



**Contact: Media**  
**Stephen Cohen**  
**(347) 489-6602**

**Investors**  
**Brian Blackman**  
**(800) 318-0047**

## **Caesars Entertainment Reports Financial Results for the First Quarter 2016**

LAS VEGAS, May 5, 2016 - Caesars Entertainment Corporation (NASDAQ: CZR) today reported first quarter 2016 results as summarized in the discussion below, which highlights certain GAAP and non-GAAP financial measures on a consolidated basis.

### **Highlights**

- Net revenues for Continuing CEC increased 6.7% year-over-year to \$1.2 billion primarily attributable to growth in Caesars Interactive Entertainment's ("CIE") social and mobile games business and strength in hospitality offerings.
- Adjusted EBITDA for Continuing CEC grew 15.9% year-over-year to \$349 million.
- Net revenues for CIE increased 28.8% year-over-year to \$228 million and adjusted EBITDA grew 41.3% to \$89 million due to organic growth in social and mobile games resulting from greater monetization of monthly unique paying users.
- Cash ADR in Las Vegas rose 9.4% driven by increased resort fees, improved hotel yield and greater pricing power as a result of the recapitalization of room product.

"Enterprise-wide, including CEOC, we delivered all-time record adjusted EBITDA margins in the first quarter of 2016. Adjusted EBITDA margins improved over 200 basis points due to higher hospitality revenue growth, particularly in lodging, where we are investing in an upgraded room product, and increased average revenue per user in Caesars Interactive Entertainment. Additionally, we continue to demonstrate improved execution discipline and to deliver quantifiable savings on our efficiency initiatives," said Mark Frissora, President and CEO of Caesars Entertainment.

"Our focus on driving margin and cash flow improvements while maintaining high levels of customer satisfaction and employee engagement has enhanced our financial performance. As we continue to execute on our cornerstone initiatives, we believe this provides a solid foundation to create long-term value for our stakeholders," concluded Frissora.

### **Summary Financial Data**

The results of CEOC and its subsidiaries are no longer consolidated with Caesars subsequent to CEOC and certain of its United States subsidiaries (the "Debtors") voluntarily filing for reorganization under Chapter 11 of the United States Bankruptcy Code (the "Bankruptcy Code") on January 15, 2015.

In the table below, "Continuing CEC" represents CERP, CGP Casinos, CIE, other non-operating subsidiaries and associated parent company and elimination adjustments that represent the Caesars consolidated reporting entity as of March 31, 2016, and for subsequent periods.

Supplemental materials have been posted on the Caesars Entertainment Investor Relations website at <http://investor.caesars.com/financials.cfm>.

First quarter 2016 results below include Caesars Entertainment's additional accrual of \$237 million related to its estimate of the additional amount it will pay to support the restructuring of CEOC. As negotiations among all parties associated with the restructuring are ongoing, the amount ultimately paid by Caesars Entertainment to support the restructuring will likely change.

| <i>(Dollars in millions, except per share data)</i>           | Three Months Ended March 31,                  |                                  |                     |                 | Continuing<br>CEC<br>Change % |
|---|---|----------------------------------|---------------------|-----------------|-------------------------------|
|   | 2016  | 2015                             |                     |                 |                               |
|   | Continuing/<br>Reported<br>CEC <sup>(2)</sup> | Continuing<br>CEC <sup>(2)</sup> | CEOC <sup>(3)</sup> | Reported<br>CEC |                               |
| Casino revenues   | \$ 530  | \$ 542                           | \$ 118              | \$ 660          | (2.2)%                        |
| Net revenues  | 1,168   | 1,095                            | 158                 | 1,253           | 6.7 %                         |
| Income from operations  | 154   | 135                              | 9                   | 144             | 14.1 %                        |
| Deconsolidation and restructuring of CEOC and other           | (237)   | 7,090                            | —                   | 7,090           | *                             |
| Income/(loss) from continuing operations, net of income taxes | (274)   | 6,882                            | (78)                | 6,804           | *                             |
| Loss from discontinued operations, net of income taxes        | —   | —                                | (7)                 | (7)             | — %                           |
| Net income/(loss) attributable to Caesars                     | (308)   | 6,857                            | (85)                | 6,772           | *                             |
| Basics earnings/(loss) per share                              | (2.12)  | —                                | —                   | 46.81           | *                             |
| Diluted earnings/(loss) per share                             | (2.12)  | —                                | —                   | 46.12           | *                             |
| Property EBITDA <sup>(1)</sup>                                | 336   | 310                              | 31                  | 341             | 8.4 %                         |
| Adjusted EBITDA <sup>(1)</sup>                                | 349   | 301                              | 34                  | 335             | 15.9 %                        |

See footnotes following Balance Sheet and Other Items later in this release.

