As filed with the Securities and Exchange Commission on October 11, 1994.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q/A

(Mark One)
(X) QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED MARCH 31, 1994

OR

( ) TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM   TO   .

Commission File No. 1-10410

THE PROMUS COMPANIES INCORPORATED
(Exact name of registrant as specified in its charter)

Delaware	I.R.S. No. 62-1411755
(State of Incorporation)	(I.R.S. Employer Identification No.)

1023 Cherry Road
Memphis, Tennessee 38117
(Address of principal executive offices)
(901) 762-8600
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

At March 31, 1994, there were outstanding 102,346,082 shares of the Company's Common Stock.

Items 1 and 2 of Part I, and Item 6 of Part II for the fiscal quarter ended March 31, 1994, are hereby amended to read as follows:

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

The accompanying unaudited consolidated condensed financial statements of The Promus Companies Incorporated (Promus or the Company), a Delaware corporation, have been prepared in accordance with the instructions to Form 10-Q, and therefore do not include all information and notes necessary for complete financial statements in conformity with generally accepted accounting principles. The results for the periods indicated are unaudited, but reflect all adjustments (consisting only of normal recurring adjustments) which management considers necessary for a fair presentation of operating results. Results of operations for interim periods are not necessarily indicative of a full year of operations. These consolidated condensed financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in Promus' 1993 Annual Report to Stockholders.

The accompanying financial information has been amended and restated to reflect the impact of a change in accounting policy for preopening costs. (See Note 2.)

THE PROMUS COMPANIES INCORPORATED
CONSOLIDATED CONDENSED BALANCE SHEETS
(UNAUDITED)

(In thousands, except share amounts)	March 31, 1994	Dec. 31, 1993
ASSETS		
Current assets		
Cash and cash equivalents	$ 54,960	$ 61,962
Receivables, including notes receivable of $4,206 and $2,197, less allowance for doubtful accounts of $10,964 and $10,864	44,600	47,448
Deferred income taxes	23,011	21,024
Supplies	12,519	12,996
Prepayments and other	21,623	20,128
Total current assets	156,713	163,558
Land, buildings, riverboats and equipment	1,866,994	1,824,433
Less: accumulated depreciation	(504,624)	(486,231)
	1,362,370	1,338,202
Investments in and advances to nonconsolidated affiliates	77,361	70,050
Deferred costs and other	218,376	221,308
	$1,814,820	$1,793,118
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 48,518	$ 60,530
Construction payables	8,235	26,345
Accrued expenses	165,907	162,969
Current portion of long-term debt	2,153	2,160
Total current liabilities	224,813	252,004
Long-term debt	853,894	839,804
Deferred credits and other	93,800	86,829
Deferred income taxes	60,086	63,460
	1,232,593	1,242,097
Minority interest	21,490	14,984
Commitments and contingencies (Notes 6 and 7)		
Stockholders' equity		
Common stock, $0.10 par value, authorized - 360,000,000 shares, outstanding - 102,346,082 and 102,258,442 shares (net of 8,942 and 25,251 shares held in treasury)	10,235	10,226
Capital surplus	348,982	344,197
Retained earnings	207,487	187,203
Deferred compensation related to restricted stock	(5,967)	(5,589)
	560,737	536,037
	$1,814,820	$1,793,118

See accompanying Notes to Consolidated Condensed Financial Statements.

THE PROMUS COMPANIES INCORPORATED
CONSOLIDATED CONDENSED STATEMENTS OF INCOME
(UNAUDITED)

(In thousands, except per share amounts)	First Quarter Ended March 31, 1994	March 31, 1993
Revenues		
Casino	$243,010	$166,180
Rooms	51,110	57,172
Food and beverage	38,406	33,196
Franchise and management fees	15,820	12,920
Other	26,439	21,427
Less: casino promotional allowances	(28,998)	(21,688)
Total revenues	345,787	269,207
Operating expenses		
Departmental direct costs		
Casino	112,634	82,637
Rooms	21,792	25,047
Food and beverage	20,185	16,939
Depreciation of buildings, riverboats and equipment	21,392	18,208
Other	82,916	71,254
Total operating expenses	258,919	214,085
	86,868	55,122
Property transactions	(198)	(265)
Operating income	86,670	54,857
Corporate expense	(5,538)	(6,709)
Interest expense, net of interest capitalized	(25,737)	(27,945)
Interest and other income	431	356
Income before income taxes and minority interest	55,826	20,559
Provision for income taxes	(22,887)	(8,594)
Minority interest	(4,723)	-
Income before extraordinary item and cumulative effect of change in accounting policy	28,216	11,965
Extraordinary loss on extinguishment of debt, net of tax benefit of $679	-	(1,009)
Cumulative effect of change in accounting policy, net of tax benefit of $4,317	(7,932)	-
Net income	$ 20,284	$ 10,956
Earnings per share before extraordinary item and cumulative effect of change in accounting policy	$ 0.28	$ 0.12
Extraordinary item, net	-	(0.01)
Cumulative effect of change in accounting policy, net	(0.08)	-
Earnings per share	$ 0.20	$ 0.11
Average common shares outstanding	102,907	102,059

