

Harrah's board to weigh offers on Wednesday-source

New York (Reuters) – The board of Harrah's Entertainment Inc., the world's largest gambling company, plans to meet on Wednesday to consider buyout offers, a source familiar with the matter said on Monday.

Harrah's has set a deadline of Tuesday on all bids and may also consider a leveraged recapitalization if the bids are not compelling, the source said.

On Oct. 2, Harrah's said a committee of non-management directors was reviewing a takeover offer of \$ 81 per share from private equity firms Apollo Management and Texas Pacific Group. A week later, a source familiar with the situation said the group had raised the bid to USD 83.50 per share, or USD 15.5 billion.

Las Vegas-based Harrah's, which operates casinos under the Harrah's, Caesars and Horseshoe brand names, has also drawn the interest of another group led by Penn National Gaming Inc. and hedge fund D.E. Shaw.

Penn, which is significantly smaller than Harrah's, is considering making a cash and stock offer, a source familiar with the situation said two weeks ago.

Private equity firms have turned to the casino sector as they look for cash-rich businesses in which to invest the hundreds of billions of dollars they have raised this year.

Last week, Station Casinos Inc. said it had received a USD 4.7 billion buyout offer from a group of investors that included management and Los Angeles-based real estate investment firm Colony Capital.

Harrah's shares have risen 6 percent since word hit the market on Nov. 29 that a second group might make a bid for the company. Harrah's has a market value of USD 14.8 billion, based on its closing share price on Friday of USD 79.59. Penn's market capitalization is USD 3.2 billion.

Harrah's was not immediately available for comment on Monday. A spokesman for Texas Pacific declined to comment. Penn National also declined to comment.