### First Quarter 2016 Financial Results

We view each casino property and CIE as operating segments and currently aggregate all such casino properties and CIE into three reportable segments based on management's view of these properties which aligns with their own ownership and underlying credit structures: CERP, Caesars Growth Partners Casino Properties and Developments ("CGP Casinos"), and CIE. CGP Casinos is comprised of all subsidiaries of CGP excluding CIE. CIE is comprised of the subsidiaries that operate CGP's social and mobile games operations, regulated online real money gaming, and the World Series of Poker ("WSOP"). CEOC was a reportable segment until its deconsolidation effective January 15, 2015.

Segment results in this release are presented consistent with the way Caesars management assesses these results and allocates resources, which is a consolidated view that adjusts for the impact of certain transactions between reportable segments within Caesars, as described below. Accordingly, the results of certain reportable segments presented in this filing differ from the financial statement information presented in their stand-alone filings. "Other" includes parent, consolidating, and other adjustments to reconcile to consolidated Caesars results. All comparisons are to the same period of the previous year.

### Net Revenues

| <i>(Dollars in millions)</i> | Three Months Ended March 31, |          | Percent<br>Favorable/<br>(Unfavorable) |
|------------------------------|------------------------------|----------|--|
|                              | 2016                         | 2015     |  |
| CERP                         | \$ 528                       | \$ 528   | —%                                     |
| CGP Casinos <sup>(4)</sup>   | 416                          | 390      | 6.7%                                   |
| CIE <sup>(5)</sup>           | 228                          | 177      | 28.8%                                  |
| Other <sup>(6)</sup>         | (4)                          | —        | *                                      |
| Total Continuing CEC         | 1,168                        | 1,095    | 6.7%                                   |
| CEOC <sup>(3)</sup>          | —                            | 164      | *                                      |
| Other <sup>(6)</sup>         | —                            | (6)      | *                                      |
| Total CEOC                   | —                            | 158      | *                                      |
| Total Reported CEC           | \$ 1,168                     | \$ 1,253 | *                                      |

### ***Income/(Loss) from Operations***

| <i>(Dollars in millions)</i> | Three Months Ended March 31, |        | Percent Favorable/<br>(Unfavorable) |
|------------------------------|------------------------------|--------|-------------------------------------|
|                              | 2016                         | 2015   |                                     |
| CERP                         | \$ 78                        | \$ 106 | (26.4)%                             |
| CGP Casinos <sup>(4)</sup>   | 63                           | 164    | (61.6)%                             |
| CIE <sup>(5)</sup>           | 54                           | 41     | 31.7 %                              |
| Other <sup>(6)</sup>         | (41)                         | (176)  | 76.7 %                              |
| Total Continuing CEC         | 154                          | 135    | 14.1 %                              |
| CEOC <sup>(3)</sup>          | —                            | 9      | *                                   |
| Other <sup>(6)</sup>         | —                            | —      | *                                   |
| Total CEOC                   | —                            | 9      | *                                   |
| Total Reported CEC           | \$ 154                       | \$ 144 | *                                   |

### ***Property EBITDA***

| <i>(Dollars in millions)</i> | Three Months Ended March 31, |        | Percent Favorable/<br>(Unfavorable) |
|------------------------------|------------------------------|--------|-------------------------------------|
|                              | 2016                         | 2015   |                                     |
| CERP                         | \$ 164                       | \$ 169 | (3.0)%                              |
| CGP Casinos <sup>(4)</sup>   | 110                          | 91     | 20.9 %                              |
| CIE <sup>(5)</sup>           | 61                           | 48     | 27.1 %                              |
| Other <sup>(6)</sup>         | 1                            | 2      | (50.0)%                             |
| Total Continuing CEC         | 336                          | 310    | 8.4 %                               |
| CEOC <sup>(3)</sup>          | —                            | 31     | *                                   |
| Other <sup>(6)</sup>         | —                            | —      | *                                   |
| Total CEOC                   | —                            | 31     | *                                   |
| Total Reported CEC           | \$ 336                       | \$ 341 | *                                   |

### ***Adjusted EBITDA***

| <i>(Dollars in millions)</i> | Three Months Ended March 31, |        | Percent Favorable/<br>(Unfavorable) |
|------------------------------|------------------------------|--------|-------------------------------------|
|                              | 2016                         | 2015   |                                     |
| CERP                         | \$ 158                       | \$ 162 | (2.5)%                              |
| CGP Casinos <sup>(4)</sup>   | 105                          | 85     | 23.5 %                              |
| CIE <sup>(5)</sup>           | 89                           | 63     | 41.3 %                              |
| Other <sup>(6)</sup>         | (3)                          | (9)    | 66.7 %                              |
| Total Continuing CEC         | 349                          | 301    | 15.9 %                              |
| CEOC <sup>(3)</sup>          | —                            | 34     | *                                   |
| Other <sup>(6)</sup>         | —                            | —      | *                                   |
| Total CEOC                   | —                            | 34     | *                                   |
| Total Reported CEC           | \$ 349                       | \$ 335 | *                                   |

### ***CERP***

CERP owns and operates six casinos in the United States and The LINQ promenade, along with leasing Octavius Tower at Caesars Palace Las Vegas to CEOC and gaming space at The LINQ promenade to CGP.