See accompanying Notes to Consolidated Condensed Financial Statements.

THE PROMUS COMPANIES INCORPORATED
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
(UNAUDITED)

(In thousands)	First Quarter Ended March 31, 1994	March 31, 1993
Cash flows from operating activities		
Net income	$ 20,284	$ 10,956
Adjustments to reconcile net income to cash flows from operating activities		
Extraordinary item, before income taxes	-	1,688
Cumulative effect of change in accounting policy, before income taxes	12,249	-
Depreciation and amortization	25,725	23,282
Other noncash items	(3,140)	5,344
Minority interest share of net income	4,723	-
Net losses of and distributions from nonconsolidated affiliates	4,373	732
Net losses from property transactions	163	120
Net change in long-term accounts	285	(1,261)
Net change in working capital accounts	569	2,249
Tax indemnification payments to Bass	(4,282)	(157)
Cash flows provided by operating activities	60,949	42,953
Cash flows from investing activities		
Land, buildings, riverboats and equipment additions	(45,644)	(30,852)
Decrease in construction payables	(18,110)	-
Investments in and advances (to) from nonconsolidated affiliates	(12,652)	46
Other	(3,222)	(4,898)
Cash flows used in investing activities	(79,628)	(35,704)
Cash flows from financing activities		
Net borrowings under Revolving Credit Facility	15,000	-
Proceeds from issuance of senior subordinated notes, net of issue costs of $4,000	-	196,000
Debt retirements	(989)	(204,261)
Minority interest (distributions) contributions	(2,334)	2,001
Cash flows provided by (used in) financing activities	11,677	(6,260)
Net change in cash and cash equivalents	(7,002)	989
Cash and cash equivalents, beginning of period	61,962	43,756
Cash and cash equivalents, end of period	$ 54,960	$ 44,745

See accompanying Notes to Consolidated Condensed Financial Statements.

THE PROMUS COMPANIES INCORPORATED
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
MARCH 31, 1994
(UNAUDITED)

Note 1 - Basis of Presentation

Promus is a hospitality company with two primary business segments: casino entertainment and hotels. Promus owns and operates casino entertainment hotels and riverboats under the brand name Harrah's. Harrah's casino hotels are in all five major Nevada and New Jersey gaming markets: Reno, Lake Tahoe, Las Vegas and Laughlin, Nevada; and Atlantic City, New Jersey. Harrah's riverboat casinos are in Joliet, Illinois; Shreveport, Louisiana; and Tunica and Vicksburg, Mississippi. Harrah's also has an ownership interest in and manages two limited stakes casinos in Black Hawk and Central City, Colorado. The hotel segment is composed of three hotel brands targeted to specific market segments: Embassy Suites, Hampton Inn and Homewood Suites.

The consolidated condensed financial statements include all the accounts of Promus and its subsidiaries after elimination of all significant intercompany accounts and transactions. Investments in 50% or less owned companies and joint ventures over which Promus has the ability to exercise significant influence are accounted for using the equity method. Promus reflects its share of income before interest expense of these nonconsolidated affiliates in revenues and operating income. Promus' proportionate share of the interest expense of such nonconsolidated affiliates is included in interest expense. (See Note 8.)

Certain amounts for the prior year first quarter have been reclassified to conform with the presentation for first quarter 1994.

Note 2 - Change in Accounting Policy

On October 3, 1994, Promus changed its accounting policy effective January 1, 1994, relating to preopening costs incurred during development of new casino entertainment and hotel projects. Promus' new policy is to capitalize preopening costs as incurred prior to opening and to expense them upon opening of each project. Previously, Promus' policy had been to capitalize such costs and amortize them to expense over 36 months from the date of opening. Operating results for the first quarter 1994 have been restated to reflect the cumulative charge against earings, net of income taxes, for this change in accounting policy of approximately $7.9 million or $0.08 per share.

