplement, the selling stockholder will surrender for cancellation all of his stock options to purchase our common stock without further consideration. Pursuant to the terms of the Purchase Agreement, for a period of five (5) years following the closing of the sale of the South Coast, the selling stockholder cannot sell the South Coast to any party other than us, or an affiliate of ours, and for three (3) additional years thereafter we will have a right of first refusal on any potential sale of the South Coast, in each case, subject to the rights of future creditors who have a security interest in the South Coast.

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Escrow Agreement

The Purchase Agreement requires that, upon consummation of the offering contemplated by this prospectus supplement, the selling stockholder will deposit the net proceeds from the offering, including, if applicable, the net proceeds from the exercise of the underwriters' over-allotment option, if any (in each case, the proceeds to the selling stockholder from the sale of his securities pursuant to this prospectus supplement less underwriting discounts and commissions), referred to as the Escrow Amount, with an escrow agent. In addition, we are required to deliver the Primary Share Note to the escrow agent upon consummation of the Share Repurchase as it relates to the Primary Shares, and we are required to deliver the Option Share Note to the escrow agent upon the consummation of the purchase of the Option Shares, if any. The Escrow Amount and the Notes will be held in escrow by an escrow agent pursuant to the terms of an escrow agreement entered into by and among us, the escrow agent, the selling stockholder, Coast and Bank of America, N.A., or the Escrow Agreement.

Pursuant to the terms of the Escrow Agreement, the Escrow Amount and the Notes will be distributed to Coast, upon the closing of the sale of South Coast, or to or for the benefit of the selling stockholder, in the event that the Purchase Agreement is terminated. Upon distribution of the Notes to Coast, the principal amount of the Notes will be applied to the Purchase Agreement Consideration and the Notes will be cancelled.

Transition Services Agreement

The Purchase Agreement requires that upon consummation of the sale of the South Coast, we enter into a Transition Services Agreement with the selling stockholder and LLC to provide LLC with certain payroll administration and advertising services, if any, as may be specified by the selling stockholder to us within 10 days prior to the closing under the Purchase Agreement.

The agreement also provides that the parties may negotiate for the provision of additional services identified from time to time. However, we are not required to agree to provide any additional services during the term of the agreement. As consideration for the transition services, LLC will pay us fees to be agreed upon between the parties at the time the particular service is requested. The agreement will have a term commencing at the closing under the Purchase Agreement and ending on the later to occur of (a) ninety (90) days thereafter or (b) six (6) months from the consummation of the offering contemplated by this prospectus supplement, in each case unless a different period is set forth on the applicable service schedule. LLC may terminate the agreement earlier by providing Coast three (3) days prior written notice of such termination. We will have the right, in our sole discretion, to subcontract our rights and responsibilities under the agreement.

License Agreement

Upon closing, the Purchase Agreement requires that we enter into a license agreement under which LLC has the right to continue to use the SOUTH COAST, PICK THE PROS and KATE S KORNER marks under specified circumstances, and we and Coast agree to redirect internet users from certain South Coast-related websites to a website designated by the selling stockholder, each for specified periods of time and without payment of additional consideration, in connection with the operation, promotion and marketing of the South Coast, which will be re-named after the closing of the sale. The license allows the use of the SOUTH COAST mark for one year for certain existing inventory used at the South Coast and until the later of December 31, 2006 or thirty (30) days after the closing of the sale of South Coast with respect to signage and other uses of the mark at the South Coast.

Pending Acquisition of Dania Jai Alai

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On May 31, 2006, we entered into a purchase agreement by and among our wholly-owned subsidiaries FGB Development, Inc., or FGB, and Boyd Florida, LLC, or Boyd Florida, and together with FGB, the Purchasers, The Aragon Group, Inc., or Group, Summersport Enterprises, LLLP, or the LLLP, the shareholders of the Group, or the Shareholders, the Limited Partners of the LLLP, or the Partners and Stephen F. Snyder, as the authorized representative of the Shareholders and Partners.

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Pursuant to the terms of the purchase agreement, the Purchasers will acquire Dania Jai Alai and approximately 47 acres of related land located in Dania Beach, Florida, among other assets, through the purchase of all of the shares of capital stock in the Group and all of the partnership interests in the LLLP for an aggregate purchase price of \$152.5 million. Dania Jai Alai is one of four facilities approved under Florida law to operate 1,500 Class III slot machines. We anticipate completing the acquisition of Dania Jai Alai in the fourth quarter of 2006, subject to closing conditions and regulatory approvals. We expect to finance the acquisition through availability under our bank credit agreement.

Potential Pennsylvania Gaming Operation

In November 2005, the limited partnership formed for our development project in Pennsylvania, in which we are the general partner and have an ownership interest of 90%, acquired property in Limerick Township near Philadelphia and, in December 2005, submitted gaming applications with the Pennsylvania Gaming Control Board seeking selection to apply for a gaming license. The 125-acre site is part of a 260-acre planned retail and commercial property development. On April 27, 2006, the Limerick Township Board of Supervisors voted against our proposed casino entertainment facility. We are currently evaluating our alternatives for future gaming operations in Pennsylvania.

North Las Vegas Locals Casino

In February 2006, we purchased a 40-acre parcel in North Las Vegas for approximately \$35 million for the development of a Las Vegas locals casino. We anticipate beginning construction in mid-2007 on the development of a full-service casino hotel for this site.

Echelon Place

In January 2006, we announced plans to redevelop the 63 acres we own on the Las Vegas Strip on which the Stardust Resort and Casino and our corporate office building are currently located, into Echelon Place. Plans for Echelon Place include a wholly-owned resort hotel, casino and spa and additional hotel and retail joint ventures between us and strategic partners. We expect to include four hotels in the project: Echelon Resort, the Shangri-La Hotel Las Vegas, Delano Las Vegas and Mondrian Las Vegas.