Net revenues for the first quarter of 2016 were \$528 million, flat compared with the prior year as lower gaming revenues were offset by hotel revenue growth as well as other revenue increases driven by the Harrah's Atlantic City Waterfront Conference Center (the "Atlantic City Conference Center"), located adjacent to Harrah's Atlantic City. Construction disruption affected revenues at Harrah's Las Vegas as we had a number of rooms out of service from the renovations taking place at the property. Casino revenues were \$272 million, down 3.9% from the prior year due to lower slot volumes at our non-Las Vegas properties

and Harrah's Las Vegas. Room revenues rose 5.4% in the quarter to \$136 million mainly due to resort fees and improved hotel yield, which drove a 10.6% increase in cash ADR. Food and beverage revenues were \$134 million, up 1.5%.

Income from operations was \$78 million. Adjusted EBITDA decreased 2.5% to \$158 million mainly due to lower gaming revenues and higher labor expenses, which more than offset the benefits from marketing efficiencies and improved hotel customer mix. A meaningful portion of the increase in labor expenses was related to the ramp up of the Atlantic City Conference Center. Hold was estimated to have a positive adjusted EBITDA impact of approximately \$0 million to \$5 million in the quarter relative to our expectation and there was minimal impact to adjusted EBITDA when comparing to the prior year period.

### ***CGP Casinos***

CGP Casinos owns and operates six casinos in the United States, primarily in Las Vegas.

Net revenues for the first quarter of 2016 were \$416 million, a 6.7% increase primarily attributable to strong hotel revenues from The LINQ Hotel & Casino due to the renovations completed in the second quarter of 2015 as well as increases in entertainment revenue at Planet Hollywood. Casino revenues were \$258 million, relatively flat from the prior year mainly due to lower gaming volumes at Harrah's New Orleans as a result of the smoking ban that went into effect in local bars, restaurants and casinos citywide on April 22, 2015. Room revenues increased 25.7% in the quarter to \$93 million as a result of an increase in total rooms available at The LINQ Hotel & Casino and resort fees. Food and beverage revenues were \$72 million, up 5.9%.

Income from operations was \$63 million. Adjusted EBITDA increased 23.5% to \$105 million mainly due to net revenue increases and efficiency initiatives. Hold was estimated to have a minimal impact to adjusted EBITDA in the quarter relative to our expectation and an unfavorable impact of approximately \$0 million to \$5 million to adjusted EBITDA when comparing to the prior year period.

### ***CIE***

CIE owns and operates (1) an online games business providing social and mobile games, (2) regulated online real money gaming and (3) the WSOP tournaments and brand.

Net revenues for the first quarter of 2016 were \$228 million, a 28.8% increase. Income from operations was \$54 million and adjusted EBITDA increased 41.3% to \$89 million. The increase in revenue and adjusted EBITDA was driven primarily by the continued focus on conversion and monetization of users to increase revenue per user.

### ***CEOC***

CEOC owns and operates 19 casinos in the United States and nine internationally, most of which are located in England, and managed 15 casinos, which included the six CGP casinos and nine casinos for unrelated third parties. Effective October 2014, substantially all of our properties are managed by CES (and the remaining properties will be transitioned upon regulatory approval).

CES is a joint venture among CERP, CEOC, and a subsidiary of CGP that provides certain corporate and administrative services to their casino properties.

## **Balance Sheet and Other Items**

### ***Cash and Available Revolver Capacity***

CEC is primarily a holding company with no independent operations, employees, or material debt issuances of its own. CEC's primary assets as of March 31, 2016, consist of \$218 million in cash and cash equivalents and its ownership interests in CEOC, CERP and CGP. Each of the subsidiary entities comprising Caesars Entertainment's consolidated financial statements have separate debt agreements with restrictions on usage of the respective entity's capital resources. CGP is a variable interest entity that is consolidated by Caesars Entertainment, but is controlled by its sole voting member, Caesars Acquisition Company ("CAC"). CAC is a managing member of CGP and therefore controls all decisions regarding liquidity and capital resources of CGP. CEOC was deconsolidated effective January 15, 2015, and therefore, has not been included in the table below. In the table below, "Other" reflects CEC and its direct subsidiaries excluding CERP, CES, CGP and CEOC. CEC has limited cash available to meet its financial commitments, primarily resulting from significant expenditures made to defend against litigation related to the CEOC restructuring and to support a plan of reorganization for CEOC. While the cash forecast at CEC currently contemplates liquidity to be sufficient through the end of the year, the CEC cash balance will be consumed by expenses associated with the CEOC restructuring unless we identify additional sources of liquidity to meet CEC's ongoing obligations as well as to meet its commitments to support the CEOC restructuring. If CEC is unable to obtain additional sources of cash when needed, in the event of a material adverse ruling

on one or all of our ongoing litigation matters, or if CEOC does not emerge from bankruptcy on a timely basis on terms and under circumstances satisfactory to CEC, it is likely that CEC would seek reorganization under Chapter 11 of the Bankruptcy Code.