Note 3 - Long-Term Debt

Interest Rate Agreements

Promus has entered into interest rate swap agreements, as summarized in the following table:

Associated Debt	Swap Rate (LIBOR+)	Effective Rate at March 31, 1994	Next Semi-Annual Rate Adjustment Date	Swap Agreement Expiration Date
10 7/8% Notes				
$200 million	4.731%	8.143%	April 15	October 15, 1997
8 1/4% Notes				
$50 million	3.42%	6.929%	May 15	May 15, 1998
$50 million	3.22%	6.688%	July 15	July 15, 1998

In accordance with the terms of the interest rate swap agreements, the effective interest rate on the 10 7/8% Notes was adjusted on April 15, 1994, to 9.159%. This rate will remain in effect until October 15, 1994.

Note 3 - Long-Term Debt (Continued)

Promus maintains interest rate protection, in the form of a rate collar transaction entered into in June 1990, on $140 million of its variable rate bank debt. The interest rate protection expires in 1995 and currently holds Promus' interest rate in a range between 9.3% and 12.5%.

Note 4 - Stockholders' Equity

On April 29, 1994, Promus' stockholders approved an amendment to the Certificate of Incorporation which increased the number of authorized common shares from 120 million to 360 million and reduced the par value per common share from $1.50 to $0.10. As a result of the change in par value, approximately $143.3 million and $143.2 million has been transferred as of March 31, 1994, and December 31, 1993, respectively, from common stock to capital surplus on the consolidated condensed balance sheets.

In addition to its common stock, Promus has the following classes of stock authorized but unissued:

Preferred stock, $100 par value, 150,000 shares authorized
Special stock, 5,000,000 shares authorized -
Series B, $1.125 par value

Note 5 - Supplemental Disclosure of Cash Paid for Interest and Taxes

The following table reconciles Promus' interest expense, net of interest capitalized, per the consolidated condensed statements of income, to cash paid for interest:

(In thousands)	First Quarter Ended March 31, 1994	First Quarter Ended March 31, 1993
Interest expense, net of interest capitalized	$25,737	$27,945
Adjustments to reconcile to cash paid for interest		
Promus' share of interest expense of nonconsolidated affiliates	(2,945)	(3,190)
Net change in accruals	(3,965)	(2,864)
Amortization of deferred finance charges	(814)	(1,293)
Net amortization of discounts and premiums	(54)	(546)
Cash paid for interest, net of amount capitalized	$17,959	$20,052
Cash payments for income taxes, net of refunds	$ 4,454	$(2,129)

Note 6 - Commitments and Contingent Liabilities

Contractual Commitments

Promus is pursuing many casino development opportunities that may require, individually and in the aggregate, significant commitments of capital, up-front payments to third parties, guarantees by Promus of third party debt and development completion guarantees. As of March 31, 1994, Promus has guaranteed third party loans of $65 million, which are secured by certain assets, and has contractual agreements to construct riverboat casino facilities of $44 million, excluding amounts previously recorded.

Promus manages certain hotels for others under agreements which provide for payments/loans to the hotel owners if stipulated levels of financial performance are not maintained. In addition, Promus is liable under certain lease agreements where it has assigned the direct obligation to third party interests. Promus believes the likelihood is remote that material payments will be required under these agreements. Promus' estimated maximum exposure under such agreements is currently less than $41 million over the next 30 years.

Note 6 - Commitments and Contingent Liabilities (Continued)

Guarantee of Insurance Contract

Promus' defined contribution savings plan includes a $12.9 million guaranteed investment contract with an insurance company. Promus has agreed to provide non-interest-bearing loans to the plan to fund, on an interim basis, withdrawals from this contract by retired or terminated employees. Promus' maximum exposure on this guarantee as of March 31, 1994, is approximately $7.8 million.

Self-Insurance

Promus is self-insured for various levels of general liability, workers' compensation and employee medical coverage. Insurance claims and reserves includes the accrual of estimated settlements for known and anticipated claims.