We anticipate that Echelon Resort will be wholly-owned and principally operated by us and will include two upscale hotel towers with an aggregate of approximately 3,200 guest rooms and suites. We expect that each hotel tower will contain its own spa and will connect directly to extensive public areas containing an approximate 140,000 square-foot casino, approximately 25 restaurants and bars, and pool and garden areas. We also plan to build a 4,000-seat theater with a large stage and stadium seating designed to accommodate major concerts and production shows, as well as a 1,500-seat theater to house smaller shows and touring acts.

The redevelopment plans also include the Las Vegas ExpoCenter at Echelon Place, featuring approximately 700,000 square feet of exhibition, pre-function, meeting and ballroom space. In addition, Echelon Place is expected to include approximately 300,000 square feet of shopping, dining, nightlife and cultural space with the Retail Promenade, which we plan to develop with a joint venture partner. We also plan to reserve a three-acre parcel within Echelon Place for future development.

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In connection with the January 4, 2006 announcement of Echelon Place, we indicated that the total project cost, including both our wholly-owned portions and the joint venture portions of Echelon Place, would be approximately \$4.0 billion. In addition, we indicated that the cost related to our wholly-owned portions of Echelon Place, which include Echelon Resort and the Las Vegas ExpoCenter, would cost approximately \$2.9 billion. We anticipate that, as we continue to progress on development and refine the exact project costs, these amounts will likely increase. We expect that, in conjunction with our joint venture with Morgans Hotel Group

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LLC, or Morgans , we will contribute approximately 6.1 acres of land (valued at \$15.0 million per acre) and Morgans will contribute \$91.5 million to the venture, and that the venture will arrange non-recourse project financing to develop the two hotel properties, which, as of January 2006, had an estimated total project cost of approximately \$700 million. See Risk Factors Our expansion, development and renovation projects may face significant risks inherent in construction projects or implementing a new marketing strategy, including receipt of necessary government approvals.

We plan to develop Echelon Place in one phase, commence construction in the second quarter of 2007 and open it in mid-2010. We intend to continue to operate the Stardust through 2006, or until such earlier time as we may determine, as we move forward with Echelon Place s planning, design and permitting process, and thereafter to close and demolish the Stardust and our corporate office building and to thereafter commence construction of Echelon Place.

The source of funds for our wholly-owned projects is expected to come primarily from cash flows from operations and availability under our bank credit facility, to the extent availability exists after we meet our working capital needs. Additional funds are expected to be generated from incremental bank financing or other additional debt. We could also fund these projects with equity offerings. Additional financing may not be available to us, or, if available, may not be on terms favorable to us.

Borgata Hotel Casino and Spa

In October 2004, we announced that Borgata, our joint venture with MGM MIRAGE, was in the planning phases for a further expansion involving a new hotel tower, a new spa and additional meeting room space. Borgata is currently constructing the new hotel tower and spa, with an estimated cost of approximately \$400 million and an expected opening in the fourth quarter of 2007. Borgata expects to finance the expansions from Borgata s cash flow from operations and from Borgata s bank credit facility. We do not expect to make further capital contributions to Borgata for this project.

In June 2006, the Borgata opened its \$200 million public space expansion. The newly opened expansion is anchored by three new signature restaurants led by Bobby Flay, Michael Mina and Wolfgang Puck and adds additional casino games, an 85-table poker room, and a second nightclub experience called mur.mur.

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The Offering

Common stock offered by the selling stockholder	11,842,504 shares.
Underwriters' option to purchase additional shares	The selling stockholder has granted the underwriters a 30-day option to purchase up to an additional 500,000 shares of common stock to cover over-allotments, if any.
Use of proceeds	To the extent that the conditions to the sale of South Coast are satisfied, as described herein, the selling stockholder will use the proceeds from this offering to pay a portion of the purchase price for South Coast. See Summary Recent Developments Pending Sale of South Coast.
Shares of our common stock outstanding following the completion of this offering and the share repurchase	Based on the number of shares of our common stock outstanding as of March 31, 2006, following the completion of the offering contemplated by this prospectus supplement and the consummation of the Share Repurchase discussed above, approximately 85,461,660 shares of our common stock would be outstanding (assuming the underwriters do not exercise their over-allotment option). See Summary Recent Developments Pending Sale of South Coast Share Repurchase and Term Notes.
	Unless we specifically indicate otherwise, all information in this prospectus supplement assumes no exercise of the underwriters' over-allotment option.
Listing	Our common stock is listed on the New York Stock Exchange under the symbol BYD.
Risk factors	An investment in our common stock involves risk. You should carefully consider the information under Risk Factors in this prospectus supplement and the information included or incorporated by reference in this prospectus supplement.

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RISK FACTORS

An investment in our securities is subject to risks inherent to our business. The material risks and uncertainties that our management believes affect us are described below. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties that our management is not aware of or focused on or that they currently deem immaterial may also adversely affect our business operations. If any of the following risks actually occur, our business, financial condition and results of operations could be materially and adversely affected. If this were to happen, the value of our securities, including our common stock, could decline significantly, and you could lose all or part of your investment. You should carefully consider the following risks and all other information contained in this prospectus supplement and the accompanying prospectus, as well as the documents we incorporate by reference, before purchasing any securities.

Risks Related to Our Business and to This Offering

Intense competition exists in the gaming industry, and we expect competition to continue to intensify.