| <i>(In millions)</i>                                      | March 31, 2016 |                    |          |        |
|---|----------------|--------------------|----------|--------|
|   | CERP           | CES <sup>(7)</sup> | CGP      | Other  |
| Cash and cash equivalents                                 | \$ 211         | \$ 64              | \$ 951   | \$ 218 |
| Revolver capacity   | 270            | —                  | 160      | —      |
| Revolver capacity drawn or committed to letters of credit | (75)           | —                  | (15)     | —      |
| Total Liquidity   | \$ 406         | \$ 64              | \$ 1,096 | \$ 218 |

\* Not meaningful.

<sup>(1)</sup> See the Reconciliation of Non-GAAP Financial Measures discussion later in this release for a reconciliation of net loss attributable to Caesars to Property EBITDA and Adjusted EBITDA.

<sup>(2)</sup> Includes CERP, CGP Casinos, CIE, and associated parent company and elimination adjustments that represent the CEC structure as of March 31, 2016, and for subsequent periods.

<sup>(3)</sup> Includes eliminations of intercompany transactions and other consolidating adjustments.

<sup>(4)</sup> CGP Casinos is comprised of all subsidiaries of CGP excluding CIE. Percentage calculations are based on unrounded dollars.

<sup>(5)</sup> CIE is comprised of the subsidiaries that operate CGP's social and mobile games business and WSOP. Percentage calculations are based on unrounded dollars.

<sup>(6)</sup> Other includes parent, consolidating, and other adjustments to reconcile to consolidated CEC results.

<sup>(7)</sup> CES is a joint venture among CERP, CEOC, and a subsidiary of CGP that provides certain corporate and administrative services to their casino properties.

## Conference Call Information

Caesars Entertainment Corporation (NASDAQ: CZR) will host a conference call at 1:30 p.m. Pacific Time Thursday, May 5, 2016, to discuss its first quarter results, certain forward-looking information and other matters related to Caesars Entertainment Corporation, including certain financial and other information regarding CEC's deconsolidated subsidiary Caesars Entertainment Operating Company, Inc. The press release, webcast, and presentation materials will be available on the Investor Relations section of [www.caesars.com](http://www.caesars.com).

If you would like to ask questions and be an active participant in the call, you may dial 877-637-3723, or 832-412-1752 for international callers, and enter Conference ID 87031308 approximately 10 minutes before the call start time. A recording of the live call will be available on the Company's website for 90 days after the event.

Supplemental materials have been posted on the Caesars Entertainment Investor Relations website at <http://investor.caesars.com/financials.cfm>.

## About Caesars

Caesars Entertainment is the world's most diversified casino-entertainment provider and the most geographically diverse U.S. casino-entertainment company. CEC is mainly comprised of the following three entities: wholly owned Caesars Entertainment Resort Properties ("CERP"), Caesars Growth Partners, LLC ("CGP"), in which we hold a variable economic interest, and the majority owned operating subsidiary Caesars Entertainment Operating Company ("CEOC") (which was deconsolidated effective January 15, 2015 due to its bankruptcy filing). Since its beginning in Reno, Nevada, in 1937, CEC has grown through development of new resorts, expansions and acquisitions. The Caesars system of properties now operates 49 casinos in 14 U.S. states and five countries. CERP and CGP operate a total of 12 casinos. CEC's resorts operate primarily under the Caesars®, Harrah's®, and Horseshoe® brand names. CEOC's portfolio also includes the Caesars Entertainment UK (formerly London Clubs International) family of casinos.

The Caesars system of properties is focused on building loyalty and value with its guests through a unique combination of great service, excellent products, unsurpassed distribution, operational excellence, and technology leadership. The Company is committed to system-wide environmental sustainability and energy conservation and recognizes the importance of being a responsible steward of the environment. For more information, please visit [www.caesars.com](http://www.caesars.com).

Caesars Entertainment Corporation is primarily a holding company with no independent operations of its own. It owns Caesars Entertainment Resort Properties, LLC ("CERP"), an interest in Caesars Growth Partners, LLC ("CGP") and various other non-operating subsidiaries. It also has majority ownership of Caesars Entertainment Operating Company, Inc. ("CEOC"). The results of CEOC and its subsidiaries are no longer consolidated with CEC subsequent to CEOC's Chapter 11 filing on January 15, 2015. Caesars Enterprise Services, LLC ("CES") provides certain enterprise services to properties owned and/or operated by CERP, CGP, and CEOC, and this press release at times refers to system-wide trends and dynamics, inclusive of CEOC and its subsidiaries. In the discussion in this release, the word "CEC" refers to Caesars Entertainment Corporation without its

consolidated entities, and the words “Company,” “Caesars,” “Caesars Entertainment,” “Continuing CEC,” “we,” and “our” refer to Caesars Entertainment Corporation and its consolidated entities, and not CEOC unless otherwise stated or the context requires otherwise.

