Caesars Entertainment becomes publicly traded company again

By Lee Spears, Bloomberg

Caesars Entertainment Corp., the U.S. casino chain with more than $22 billion in debt, jumped 71 percent in its trading debut after completing an initial public offering a fraction of the size of its failed 2010 effort.

The stock rose to $15.39 as of 4pm New York time Wednesday, valuing Caesars at $1.92 billion. The price almost doubled earlier in the day, tripping circuit breakers, while the volume was more than six times the number of shares sold in the offering. Caesars raised $16.3 million selling less than 2 percent of its shares at $9 each.

That compares with the $531 million IPO scrapped in November 2010. The new offering paves the way for the sale of additional shares by investors in Caesars' 2008 buyout, led by Apollo Global Management LLC and TPG Capital, and the biggest in history for a U.S. casino. Owners may seek to sell stock valued at more than $500 million based on today's closing price.

"The float is small, so not too much surprises me" about the stock gain, David Bain, a Newport Beach, California-based senior analyst at Sterne Agee & Leach Inc., said in an email. "Where shares trade today is likely not a good benchmark for future Caesars valuation."

Caesars, trading on the Nasdaq Stock Market under the symbol CZR, originally offered the shares for $8 to $10 apiece. The Las Vegas-based company priced in the middle of the range, selling 1.81 million shares, according to a statement.

Caesars operates Harveys and Harrah's in Stateline.

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