Severance Agreements

Promus has severance agreements with twelve of its senior executives which provide for payments to the executives in the event of their termination after a change in control, as defined, of Promus. These agreements provide, among other things, for a compensation payment equal to 2.99 times the average annual compensation paid to the executive for the five preceding calendar years, as well as for accelerated payment or accelerated vesting of any compensation or awards payable to the executive under any of Promus' incentive plans. The estimated amount, computed as of March 31, 1994, that would have been payable under the agreements to these executives based on earnings and stock options aggregated approximately $38 million.

Tax Sharing Agreement

In connection with the February 7, 1990 spin-off (the Spin-off) of the stock of Promus to stockholders of Holiday Corporation (Holiday), Promus is liable, with certain exceptions, for taxes of Holiday and its subsidiaries for all pre-Spin-off tax periods. Bass PLC (Bass) is obligated under the terms of the Tax Sharing Agreements to pay Promus the amount of any tax benefits realized from pre-Spin-off tax periods of Holiday and its subsidiaries. Negotiations with the IRS to resolve disputed issues for the 1985 and 1986 tax years were concluded and settlement reached during fourth quarter 1993. Final payment of the federal income taxes and related interest due under the settlement was made during second quarter 1994. The IRS has completed its examination of Holiday's federal income tax returns for 1987 through the Spin-off date and has issued its proposed adjustments to those returns. Federal income taxes and related interest assessed on agreed issues were paid during first quarter 1994. A protest of all unagreed issues for the 1987 through Spin-off periods was filed with the IRS during the third quarter of 1993 and negotiations to resolve disputed issues are currently expected to begin during the second half of 1994. Final resolution of the disputed issues is not expected to have a materially adverse effect on Promus' consolidated financial position or its results of operations.

Note 7 - Litigation

In February 1992, Bass and certain affiliates filed suit against Promus generally alleging breaches of representations and warranties under the Merger Agreement with respect to the 1990 Spin-off of Promus and acquisition of the Holiday Inn hotel business by Bass, violation of federal securities laws due to such alleged breaches, and breaches of the Tax Sharing Agreement between Bass and Promus entered into at the closing of the Merger Agreement. The complaint seeks an unspecified amount of damages, unspecified punitive or exemplary damages, and declaratory relief. Promus believes that it has complied with all applicable laws and agreements with Bass in connection with the Merger and is defending its position vigorously. Promus has filed (a) an answer denying, and asserting affirmative defenses to, the substantive allegations of the complaint and (b) counterclaims alleging that Bass has breached the Tax Sharing Agreement, the Merger Agreement and agreements ancillary to the Merger Agreement. The counterclaims request unspecified compensatory damages, injunctive and declaratory relief and Promus' costs, including reasonable attorneys fees and expenses. Discovery has begun, but no trial date has been set.

In addition to the matter described above, Promus is also involved in various inquiries, administrative proceedings and litigation relating to contracts, sales of property and other matters arising in the normal course of business. While any proceeding or litigation has an element of uncertainty, management believes that the final outcome of these matters will not have a materially adverse effect upon Promus' consolidated financial position or its results of operations.

Note 8 - Nonconsolidated Affiliates

Combined summarized income statements of nonconsolidated affiliates which Promus accounted for on the equity basis for the first quarter ended March 31, 1994 were as follows:

(In thousands)	First Quarter Ended March 31, 1994	First Quarter Ended March 31, 1993
Revenues	$217,880	$206,591
Operating income	$ (6,666)	$ 5,986
Net income (loss)	$(20,420)	$(11,592)

Promus' share of nonconsolidated affiliates' combined net operating results are reflected in the accompanying consolidated condensed statements of income as follows:

(In thousands)	First Quarter Ended March 31, 1994	First Quarter Ended March 31, 1993
Pre-interest operating income (included in Revenues-other)	$ 660	$ 3,402
Interest expense (included in Interest expense)	$ (2,945)	$ (3,190)

(In thousands)	March 31, 1994	Dec. 31, 1993
Promus' investments in and advances to nonconsolidated affiliates		
At equity	$42,562	$35,893
At cost	34,799	34,157
	$77,361	$70,050

The values of certain of Promus' joint venture investments have been reduced below zero due to Promus' intention to fund its share of operating losses in the future, if needed. The total amount of these negative investments included in deferred credits and other liabilities on the consolidated condensed balance sheets was $4.7 million and $5.1 million at March 31, 1994, and December 31, 1993, respectively.