The gaming industry is highly competitive for both customers and employees, including those at the management level. We compete with numerous casinos and casino hotels of varying quality and size in market areas where our properties are located. We also compete with other non-gaming resorts and vacation areas, and with various other casino and other entertainment businesses and could compete with any new forms of gaming that may be legalized in the future. The casino entertainment business is characterized by competitors that vary considerably in their size, quality of facilities, number of operations, brand identities, marketing and growth strategies, financial strength and capabilities, level of amenities, management talent and geographic diversity. In most markets, we compete directly with other casino facilities operating in the immediate and surrounding market areas. In some markets, we face competition from nearby markets in addition to direct competition within our market areas.

In recent years, with fewer new markets opening for development, competition in existing markets has intensified. We have invested in expanding existing facilities, such as Blue Chip, developing new facilities, such as South Coast, and acquiring established facilities in existing markets, such as our acquisition of Coast Parent in July 2004 and Sam's Town Shreveport in May 2004. In addition, our competitors have also invested in expanding their existing facilities and developing new facilities. This expansion of existing casino entertainment properties, the increase in the number of properties and the aggressive marketing strategies of many of our competitors have increased competition in many markets in which we compete, and this intense competition can be expected to continue.

If our competitors operate more successfully than we do, if they are more successful than us in attracting and retaining employees, if their properties are enhanced or expanded, or if additional hotels and casinos are established in and around the locations in which we conduct business, we may lose market share or the ability to attract or retain employees. In particular, the expansion of casino gaming in or near any geographic area from which we attract or expect to attract a significant number of our customers could have a significant adverse effect on our business, financial condition and results of operations.

We also compete with legalized gaming from casinos located on Native American tribal lands. A proliferation of Native American gaming in areas located near our properties, or in areas in or near those from which we draw our customers, could have an adverse effect on our operating results.

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The Pokagon Band of Potawatomi Indians, a federally recognized Native American tribe, announced it has commenced construction on a land-based gaming operation near New Buffalo, Michigan (which is located approximately fifteen miles from Blue Chip) in June 2006, that the casino and related amenities are anticipated to be completed in the third quarter of 2007 and that the hotel portion of the project is anticipated to be completed one month after the completion of the casino. If this facility is constructed and begins operations, it could have a material adverse impact on the operations of Blue Chip.

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Our expansion, development and renovation projects may face significant risks inherent in construction projects or implementing a new marketing strategy, including receipt of necessary government approvals.

We regularly evaluate expansion, development and renovation opportunities. On January 4, 2006, we announced our planned redevelopment of the property located on the Las Vegas Strip on which the Stardust and our executive offices are presently located into a new resort complex, which will be the largest and most expensive development project we have undertaken to date. In addition, we recently announced our proposed acquisition of Dania Jai Alai, the development of a casino in North Las Vegas, the submission of an application for a gaming license for gaming operations in Limerick Township in Pennsylvania and that Borgata has recently completed a public space expansion and is constructing a new hotel tower and spa.

These projects and any other development projects we may undertake will be subject to the many risks inherent in the expansion or renovation of an existing enterprise or construction of a new enterprise, including unanticipated design, construction, regulatory, environmental and operating problems and lack of demand for our projects. Our current and future projects could also experience:

unanticipated delays and cost increases;

shortages of materials;

shortages of skilled labor or work stoppages;

unforeseen construction scheduling, engineering, environmental, permitting, construction or geological problems; and

weather interference, floods, fires or other casualty losses.

Our anticipated costs and construction periods for projects are based upon budgets, conceptual design documents and construction schedule estimates prepared by us in consultation with our architects and contractors. Many of these costs are estimated at inception of the project and can change over time as the project is built to completion. For example, we recently announced that the construction budget for the Water Club at Borgata increased from \$325 million to \$400 million due to higher costs for construction materials, vendor consolidation, and the demand for contractors in the Atlantic City region. Similar cost increases could likely occur in the course of the development of Echelon Place. The cost of any project may vary significantly from initial expectations, and we may have a limited amount of capital resources to fund cost overruns. If we cannot finance cost overruns on a timely basis, the completion of one or more projects may be delayed until adequate funding is available. The completion dates of any of our projects could also differ significantly from expectations for construction-related or other reasons. We cannot assure you that any project will be completed, if at all, on time or within established budgets, or that any project will result in increased earnings to us. Significant delays, cost overruns, or failures of our projects to achieve market acceptance could have a material adverse effect on our business, financial condition and results of operations. Furthermore, our projects may not help us compete with new or increased competition in our markets.

Certain permits, licenses and approvals necessary for some of our current or anticipated projects have not yet been obtained. The scope of the approvals required for expansion, development or renovation projects can be extensive and may include gaming approvals, state and local land-use permits and building and zoning permits. Unexpected changes or concessions required by local, state or federal regulatory authorities could involve significant additional costs and delay the scheduled openings of the facilities. We may not receive the necessary permits, licenses and approvals or obtain the necessary permits, licenses and approvals within the anticipated time frame, or at all.

In addition, although we design our projects for existing facilities to minimize disruption of existing business operations, expansion and renovation projects require, from time to time, portions of the existing operations to be closed or disrupted. For example, our Echelon Place project will require the razing of the Stardust. Any significant disruption in operations could have a significant adverse effect on our business, financial condition and results of operations.

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We face risks associated with growth and acquisitions.

As part of our business strategy, we regularly evaluate opportunities for growth through development of gaming operations in existing or new markets, through acquiring other gaming entertainment facilities or through redeveloping our existing gaming facilities. We also pursue expansion opportunities, including joint ventures, in jurisdictions where casino gaming is not currently permitted in order to be prepared to develop projects upon approval of casino gaming. The expansion of our operations, whether through acquisitions, development or internal growth could divert management's attention and could also cause us to incur substantial costs, including legal, professional and consulting fees. There can be no assurance that we will be able to identify, acquire, develop or profitably manage additional companies or operations or successfully integrate such companies or operations into our existing operations without substantial costs, delays or other problems. Additionally, there can be no assurance that we will receive gaming or other necessary licenses for our new projects or that gaming will be approved in jurisdictions where it is not currently approved.

