

Caesars begins \$4.85 billion debt financing

By Sridhar Natarajan, Bloomberg

Caesars Entertainment Corp., the largest owner of U.S. casinos, is raising \$4.85 billion in bonds and loans to refinance debt, according to a regulatory filing Wednesday.

Citigroup Inc. is arranging a \$3 billion term loan for the Las Vegas-based company as well as a \$269.5 million revolving credit facility, according to a person with knowledge of the transaction who isn't authorized to speak publicly and asked not to be identified. Caesars also plans to issue \$1.35 billion of second-lien notes and \$500 million of first-lien debentures, according to the filing. The proceeds will be used to repurchase commercial mortgage-backed securities and a \$450 million senior-secured facility.

Caesars is the parent company of Harrah's Lake Tahoe and Harveys in Stateline.

The most indebted U.S. gaming company, which is controlled by Apollo Global Management LLC (APO) and TPG Capital, is refinancing debt through the Caesars Entertainment Resort Properties at the PropCo unit, with most of its more than \$23 billion of debt held by the operating company, or the OpCo. The move signals its parent's plans to shift assets away from lenders at the OpCo in the case of a bankruptcy, according to Fitch Ratings analyst Alex Bumazhny.

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