Note 9 - Summarized Financial Information

Embassy is a wholly-owned subsidiary and the principal asset of Promus. Summarized financial information of Embassy as of March 31, 1994 and December 31, 1993, and for the first quarter ended March 31, 1994 and 1993, prepared on the same basis as Promus, was as follows:

(In thousands)	March 31, 1994	Dec. 31, 1993
Current assets	$ 157,673	$ 165,753
Land, buildings, riverboats and equipment, net	1,362,370	1,338,202
Other assets	295,101	290,454
	1,815,144	1,794,409
Current liabilities	212,458	240,438
Long-term debt	853,894	839,804
Other liabilities	154,243	150,646
Minority interest	21,490	14,984
	1,242,085	1,245,872
Net assets	$ 573,059	$ 548,537

(In thousands)	First Quarter Ended March 31, 1994	March 31, 1993
Revenues	$345,185	$268,767
Operating income	$ 84,963	$ 54,809
Income before income taxes and minority interest	$ 54,119	$ 20,614
Income before extraordinary items and cumulative effect of change in accounting policy	$ 27,106	$ 12,001
Net income	$ 19,174	$ 10,992

The agreements governing the terms of Promus' debt contain certain covenants which, among other things, place limitations on Embassy's ability to pay dividends and make other restricted payments, as defined, to Promus. Pursuant to the terms of the most restrictive covenant regarding restricted payments, approximately $562.2 million of Embassy's net assets were not available for payment of dividends to Promus as of March 31, 1994.

THE PROMUS COMPANIES INCORPORATED
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 1994
(UNAUDITED)

Note 10 - Operating Segment Information

Operating results for Promus' operating segments for the first quarter ended March 31, 1994 and 1993, were as follows:

(In thousands)	First Quarter Ended March 31, 1994	First Quarter Ended March 31, 1993
Casino Entertainment Segment Operating Data		
Revenues		
Casino	$243,010	$166,180
Food and beverage	36,415	31,090
Rooms	23,779	22,677
Management fees	258	-
Other	14,250	10,509
Less: casino promotional allowances	(28,998)	(21,688)
Total revenues	288,714	208,768
Operating expenses		
Departmental direct costs		
Casino	112,634	82,637
Food and beverage	18,324	14,800
Rooms	8,063	7,099
Other	83,259	66,351
Total operating expenses	222,280	170,887
Operating income	$ 66,434	$ 37,881
Hotel Segment Operating Data		
Revenues		
Rooms	$ 27,331	$ 34,495
Franchise and management fees	15,562	12,920
Food and beverage	1,991	2,106
Other	10,446	9,421
Total revenues	55,330	58,942
Operating expenses		
Departmental direct costs		
Rooms	13,729	17,948
Food and beverage	1,861	2,139
Other	20,027	21,843
Total operating expenses	35,617	41,930
	19,713	17,012
Property transactions	(198)	(265)
Operating income	$ 19,515	$ 16,747
Other Operations Segment Operating Data		
Revenues	$ 1,743	$ 1,497
Operating expenses	1,022	1,268
Operating income	$ 721	$ 229

Item 2. Management's Discussion and Analysis
of Financial Condition and Results of Operations

The following discussion and analysis of The Promus Companies Incorporated's (Promus) financial position and operating results for first quarter 1994 and 1993 complements and updates the Management's Discussion and Analysis of Financial Position and Results of Operations (MD&A) presented in Promus' 1993 Annual Report. The following information should be read in conjunction with the 1993 Annual Report MD&A disclosure. References to Promus include its consolidated subsidiaries where the context requires.

Promus operates four leading hospitality brands comprising two business segments: a casino entertainment segment consisting of Harrah's, one of the world's premier names in the casino entertainment industry, and a hotel segment composed of three established brands, Embassy Suites, Hampton Inn and Homewood Suites (collectively Promus Hotels), targeted at specific market segments. A fourth hotel brand, Hampton Inn & Suites, was introduced in late 1993 and is designed to target a new development segment not addressed by the existing brands.

Unit growth in both business segments, particularly the addition of four riverboat casinos, and reduced interest expense contributed to a 41.9% increase in cash flow from operations for first quarter 1994 over the comparable prior year period. The extension of debt maturities to 1998 and beyond achieved by a debt refinancing strategy completed in 1993 allows Promus to invest its increasing cash flows from operations in opportunities to further grow its businesses, either through development of new projects or expansion of existing facilities.