The consummation of the sale of South Coast is subject to closing conditions, including gaming and other regulatory approvals. In addition, we may not ultimately realize any anticipated benefits due to integration and other challenges.

The consummation of the sale of South Coast is subject to closing conditions, including gaming and other regulatory approvals, and other uncertainties, and the sale may not ultimately be consummated. Furthermore, the amount of cost savings that we may ultimately recognize, if any, due to the full integration of the other Coast properties and the elimination of duplicative operations will depend in large part on the success of our management in fully integrating our other Coast properties. We may not be able to successfully integrate our Coast division in a timely manner, or at all, and we may not realize any benefits from the sale of South Coast to the extent or in the time frame anticipated.

If we are unable to finance our expansion, development and renovation projects as well as other capital expenditures through cash flow, borrowings under our bank credit facility and additional financings, our expansion, development and renovation efforts will be jeopardized.

We intend to finance our current and future expansion, development and renovation projects, as well as our other capital expenditures, primarily with cash flow from operations, borrowings under our bank credit facility and equity or debt financings. If we are unable to finance our current or future expansion, development and renovation projects, or our other capital expenditures, we will have to adopt one or more alternatives, such as reducing or delaying planned expansion, development and renovation projects as well as other capital expenditures, selling assets, restructuring debt, obtaining additional equity financing or joint venture partners, or modifying our bank credit facility. These sources of funds may not be sufficient to finance our expansion, development and renovation projects, and other financing may not be available on acceptable terms, in a timely manner or at all. In addition, our existing indebtedness contains certain restrictions on our ability to incur additional indebtedness. If we are unable to secure additional financing, we could be forced to limit or suspend expansion, development and renovation projects and other capital expenditures, which may adversely affect our business, financial condition and results of operations.

If we are not ultimately successful in dismissing the action filed against our Treasure Chest Casino property, we may potentially lose our ability to operate the Treasure Chest Casino property and our business, financial condition and results of operations could be materially adversely affected.

Alvin C. Copeland is the sole shareholder of an entity that applied in 1993 for a riverboat license at the location of our Treasure Chest Casino. Copeland was unsuccessful in the application process and has made several attempts to have the Treasure Chest license revoked and awarded to his company. In 1999, Copeland filed a direct action against Treasure Chest and certain other parties seeking the revocation of Treasure Chest's

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license, an award of the license to him and monetary damages. The suit was dismissed by the trial court citing that Copeland failed to state a claim on which relief could be granted. The dismissal was appealed by Copeland

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to the Louisiana First Circuit Court of Appeal. In 2002, the First Circuit Court of Appeal reversed the trial court's decision and remanded the matter to the trial court. In 2003, we filed a motion to dismiss the matter and that motion was denied. The Court of Appeal refused to reverse the denial of the motion to dismiss. In May 2004, we filed additional motions to dismiss on other grounds, which motions are currently pending. It is not possible to determine the likely date of trial, if any, at this time. We intend to vigorously defend the lawsuit. If this matter ultimately results in the Treasure Chest license being revoked, it would have a significant adverse effect on our business, financial condition and results of operations.

We are subject to extensive governmental gaming regulation and taxation policies, which may harm our business.

We are subject to a variety of regulations in the jurisdictions in which we operate. Regulatory authorities at the federal, state and local levels have broad powers with respect to the licensing of casino operations and may revoke, suspend, condition or limit our gaming or other licenses, impose substantial fines and take other actions, any one of which could have a significant adverse effect on our business, financial condition and results of operations. A more detailed description of the regulations to which we are subject is contained in Exhibit 99.1 to our Annual Report on Form 10-K for the year ended December 31, 2005, which exhibit is incorporated herein by reference.

If additional gaming regulations are adopted in a jurisdiction in which we operate, such regulations could impose restrictions or costs that could have a significant adverse effect on us. From time to time, various proposals are introduced in the legislatures of some of the jurisdictions in which we have existing or planned operations that, if enacted, could adversely affect the tax, regulatory, operational or other aspects of the gaming industry and our company. Legislation of this type may be enacted in the future. The federal government has also previously considered a federal tax on casino revenues and may consider such a tax in the future. In addition, gaming companies are currently subject to significant state and local taxes and fees in addition to normal federal and state corporate income taxes, and such taxes and fees are subject to increase at any time. For example, in June 2006, the Illinois legislature passed certain amendments to the Riverboat Gambling Act which affected the tax rate at Par-A-Dice. The legislation, which imposes an incremental 5% tax on adjusted gross gaming revenues, was retroactive to July 1, 2005. As a result of this legislation, we were required to pay additional taxes, resulting in a \$6.7 million tax assessment in June 2006. If there is any material increase in state and local taxes and fees, our business, financial condition and results of operations could be adversely affected.

Our directors, officers and key employees must also be approved by certain state regulatory authorities. If state regulatory authorities were to find a person occupying any such position unsuitable, we would be required to sever our relationship with that person. Certain public and private issuances of securities and certain other transactions by us also require the approval of certain state regulatory authorities.

In addition to gaming regulations, we are also subject to various federal, state and local laws and regulations. These laws and regulations include, but are not limited to, restrictions and conditions concerning alcoholic beverages, environmental matters, employees, currency transactions, taxation, zoning and building codes, and marketing and advertising. Such laws and regulations could change or could be interpreted differently in the future, or new laws and regulations could be enacted. For example, on July 5, 2006, New Jersey gaming properties, including Borgata, were required to temporarily close their casinos for three days as a result of a New Jersey statewide government shutdown that affected certain New Jersey state employees required to be at casinos when they are open for business. Material changes, new laws or regulations, or material differences in interpretations by courts or governmental authorities could adversely affect our business and our operating results.