### **Forward Looking Information**

This release includes “forward-looking statements” intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. You can identify these statements by the fact that they do not relate strictly to historical or current facts. We have based these forward-looking statements on our current expectations about future events. Further, these statements contain words such as “may,” “would,” “estimate,” “continue,” “focus,” “will,” “expect,” “believe,” or “position”, or the negative or other variations thereof or comparable terminology. In particular, they include statements relating to, among other things, future actions, new projects, strategies, future performance, the outcomes of contingencies, such as legal proceedings, the restructuring of CEOC, and future financial results of Caesars. These forward-looking statements are based on current expectations and projections about future events.

Investors are cautioned that forward-looking statements are not guarantees of future performance or results and involve risks and uncertainties that cannot be predicted or quantified, and, consequently, the actual performance of Caesars may differ materially from those expressed or implied by such forward-looking statements. Such risks and uncertainties include, but are not limited to, the following factors, and other factors described from time to time in the Company’s reports filed with the Securities and Exchange Commission (including the sections entitled “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” contained therein):

- the outcome of currently pending or threatened litigation and demands for payment by certain creditors and by the National Retirement Fund against CEC;
- the effects of CEOC’s bankruptcy filing on CEOC and its subsidiaries and affiliates, including Caesars Entertainment, and the interest of various creditors, equity holders, and other constituents;
- CEC’s limited cash balances and sources of available cash, including CEC’s ability (or inability) to secure additional liquidity to meet its ongoing obligations and its commitments to support the CEOC restructuring as necessary and CEC’s financial obligations exceeding or becoming due earlier than what is currently forecast;
- the ability to retain key employees during the restructuring of CEOC;
- the event that the Restructuring Support and Forbearance Agreements (“RSAs”) may not be consummated in accordance with their terms, or persons not party to the RSAs may successfully challenge the implementation thereof;
- the length of time CEOC will operate in the Chapter 11 cases and CEOC’s failure to comply with the milestones previously provided by the RSAs or that may be included in other agreements relating to the restructuring;
- risks associated with third party motions in the Chapter 11 cases, which may hinder or delay CEOC’s ability to consummate the restructuring as contemplated by the RSAs;
- adverse effects of Chapter 11 proceedings on Caesars Entertainment’s liquidity or results of operations;
- the effects of local and national economic, credit, and capital market conditions on the economy, in general, and on the gaming industry, in particular;
- the ability to realize the expense reductions from our cost savings programs;
- the financial results of our consolidated businesses;
- the impact of our substantial indebtedness and the restrictions in our debt agreements;
- access to available and reasonable financing on a timely basis, including the ability of the company to refinance its indebtedness on acceptable terms;
- the ability of our customer tracking, customer loyalty, and yield management programs to continue to increase customer loyalty and same-store or hotel sales;
- changes in laws, including increased tax rates, smoking bans, regulations or accounting standards, third-party relations and approvals, and decisions, disciplines and fines of courts, regulators and governmental bodies;

- our ability to recoup costs of capital investments through higher revenues;
- abnormal gaming holds (“gaming hold” is the amount of money that is retained by the casino from wagers by customers);
- the effects of competition, including locations of competitors, competition for new licenses, and operating and market competition;
- the ability to timely and cost-effectively integrate companies that we acquire into our operations;
- the potential difficulties in employee retention and recruitment as a result of our substantial indebtedness or any other factor;
- construction factors, including delays, increased costs of labor and materials, availability of labor and materials, zoning issues, environmental restrictions, soil and water conditions, weather and other hazards, site access matters, and building permit issues;
- litigation outcomes and judicial and governmental body actions, including gaming legislative action, referenda, regulatory disciplinary actions, and fines and taxation;
- acts of war or terrorist incidents, severe weather conditions, uprisings or natural disasters, including losses therefrom, losses in revenues and damage to property, and the impact of severe weather conditions on our ability to attract customers to certain of our facilities;
- the effects of environmental and structural building conditions relating to our properties;
- access to insurance on reasonable terms for our assets; and
- the impact, if any, of unfunded pension benefits under multi-employer pension plans.

Any forward-looking statements are made pursuant to the Private Securities Litigation Reform Act of 1995 and, as such, speak only as of the date made. Caesars disclaims any obligation to update the forward-looking statements. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date stated or, if no date is stated, as of the date of this release.