CAPITAL SPENDING AND DEVELOPMENT

From six land-based casinos in operation in the traditional markets of Nevada and New Jersey at the end of first quarter 1993, Promus' casino entertainment segment has grown to include thirteen properties located in six states, including the latest riverboat casino addition, Harrah's Shreveport. In recognition of the additional opportunities presented by the proliferation of casino gaming, Promus continues to focus the majority of its capital spending on casino development opportunities.

Casino Entertainment

To maintain its leading position in the casino entertainment industry and to further build the value of Harrah's as a national casino brand, Promus is continuing its development of previously announced projects and its investigation and pursuit of additional development opportunities in emerging markets throughout the U.S. and, to a lesser extent, abroad.

Harrah's New Orleans

On July 21, 1993, the Louisiana Economic Development and Gaming Corporation (LEDGC) issued its second Request for Qualifications and Proposals (1993 RFP) to own and operate the sole land-based casino permitted by law to operate in Orleans Parish (permanent casino). On August 11, 1993, LEDGC selected a partnership comprised of a Promus subsidiary and a corporation owned by Louisiana investors (First Partnership) as the winning proposer, under the 1993 RFP, to own and operate the permanent casino. After this selection, it was necessary that the First Partnership secure control of the site of the Rivergate Convention Center (Rivergate), the legally mandated site of the permanent casino. To obtain this control, a new partnership (Second Partnership) was formed among the partners of the First Partnership and the holder of the sublease of the Rivergate, design changes to the proposed permanent casino were made in order to obtain zoning approval and governmental approvals to the assignment of the Rivergate sublease, and the sublease for the Rivergate was assigned to Second Partnership. Additional properties were acquired by the Second Partnership and a sublease was entered into with the City of New Orleans' Rivergate Development Corporation to enable the Second Partnership to provide a temporary casino at the City of New Orleans' Municipal Auditorium. Documentation was delivered to LEDGC by the First Partnership describing and requesting approval of the design, cost, financing and ownership modifications incidental to obtaining control of the Rivergate. On April 22, 1994, the Louisiana Attorney General issued an opinion that LEDGC could not accept these modifications under the Louisiana Economic Development and Gaming Corporation Law. On April 27, 1994, LEDGC cancelled the 1993 RFP. On April 29, 1994, LEDGC issued a new Request for Qualifications and Proposals (Applications) (the 1994 RFP).

First Partnership has appealed to state courts for judicial review of the action of LEDGC and also has requested a rehearing by LEDGC. Second Partnership intends to submit an application in response to the 1994 RFP. The 1994 RFP requires a phased response, the first phase response due May 13, 1994, and the second and final phase due May 20, 1994. LEDGC will review applications, hold public hearings, and select an applicant based upon LEDGC's evaluation of its proposal with respect to stated evaluation factors. The Company believes that this process will be completed by the end of second quarter 1994 absent changes occasioned by rehearing or judicial intervention. Because of the 1994 RFP, negotiations toward a casino operating contract between First Partnership and LEDGC have been suspended. As a result of these unanticipated delays and assuming that the 1994 RFP proceeds without interruption, the application of the Second Partnership is selected by LEDGC and the satisfaction of other contingencies discussed below, the projected opening dates for the temporary casino and permanent casino will be delayed until fourth quarter 1994 and fourth quarter 1995, respectively. Opening of the casino facilities by the Second Partnership may be precluded if its application is not selected by LEDGC.

The estimated cost of the project is $730 million, which is expected to be financed through a combination of partner capital contributions, public debt securities, bank debt and operating cash flow from the temporary casino. The Second Partnership is currently in process of registering a public offering of $425 million of debt and arranging $200 million of bank debt. The total capital contribution of Promus' subsidiary is expected to be $23.3 million. Promus has agreed to provide completion guarantees for the project, subject to certain conditions and exceptions, in exchange for a fee to be paid by the Second Partnership. Before the Second Partnership can begin construction of either the planned 76,000 square foot temporary casino or the proposed 400,000 square foot permanent casino (200,000 square feet of casino space), other conditions and legal issues pertinent to the transaction must be satisfied, including obtaining the casino operating contract from LEDGC, obtaining financing, and satisfying other governmental requirements.

Litigation concerning title to a portion of the land underlying the permanent casino site was decided favorably at the trial court level. An appeal of the trial court decision was filed on May 2, 1994. If this appeal is decided unfavorably, it may delay or prevent opening of the casino facilities or otherwise adversely affect their operations.