Certain of our facilities are located in areas that experience extreme weather conditions.

Certain of our facilities are located in areas that experience extreme weather conditions, including, but not limited to, hurricanes. Extreme weather conditions may interrupt our operations, damage our properties and

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reduce the number of customers who visit our facilities in the affected areas. For example, our Treasure Chest Casino, which is located near New Orleans, Louisiana, suffered minor damage and was closed for 44 days in 2005 as a result of Hurricane Katrina, and has since reopened with limited hours of operation. Additionally, our Delta Downs Racetrack Casino & Hotel, which is located in southwest Louisiana, suffered significant property damage and closed for 42 days in 2005 as a result of Hurricane Rita. While we maintain insurance that may cover some of the costs we incur as a result of some extreme weather conditions, our coverage is subject to deductibles and limits on maximum benefits. There can be no assurance that we will be able to fully collect, if at all, on any claims resulting from extreme weather conditions. If any of our properties are damaged or if their operations are disrupted as a result of extreme weather in the future, or if extreme weather adversely impacts general economic or other conditions in the areas in which our properties are located or from which they draw their patrons, our business, financial condition and operating results could be materially adversely affected.

Our facilities, including our riverboats and dockside facilities, are subject to risks relating to mechanical failure and regulatory compliance.

Generally, all of our facilities are subject to the risk that operations could be halted for a temporary or extended period of time, as the result of casualty, forces of nature, mechanical failure or extended or extraordinary maintenance, among other causes. In addition, our gaming operations, including those conducted on riverboats or at dockside facilities, could be damaged or halted due to extreme weather conditions.

We currently conduct our Treasure Chest, Par-A-Dice, Blue Chip and Sam's Town Shreveport gaming operations on riverboats. Each of our riverboats must comply with U.S. Coast Guard requirements as to boat design, on-board facilities, equipment, personnel and safety. Each riverboat must hold a Certificate of Inspection for stabilization and flotation, and may also be subject to local zoning codes. The U.S. Coast Guard requirements establish design standards, set limits on the operation of the vessels and require individual licensing of all personnel involved with the operation of the vessels. Loss of a vessel's Certificate of Inspection or American Bureau of Shipping approval would preclude its use as a casino.

U.S. Coast Guard regulations require a hull inspection for all riverboats at five-year intervals. Under certain circumstances, extensions may be approved. The U.S. Coast Guard may require that such hull inspections be conducted at a U.S. Coast Guard-approved dry-docking facility, and if so required, the cost of travel to and from such docking facility, as well as the time required for inspections of the affected riverboats, could be significant. To date, the U.S. Coast Guard has allowed in-place inspections of our riverboats. The U.S. Coast Guard may not allow these types of inspections in the future. The loss of a dockside casino or riverboat casino from service for any period of time could adversely affect our business, financial condition and results of operations.

U.S. Coast Guard regulations also require us to prepare and follow certain security programs. In 2004, we implemented the American Gaming Association's Alternative Security Program at our riverboat casinos and dockside facilities. The American Gaming Association's Alternative Security Program is specifically designed to address riverboat casinos and their respective dockside facilities maritime security requirements. Changes to these regulations could adversely affect our business, financial condition and results of operations.

We draw a significant percentage of our customers from limited geographic regions. Events adversely impacting the economy or these regions, including terrorism, may also impact our business.

Our California Hotel and Casino, Fremont Hotel and Casino and Main Street Station Casino, Brewery and Hotel draw a substantial portion of their customers from the Hawaiian market. For the quarter ended March 31, 2006, patrons from Hawaii comprised approximately 65% of the room nights sold at the California, 49% at the Fremont and 49% at Main Street Station. An increase in fuel costs or transportation prices, a

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decrease in airplane seat availability, or a deterioration of relations with tour and travel agents, particularly as they affect travel between the Hawaiian market and our facilities, could adversely affect our business, financial condition and results of operations.

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Our Las Vegas properties also draw a substantial number of customers from certain other specific geographic areas, including Southern California, Arizona, Las Vegas and the Midwest. Native American casinos in California and other parts of the United States have diverted some potential visitors away from Nevada, which has had and could continue to have a negative affect on Nevada gaming markets. In addition, due to our significant concentration of properties in Nevada, any terrorist activities or disasters in or around Nevada, or the areas from which we draw customers for our Las Vegas properties, could have a significant adverse effect on our business, financial condition and results of operations. Each of our other properties located outside of Nevada depends primarily on visitors from their respective surrounding regions and are subject to comparable risk. The outbreak of public health threats at any of our properties or in the areas in which they are located, or the perception that such threats exist, as well as adverse economic conditions that affect the national or regional economies, whether resulting from war, terrorist activities or other geopolitical conflict, weather or other factors, could have a significant adverse effect on our business, financial condition and results of operations.

In addition, to the extent that the airline industry is negatively impacted due to the outbreak of war, public health threats, terrorist or similar activity, increased security restrictions or the public's general reluctance to travel by air, our business, financial condition and results of operations could be significantly adversely affected.

Energy price increases may adversely affect our cost of operations and our revenues.

Our casino properties use significant amounts of electricity, natural gas and other forms of energy. In addition, our Hawaiian air charter operation uses a significant amount of jet fuel. While no shortages of energy or fuel have been experienced to date, substantial increases in energy and fuel prices in the United States have negatively affected and may continue to negatively affect, our operating results. The extent of the impact is subject to the magnitude and duration of the energy and fuel price increases, but this impact could be material. In addition, energy and gasoline price increases in cities that constitute a significant source of customers for our properties could result in a decline in disposable income of potential customers, an increase in the cost of travel and a corresponding decrease in visitation and spending at our properties, which could have a significant adverse effect on our business, financial condition and results of operations.