**CAESARS ENTERTAINMENT CORPORATION**  
**CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS**  
**(UNAUDITED)**

*(In millions, except per share data)*

|   | Three Months Ended March 31, |                 |
|---|------------------------------|-----------------|
|   | 2016                         | 2015            |
| <b>Revenues</b>   |                              |                 |
| Casino  | \$ 530                       | \$ 660          |
| Food and beverage   | 206                          | 225             |
| Rooms   | 229                          | 222             |
| Interactive entertainment                                     | 228                          | 177             |
| Other revenue   | 115                          | 126             |
| Less: casino promotional allowances                           | (140)                        | (157)           |
| Net revenues  | <u>1,168</u>                 | <u>1,253</u>    |
| <b>Operating expenses</b>                                     |                              |                 |
| Direct  |                              |                 |
| Casino  | 285                          | 356             |
| Food and beverage   | 93                           | 103             |
| Rooms   | 59                           | 55              |
| Platform fees   | 64                           | 49              |
| Property, general, administrative, and other                  | 331                          | 349             |
| Depreciation and amortization                                 | 119                          | 102             |
| Corporate expense   | 41                           | 47              |
| Other operating costs <sup>(1)</sup>                          | 22                           | 48              |
| Total operating expenses                                      | <u>1,014</u>                 | <u>1,109</u>    |
| Income from operations  | 154                          | 144             |
| Interest expense  | (151)                        | (238)           |
| Deconsolidation and restructuring of CEOC and other           | (237)                        | 7,090           |
| Income/(loss) from continuing operations before income taxes  | <u>(234)</u>                 | <u>6,996</u>    |
| Income tax provision  | (40)                         | (192)           |
| Income/(loss) from continuing operations, net of income taxes | <u>(274)</u>                 | <u>6,804</u>    |
| Loss from discontinued operations, net of income taxes        | —                            | (7)             |
| Net income/(loss)   | <u>(274)</u>                 | <u>6,797</u>    |
| Net income attributable to noncontrolling interests           | (34)                         | (25)            |
| Net income/(loss) attributable to Caesars                     | <u>\$ (308)</u>              | <u>\$ 6,772</u> |
| <b>Earnings/(loss) per share - basic and diluted</b>          |                              |                 |
| Basic earnings/(loss) per share from continuing operations    | \$ (2.12)                    | \$ 46.86        |
| Basic loss per share from discontinued operations             | —                            | (0.05)          |
| Basic earnings/(loss) per share                               | <u>\$ (2.12)</u>             | <u>\$ 46.81</u> |
| Diluted earnings/(loss) per share from continuing operations  | \$ (2.12)                    | \$ 46.17        |
| Diluted loss per share from discontinued operations           | —                            | (0.05)          |
| Diluted earnings/(loss) per share                             | <u>\$ (2.12)</u>             | <u>\$ 46.12</u> |

<sup>(1)</sup> Other operating costs primarily consists of write-downs, reserves and project opening costs, net of recoveries, and acquisition and integration costs.



**CAESARS ENTERTAINMENT CORPORATION**  
**CONSOLIDATED CONDENSED SUMMARY BALANCE SHEETS**  
**(UNAUDITED)**

| <i>(In millions)</i>                        | March 31, 2016   | December 31, 2015 |
|---|------------------|-------------------|
| <b>Assets</b>                               |                  |                   |
| Current assets                              |                  |                   |
| Cash and cash equivalents                   | \$ 1,444         | \$ 1,338          |
| Restricted cash                             | 57               | 59                |
| Other current assets                        | 393              | 374               |
| Total current assets                        | 1,894            | 1,771             |
| Property and equipment, net                 | 7,560            | 7,598             |
| Goodwill and other intangible assets        | 2,217            | 2,239             |
| Restricted cash                             | 8                | 109               |
| Other long-term assets                      | 461              | 478               |
| Total assets                                | <u>\$ 12,140</u> | <u>\$ 12,195</u>  |
| <b>Liabilities and Stockholders' Equity</b> |                  |                   |
| Current liabilities                         |                  |                   |
| Accrued restructuring and support expenses  | \$ 1,142         | \$ 905            |
| Current portion of long-term debt           | 150              | 187               |
| Other current liabilities                   | 924              | 914               |
| Total current liabilities                   | 2,216            | 2,006             |
| Long-term debt                              | 6,770            | 6,777             |
| Other long-term liabilities                 | 1,208            | 1,179             |
| Total liabilities                           | 10,194           | 9,962             |
| Total Caesars stockholders' equity          | 673              | 987               |
| Noncontrolling interests                    | 1,273            | 1,246             |
| Total stockholders' equity                  | 1,946            | 2,233             |
| Total liabilities and stockholders' equity  | <u>\$ 12,140</u> | <u>\$ 12,195</u>  |

