

Harrah's announces transaction approval by New Jersey Casino Control Commission

Harrah's Entertainment announced it received approval from the New Jersey Casino Control Commission for the proposed acquisition of Harrah's by affiliates of Apollo Management, L.P. and TPG Capital.

New Jersey casino regulators on Wednesday approved the proposed USD 31 billion acquisition of Harrah's Entertainment by two private equity firms. The transaction remains subject to approval by 10 other states' regulators in jurisdictions in which Harrah's subsidiaries operate and other conditions to closing set forth in the agreement and plan of merger entered into on December 19, 2006.

The USD 31 billion figure includes debt transactions; the amount of equity involved is about USD 17.1 billion, said Kelvin Davis, a partner in Texas Pacific Group. They will go before casino regulators in Mississippi on Thursday.

At a hearing before the state Casino Control Commission, partners in Apollo Management Group and Texas Pacific Group promised to be hands-off owners. They said they don't plan any layoffs or selling off of assets as a result of the merger.

„We invested in Harrah's because we have a tremendous amount of confidence in (chairman and CEO) Gary Loveman,“ said Eric Press, a partner in Apollo. „His plans for the business are our plans. We don't intend to change a thing. He added: ‘‘Harrah's has pursued a strategy of growing its assets and investing in its assets,“ Press said. „We see no reason why that would change in Atlantic City.“

„We’re pleased by the review and approval of the New Jersey Casino Control Commission for the proposed acquisition of Harrah’s Entertainment,” said Gary Loveman, chairman, CEO and president of Harrah’s Entertainment. „This transaction with Apollo Management and TPG Capital allows Harrah’s to continue its emphasis on growth and in providing the best guest experience throughout our network of gaming destinations. The New Jersey marketplace is dynamic and vitally important to Harrah’s future success.“

The world’s largest gambling company, Harrah’s operates 50 casinos worldwide, including 38 in the United States. Four are in Atlantic City: The Showboat Casino-Hotel, Harrah’s Atlantic City, Caesars Atlantic City and Bally’s Atlantic City. The Atlantic City casinos account for nearly one-third of the company’s cash flow.