Certain of our stockholders own large interests in our capital stock and may significantly influence our affairs.

William S. Boyd, our Chairman and Chief Executive Officer, together with his immediate family, beneficially owned approximately 35% (or approximately 37% after giving effect to the Share Repurchase) of our outstanding shares of common stock as of March 31, 2006. The selling stockholder, the Chief Executive Officer of Coast Parent, owned approximately 17% of our outstanding shares of common stock as of March 31, 2006. As a result, the Boyd family or the selling stockholder have the ability to significantly influence our affairs, including the election of our directors and, except as otherwise provided by law, approving or disapproving other matters submitted to a vote of our stockholders, including a merger, consolidation or sale of assets. However, as described herein, following the consummation of the offering contemplated by this prospectus supplement and the Share Repurchase, the selling stockholder will not own any shares of our common stock. In addition, as described above, the selling stockholder has agreed to resign as a member of our board of directors, and his positions with Coast and Coast Parent, within 30 days following the consummation of the offering of his securities pursuant to this prospectus supplement and the Share Repurchase, as it relates to the Primary Shares. However, the selling stockholder will remain the chief executive officer of South Coast until and after the consummation of the sale of the South Coast to him, pursuant to the terms of the Purchase Agreement. See Selling Stockholder Information and Summary Recent Developments Pending Sale of South Coast.

Some of our hotel casinos are located on leased property. If we default on one or more leases, the applicable lessors could terminate the affected leases and we may lose possession of the affected hotel casino.

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We lease certain parcels of land on which The Orleans Hotel and Casino, Suncoast Hotel and Casino, Sam's Town Tunica, Treasure Chest Casino and Sam's Town Shreveport are located. In addition, we lease other parcels

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of land on which portions of California and Fremont are located. If we were to default on any one or more of these leases, the applicable lessors could terminate the affected leases and we could lose possession of the affected land and any improvements on the land, including the hotel-casinos. This would have a significant adverse effect on our business, financial condition and results of operations as we would then be unable to operate all or portions of the affected facilities.

We have a significant amount of indebtedness.

At March 31, 2006, we had total consolidated long-term debt, less current maturities, of approximately \$2.6 billion. We expect that our long-term indebtedness will substantially increase in connection with the capital expenditures we anticipate making as a result of our planned expansion, development and renovation projects. In addition, in connection with the Share Repurchase, we expect to issue the Notes to the selling stockholder. See Summary Recent Developments Pending Sale of South Coast. Our substantial indebtedness could have important consequences. For example it could:

make it more difficult for us to satisfy our obligations under our current indebtedness;

increase our vulnerability to general adverse economic and industry conditions;

require us to dedicate a substantial portion of our cash flow from operations to payments on our indebtedness, which would reduce the availability of our cash flows to fund working capital, capital expenditures, expansion efforts and other general corporate purposes;

limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;

place us at a disadvantage compared to our competitors that have less debt; and

limit, along with the financial and other restrictive covenants in our indebtedness, among other things, our ability to borrow additional funds. Failure to comply with these covenants could result in an event of default, which, if not cured or waived, could have a significant adverse effect on us.

In addition, the interest rates on a portion of our long-term debt are subject to fluctuation based upon changes in short-term interest rates. Interest expense could increase as a result of this factor.

Our current debt service requirements on our bank credit facility primarily consist of interest payments on outstanding indebtedness. The bank credit facility consists of a \$1.35 billion revolving credit facility that matures in June 2010, and a \$500 million term loan. The term loan is being repaid in increments of \$1.25 million per quarter that began on September 30, 2004 and will continue through March 31, 2011. The remaining balance of the term loan matures in June 2011.

Debt service requirements under our senior subordinated notes existing at March 31, 2006 consist of semi-annual interest payments (based upon fixed annual interest rates ranging from 6.75% to 8.75%) and repayment of the \$250 million, \$300 million, \$350 million and \$250 million of principal on April 15, 2012, December 15, 2012, April 15, 2014, and February 1, 2016, respectively.

Our ability to make payments on and to refinance our indebtedness and to fund planned capital expenditures and expansion efforts will depend upon our ability to generate cash in the future. This, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control. It is unlikely that our business will generate sufficient cash flow from operations, or that future borrowings will be available to us under our bank credit facility, in amounts sufficient to enable us to pay our indebtedness as it matures and to fund our other liquidity needs. We believe that we will need to refinance all or part of our indebtedness at each maturity. However, we may not be able to refinance any of our indebtedness on commercially reasonable terms or at all. We could have to adopt one or more alternatives, such as reducing or delaying planned expenses and capital expenditures, selling assets, restructuring debt, or obtaining additional equity or debt financing or joint-venture partners. These financing strategies may not be effected on satisfactory

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terms, if at all. In addition, certain states' laws contain restrictions on the ability of companies engaged in the gaming business to undertake certain financing transactions. Some restrictions may prevent us from obtaining necessary capital.

Our common stock price may fluctuate substantially, and your investment could suffer a decline in value.

The market price of our common stock may be volatile and could fluctuate substantially due to many factors, including:

actual or anticipated fluctuations in our results of operations;

announcements of significant acquisitions or other agreements by us or by our competitors;

our sale of common stock or other securities in the future;

the trading volume of our common stock;

conditions and trends in the gaming and destination entertainment industries;

changes in the estimation of the future size and growth of our markets; and

general economic conditions, including, among other things, changes in the cost of fuel and air travel.