**CAESARS ENTERTAINMENT CORPORATION**  
**CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS**  
**(UNAUDITED)**

| <i>(In millions)</i>  | Three Months Ended March 31, |          |
|---|------------------------------|----------|
|   | 2016                         | 2015     |
| Cash flows provided by/(used in) operating activities                     | \$ 117                       | \$ (102) |
| Cash flows from investing activities                                      |                              |          |
| Acquisitions of property and equipment, net of change in related payables | (50)                         | (100)    |
| Deconsolidation of CEOC cash  | —                            | (958)    |
| Increase in restricted cash   | (6)                          | (4)      |
| Decrease in restricted cash   | 109                          | 37       |
| Proceeds from the sale and maturity of investments                        | 20                           | —        |
| Payments to acquire investments   | (3)                          | (3)      |
| Other   | (1)                          | 4        |
| Cash flows provided by/(used in) investing activities                     | 69                           | (1,024)  |
| Cash flows from financing activities                                      |                              |          |
| Proceeds from long-term debt and revolving credit facilities              | 55                           | 35       |
| Repayments of long-term debt and revolving credit facilities              | (104)                        | (94)     |
| Payment of contingent consideration                                       | —                            | (30)     |
| Repurchase of CIE management shares                                       | (28)                         | (27)     |
| Distributions to noncontrolling interest owners                           | (6)                          | (5)      |
| Other   | 3                            | 3        |
| Cash flows used in financing activities                                   | (80)                         | (118)    |
| Cash flows from discontinued operations                                   |                              |          |
| Cash flows used in operating activities                                   | —                            | (7)      |
| Cash used in discontinued operations                                      | —                            | (7)      |
| Net increase/(decrease) in cash and cash equivalents                      | 106                          | (1,251)  |
| Cash and cash equivalents, beginning of period                            | 1,338                        | 2,806    |
| Cash and cash equivalents, end of period                                  | \$ 1,444                     | \$ 1,555 |
| <b><i>Supplemental Cash Flow Information:</i></b>                         |                              |          |
| Cash paid for interest  | \$ 80                        | \$ 188   |
| Cash paid for income taxes  | 24                           | 20       |
| Non-cash investing and financing activities:                              |                              |          |
| Change in accrued capital expenditures                                    | 9                            | 27       |

**CAESARS ENTERTAINMENT CORPORATION**  
**SUPPLEMENTAL INFORMATION**  
**RECONCILIATION OF NET INCOME/(LOSS) ATTRIBUTABLE TO CAESARS ENTERTAINMENT CORPORATION**  
**TO PROPERTY EBITDA AND ADJUSTED EBITDA**

Property earnings before interest, taxes, depreciation and amortization (“EBITDA”) is presented as a supplemental measure of the Company’s performance. Property EBITDA is defined as revenues less property operating expenses and is comprised of net income/(loss) before (i) interest expense, net of interest capitalized and interest income, (ii) income tax provision, (iii) depreciation and amortization, (iv) corporate expenses, and (v) certain items that the Company does not consider indicative of its ongoing operating performance at an operating property level. In evaluating Property EBITDA you should be aware that, in the future, the Company may incur expenses that are the same or similar to some of the adjustments in this presentation. The presentation of Property EBITDA should not be construed as an inference that future results will be unaffected by unusual or unexpected items.

Property EBITDA is a non-GAAP financial measure commonly used in our industry and should not be construed as an alternative to net income/(loss) as an indicator of operating performance or as an alternative to cash flow provided by operating activities as a measure of liquidity (as determined in accordance with GAAP). Property EBITDA may not be comparable to similarly titled measures reported by other companies within the industry. Property EBITDA is included because management uses Property EBITDA to measure performance and allocate resources, and believes that Property EBITDA provides investors with additional information consistent with that used by management.

Adjusted EBITDA is defined as EBITDA further adjusted to exclude certain non-cash and other items as exhibited in the following reconciliation, and is presented as a supplemental measure of the Company’s performance. Management believes that Adjusted EBITDA provides investors with additional information and allows a better understanding of the results of operational activities separate from the financial impact of decisions made for the long-term benefit of the Company. In addition, compensation of management is in part determined by reference to certain of such financial information. As a result, we believe this supplemental information is useful to investors who are trying to understand the results of the Company.

Because not all companies use identical calculations, the presentation of Adjusted EBITDA may not be comparable to other similarly titled measures of other companies.

The following tables reconcile net income/(loss) attributable to the companies presented to Property EBITDA and Adjusted EBITDA for the periods indicated.

**CAESARS ENTERTAINMENT CORPORATION**  
**SUPPLEMENTAL INFORMATION**  
**RECONCILIATION OF NET INCOME/(LOSS) ATTRIBUTABLE TO CAESARS ENTERTAINMENT CORPORATION**  
**TO PROPERTY EBITDA AND ADJUSTED EBITDA**