In addition, the stock market in general has experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to companies' operating performance. Broad market and industry factors may materially harm the market price of our common stock, regardless of our operating performance. In the past, following periods of volatility in the market price of a company's securities, shareholder derivative lawsuits securities class action litigation has often been instituted against that company. Such litigation, if instituted against us, could result in substantial costs and a diversion of management's attention and resources.

The selling stockholder is offering 11,842,504 shares of our common stock in the offering contemplated by this prospectus supplement, which represents approximately 13% of our outstanding shares of common stock as of March 31, 2006. We cannot assure you that this offering will not affect the price of our common stock. As a result, you may not be able to resell your shares at or above the public offering price.

Our articles of incorporation and our bylaws contain provisions that may discourage a takeover attempt. Nevada law also imposes, and other jurisdictions may impose, barriers to acquiring a controlling interest in our shares.

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Provisions of our restated articles of incorporation and our restated bylaws could make it more difficult for a third party to acquire us, even if doing so would be beneficial to our stockholders. Some of these provisions impose various procedural and other requirements which could make it more difficult for stockholders to effect some corporate actions. For example, our restated articles authorize our board to determine the rights, preferences, privileges and restrictions of unissued series of preferred stock, without any vote or action by our stockholders. Thus our board can authorize and issue shares of preferred stock with voting or conversion rights that could adversely affect the voting or other rights of holders of our common stock. Our restated articles also prohibit removal of a director without cause unless by the vote of 66.67% or more of the outstanding shares of our common stock entitled to vote. Our restated bylaws establish advance notice procedures with regard to stockholder proposals and the nomination of director candidates, and we may reject nominations not made in accordance with these procedures. These rights may have the effect of delaying or deterring a change of control of our company.

Nevada law provides that, in certain circumstances, a stockholder who acquires a controlling interest in a corporation, defined statutorily as any acquisition that causes such stockholder's interest to exceed any of a 1/5,

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1/3, or 1/2 interest in a corporation, has no voting rights in the shares acquired that caused the stockholder to exceed any such threshold, unless the corporation's other stockholders, by majority vote, grant voting rights to those shares or unless the corporation's articles of incorporation or bylaws in effect on the tenth day following such acquisition of shares exempt the corporation from the relevant Nevada law provisions. In addition, under Nevada law, any change of control of our company must be approved by the Nevada gaming authorities. Other jurisdictions may have similar requirements. These provisions could limit the price that investors may be willing to pay in the future for shares of our common stock. See "Description of Capital Stock" in the accompanying prospectus.

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UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The unaudited pro forma condensed consolidated financial data presented below is derived from the historical consolidated financial statements of Boyd Gaming Corporation, which are incorporated by reference in this prospectus supplement. These financial statements have been adjusted to give effect to the sale of South Coast, or the Disposition, as if the Disposition had been completed on March 31, 2006 for purposes of the unaudited condensed consolidated balance sheet information, and on January 1 for each of the periods ended March 31, 2006 and December 31, 2005, respectively, for purposes of the unaudited condensed consolidated statements of operations information.

The unaudited pro forma condensed consolidated financial information includes specific assumptions and adjustments related to the Disposition. These pro forma adjustments have been made to illustrate the anticipated financial impact of the Disposition. The adjustments are based upon available information and assumptions that we believe are reasonable as of the date of this prospectus supplement. However, actual adjustments may differ materially from the information presented. Assumptions underlying the pro forma adjustments are described in the notes accompanying the pro forma condensed consolidated financial statements and should be read in conjunction with our historical consolidated financial statements incorporated by reference in this prospectus supplement. These pro forma condensed consolidated statements of operations do not contain any anticipated gain or loss on the Disposition.

The unaudited pro forma condensed consolidated financial information is for informational purposes only and is not intended to represent or be indicative of the consolidated results of operations or financial position that we would have reported had the Disposition been completed as of the dates presented, and should not be taken as representative of our future consolidated results of operations or financial position.

The unaudited pro forma condensed consolidated financial statements of Boyd Gaming Corporation are presented in accordance with Article 11 of Regulation S-X.

You should read the financial information in this section along with our historical consolidated financial statements and accompanying notes thereto incorporated by reference in this prospectus supplement.

Table of Contents**UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET AS OF MARCH 31, 2006**

(dollars in thousands)

	Boyd Gaming Historical	South Coast Disposition		Pro Forma Adjustments		Boyd Gaming Pro Forma
Cash and cash equivalents	\$ 177,451	\$ (13,436)	(a)	\$		\$ 164,015
Restricted cash	11,321					11,321
Accounts receivable, net	24,067	(1,262)	(a)			22,805
Insurance receivable	4,313					4,313
Inventories	13,719	(2,089)	(a)			11,630
Prepaid expenses and other	39,280	(5,754)	(a)			33,526
Deferred income taxes	2,509					2,509
Income tax receivable						
Total current assets	272,660	(22,541)				250,119
Property and equipment, net	2,822,623	(544,590)	(a)			2,278,033
Investment in Borgata, net	390,105					390,105
Other assets, net	108,237	(909)	(a)			107,328
Intangible assets, net	506,815					506,815
Goodwill, net	404,206					404,206
Total assets	\$ 4,504,646	\$ (568,040)		\$		\$ 3,936,606
Current maturities of long-term debt	\$ 5,741	\$		\$		\$ 5,741
Accounts payable	75,634	(12,730)	(a)			62,904
Construction payables	66,085	(41,298)	(a)	75,959	(b)	100,746
Accrued liabilities						
Payroll and related	67,209	(3,833)	(a)	3,833	(m)	67,209
Interest	34,825					34,825
Gaming	58,865	(2,269)	(a)	2,269	(m)	58,865
Accrued expenses and other	68,582	(1,806)	(a)	1,806	(m)	68,582
Income taxes payable	26,330			(19,635)	(f)	6,695
Deferred gain from insurance proceeds	13,000					13,000
Total current liabilities	416,271	(61,936)		64,232		418,567
Long-term debt, net of current maturities	2,592,006			(397,908)	(d)	2,190,772
				(3,326)	(n)	
Deferred income taxes and other liabilities	334,685					334,685
Commitments and contingencies						
Stockholders' equity						
Preferred stock						
Common stock	894			(39)	(e)	855
Additional paid-in capital	629,152	(516,826)	(a)	(132,597)	(e)	496,555
				516,826	(c)	
Retained earnings	526,042	10,722	(a)	(10,722)	(c)	489,576
				(36,466)	(g)	
Accumulated other comprehensive income, net	5,596					5,596
Total stockholders' equity	1,161,684	(506,104)		337,002		992,582

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Total liabilities and stockholders' equity	\$ 4,504,646	\$ (568,040)	\$	\$ 3,936,606
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Table of Contents**UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS****FOR THE THREE MONTHS ENDED MARCH 31, 2006****(dollars in thousands, except per share amounts)**

	Boyd Gaming Historical	South Coast Disposition		Pro Forma Adjustments	Boyd Gaming Pro Forma
Revenues					
Gaming	\$ 529,259	\$ (27,648)	(h)	\$	\$ 501,611
Food and beverage	92,267	(9,349)	(h)		82,918
Room	53,145	(4,754)	(h)		48,391
Other	39,536	(2,990)	(h)		36,546
Gross Revenues	714,207	(44,741)			669,466
Less promotional allowances	67,734	(4,724)	(h)		63,010
Net revenues	646,473	(40,017)			606,456
Costs and expenses					
Gaming	231,286	(12,362)	(h)		218,924
Food and beverage	59,934	(8,739)	(h)		51,195
Room	16,855	(1,871)	(h)		14,984
Other	29,151	(2,416)	(h)		26,735
Selling, general and administrative	85,621	(5,526)	(h)	472	80,567
Maintenance and utilities	27,052	(2,165)	(h)		24,887
Depreciation and amortization	56,690	(6,447)	(h)		50,243
Corporate expense	13,508				13,508
Preopening expenses	7,136	(1,291)	(h)		5,845
Property closure costs	1,491				1,491
Total costs and expenses	528,724	(40,817)		472	488,379
Operating income from Borgata	24,256				24,256
Operating income	142,005	800		(472)	142,333
Other income (expense)					
Interest income	36				36
Interest expense, net of amounts capitalized	(41,770)			7,273	(34,497)
Other non-operating expenses from Borgata, net	(2,225)				(2,225)
Total	(43,959)			7,273	(36,686)
Income before provision for income taxes	98,046	800		6,801	105,647
Provision for income taxes	34,806			2,698	37,504
Net income	\$ 63,240	\$ 800		\$ 4,103	\$ 68,143
Net income per share					
Basic	\$ 0.71				\$ 0.80

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Diluted	\$	0.70		\$	0.78
Shares used in calculating net income per share					
Basic		89,309	(3,948)	(o)	85,361
Diluted		90,851	(3,948)	(o)	86,903

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Table of Contents**UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS****FOR THE YEAR ENDED DECEMBER 31, 2005****(dollars in thousands, except per share amounts)**

	Boyd Gaming Historical	South Coast Disposition		Pro Forma Adjustments	Boyd Gaming Pro Forma
Revenues					
Gaming	\$ 1,817,289	\$ (4,852)	(h)	\$	\$ 1,812,437
Food and beverage	326,566	(1,192)	(h)		325,374
Room	178,091	(471)	(h)		177,620
Other	149,057	(326)	(h)		148,731
Gross Revenues	2,471,003	(6,841)			2,464,162
Less promotional allowances	247,983	(622)	(h)		247,361
Net revenues	2,223,020	(6,219)			2,216,801
Costs and expenses					
Gaming	807,712	(1,559)	(h)		806,153
Food and beverage	203,901	(1,068)	(h)		202,833
Room	53,063	(177)	(h)		52,886
Other	129,342	(248)	(h)		129,094
Selling, general and administrative	322,226	(668)	(h)		321,558
Maintenance and utilities	97,063	(233)	(h)		96,830
Depreciation and amortization	174,939	(596)	(h)		174,343
Corporate expense	44,101				44,101
Impairment loss	56,000				56,000
Preopening expenses	18,927	(11,237)	(h)		7,690
Hurricane and related expenses, net	9,274				9,274
Total costs and expenses	1,916,548	(15,786)			1,900,762
Operating income from Borgata	96,014				96,014
Operating income	402,486	9,567			412,053
Other income (expense)					
Interest income	224				224
Interest expense, net of amounts capitalized	(129,023)			564 (j)	(128,459)
Loss on early retirement of debt	(17,529)				(17,529)
Gain on sale of undeveloped land	659				659
Other non-operating expenses from Borgata, net	(11,718)				(11,718)
Total	(157,387)			564	(156,823)
Income before provision for income taxes	245,099	9,567		564	255,230
Provision for income taxes	84,050			3,474 (l)	87,524
Income before cumulative effect of a change in accounting principle	\$ 161,049	\$ 9,567		\$ (2,910)	\$ 167,706

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Income per share before cumulative effect of a change in accounting principle		
Basic	\$ 1.82	\$ 1.98
	<u> </u>	<u> </u>
Diluted	\$ 1.78	\$ 1.94
	<u> </u>	<u> </u>
Shares used in calculating income per share before cumulative effect of a change in accounting principle		