| <i>(In millions)</i>  | Three Months Ended March 31, 2016 |               |                               |                    |                      |               | Three Months Ended March 31, 2015 |               |                               |                    |                      |               |
|---|-----------------------------------|---------------|-------------------------------|--------------------|----------------------|---------------|-----------------------------------|---------------|-------------------------------|--------------------|----------------------|---------------|
|   | CEOC                              | CERP          | CGP<br>Casinos <sup>(f)</sup> | CIE <sup>(g)</sup> | Other <sup>(h)</sup> | CEC           | CEOC                              | CERP          | CGP<br>Casinos <sup>(f)</sup> | CIE <sup>(g)</sup> | Other <sup>(h)</sup> | CEC           |
| Net income/(loss) attributable to company                                   | \$ —                              | \$ (16)       | \$ 13                         | \$ 17              | \$ (322)             | \$ (308)      | \$ (85)                           | \$ 3          | \$ 121                        | \$ 21              | \$ 6,712             | \$ 6,772      |
| Net income/(loss) attributable to noncontrolling interests                  | —                                 | —             | —                             | 4                  | 30                   | 34            | —                                 | —             | (5)                           | 5                  | 25                   | 25            |
| Net loss from discontinued operations                                       | —                                 | —             | —                             | —                  | —                    | —             | 7                                 | —             | —                             | —                  | —                    | 7             |
| Income tax (benefit)/provision  | —                                 | (6)           | —                             | 32                 | 14                   | 40            | —                                 | 2             | —                             | 13                 | 177                  | 192           |
| Deconsolidation and restructuring of CEOC and other <sup>(a)</sup>          | —                                 | 1             | (1)                           | —                  | 237                  | 237           | —                                 | —             | 2                             | —                  | (7,092)              | (7,090)       |
| Interest expense  | —                                 | 99            | 51                            | 1                  | —                    | 151           | 87                                | 101           | 46                            | 2                  | 2                    | 238           |
| Income/(loss) from operations   | —                                 | 78            | 63                            | 54                 | (41)                 | 154           | 9                                 | 106           | 164                           | 41                 | (176)                | 144           |
| Depreciation and amortization   | —                                 | 73            | 39                            | 7                  | —                    | 119           | 11                                | 49            | 34                            | 7                  | 1                    | 102           |
| Other operating costs <sup>(b)</sup>  | —                                 | 2             | 1                             | —                  | 19                   | 22            | 4                                 | 2             | (114)                         | —                  | 156                  | 48            |
| Corporate expense   | —                                 | 11            | 7                             | —                  | 23                   | 41            | 7                                 | 12            | 7                             | —                  | 21                   | 47            |
| <b>Property EBITDA</b>  | <b>—</b>                          | <b>164</b>    | <b>110</b>                    | <b>61</b>          | <b>1</b>             | <b>336</b>    | <b>31</b>                         | <b>169</b>    | <b>91</b>                     | <b>48</b>          | <b>2</b>             | <b>341</b>    |
| Corporate expense   | —                                 | (11)          | (7)                           | —                  | (23)                 | (41)          | (7)                               | (12)          | (7)                           | —                  | (21)                 | (47)          |
| Stock-based compensation expense <sup>(c)</sup>                             | —                                 | 2             | 1                             | 28                 | 7                    | 38            | 1                                 | 3             | 1                             | 13                 | 8                    | 26            |
| Adjustments to include 100% of Baluma S.A.'s adjusted EBITDA <sup>(d)</sup> | —                                 | —             | —                             | —                  | —                    | —             | 3                                 | —             | —                             | —                  | —                    | 3             |
| Depreciation in corporate expense   | —                                 | —             | —                             | —                  | —                    | —             | 2                                 | —             | —                             | —                  | —                    | 2             |
| Other items <sup>(e)</sup>  | —                                 | 3             | 1                             | —                  | 12                   | 16            | 4                                 | 2             | —                             | 2                  | 2                    | 10            |
| <b>Adjusted EBITDA</b>  | <b>\$ —</b>                       | <b>\$ 158</b> | <b>\$ 105</b>                 | <b>\$ 89</b>       | <b>\$ (3)</b>        | <b>\$ 349</b> | <b>\$ 34</b>                      | <b>\$ 162</b> | <b>\$ 85</b>                  | <b>\$ 63</b>       | <b>\$ (9)</b>        | <b>\$ 335</b> |

- (a) Amounts primarily represent CEC's estimated costs in connection with the restructuring of CEOC and CEC's gain recognized upon the deconsolidation of CEOC for the three months ended March 31, 2016 and 2015, respectively.
- (b) Amounts primarily represent pre-opening costs incurred in connection with property openings and expansion projects at existing properties and costs associated with the acquisition and development activities and reorganization activities.
- (c) Amounts represent stock-based compensation expense related to shares, stock options, and restricted stock units granted to the Company's employees.
- (d) Amounts represent adjustments to include 100% of Baluma S.A. (Conrad Punta del Este) adjusted EBITDA as permitted under the indentures governing CEOC's existing notes and the credit agreement governing CEOC's senior secured credit facilities.
- (e) Amounts represent add-backs and deductions from EBITDA, permitted under certain indentures. Such add-backs and deductions include litigation awards and settlements, costs associated with CEOC's restructuring and related litigation, severance and relocation costs, sign-on and retention bonuses, permit remediation costs, and business optimization expenses.
- (f) CGP Casinos is comprised of all subsidiaries of CGP excluding CIE.
- (g) CIE is comprised of the subsidiaries that operate CGP's social and mobile games business and WSOP.
- (h) Amounts include consolidating adjustments, eliminating adjustments and other adjustments to reconcile to consolidated CEC Property EBITDA and Adjusted EBITDA.