Riverboat Casino Development

During January 1994, Promus launched its second Joliet, Illinois-based riverboat casino, the Harrah's Southern Star, which shares shoreside facilities with its sister ship, the Northern Star. On April 18, 1994, Promus christened the Shreveport Rose, a dockside riverboat casino located in downtown Shreveport, Louisiana, and the fifth floating casino to join Promus' growing fleet. In addition to the five riverboat casinos now operating, Promus has previously announced two riverboat casino projects to be developed in the state of Missouri. Following the failure of a statewide referendum that would have approved games of chance for proposed casino developments in Missouri and would have resolved the uncertainty which resulted earlier this year when a state court ruling cast doubt on the permissibility of offering certain types of games in casinos, Promus is reevaluating its development plans and opportunities in this state, as discussed in the following paragraphs.

In North Kansas City, Promus is developing a classic sternwheeler-designed riverboat casino featuring approximately 33,000 square feet of casino space. Approximately $27.4 million of the total estimated project cost of $82.6 million had been spent as of the end of first quarter 1994. Development of the North Kansas City project is proceeding and the project is expected to open on schedule during third quarter 1994 featuring certain types of games determined to have an element of skill under the court ruling. Various factors may affect this determination including legislative initiatives, regulatory interpretation and, ultimately, judicial action.

Promus' second Missouri riverboat casino is to be located in Maryland Heights, a suburb of St. Louis. $14.3 million of the total announced project cost of $82.0 million had been spent as of the end of first quarter 1994, primarily related to construction of the riverboat casino, which will feature 27,500 square feet of casino space. Although construction of the riverboat is continuing, construction of the related shoreside facilities has not yet commenced and a decision concerning the fourth quarter 1994 scheduled opening of this property has not been made.

The opening of both Missouri projects is subject to the approval of various regulatory bodies.

Subsequent to the end of first quarter, Promus executed its option to acquire an additional interest in the joint venture which owns and operates the riverboat casino in Shreveport, Louisiana. As a result of this transaction, Promus' ownership interest in the joint venture will increase from approximately 86% to 96%, subject to the approval of state regulators.

Indian Lands

Promus has entered into management and development agreements for a planned $24.7 million casino entertainment facility near Phoenix, Arizona, to be owned by the Ak-Chin Indian Community of the Maricopa Indian Reservation. Promus does not expect to fund this development, although it has agreed to guarantee the related bank financing. Commencement of construction, expected to begin during second quarter 1994, and the opening of the facility are subject to the receipt of approvals from various regulatory agencies, including the National Indian Gaming Commission. Promus will manage the facility for a fee. The Tribal/State Compact between the Ak-Chin Community and the State of Arizona has received approval from the U.S. Department of the Interior.

Promus is in various stages of negotiations with a number of other Indian communities to develop and/or manage facilities on Indian lands.

International

Promus and its local partner are constructing a casino in Auckland, New Zealand. Promus will contribute $15 million in exchange for a 20% interest in the partnership and will manage the facility for a fee. Construction of the $150 million project, to be financed through a combination of partner contributions and non-recourse debt, is expected to be completed and the facility to be in operation in first quarter 1996.

Existing Land-Based Facilities

On-going refurbishment and maintenance of Promus' existing casino entertainment facilities in Nevada and New Jersey continues to maintain the quality standards set for these properties. No major additions of casino square footage or hotel rooms are currently under way at these properties.

Overall

In addition to the projects discussed above, Promus is also aggressively pursuing additional casino entertainment development opportunities in various new jurisdictions across the United States and abroad, although no definitive development agreements have been signed and no material capital commitments to construct additional facilities have been made to third parties at this time. Until all necessary approvals to proceed with development of a project are obtained from the relevant regulatory bodies, the costs of pursuing casino entertainment projects are expensed as incurred. Construction-related costs incurred after the receipt of necessary approvals are capitalized and depreciated over the estimated useful life of the resulting asset.

A number of these casino entertainment development projects, if they go forward, may require, individually and in the aggregate, a significant capital commitment and, if completed, may result in significant additional revenues. The commitment of capital, the timing of completion and the commencement of operations of casino entertainment development projects are contingent upon, among other things, negotiation of final agreements and receipt of approvals from the appropriate political and regulatory bodies.

Hotel

Promus' three established hotel brands continued their steady growth during first quarter 1994 with the opening of ten additional franchised properties. An additional 55 franchised properties, comprised of 49 Hampton Inns, four Embassy Suites and two Homewood Suites, were under construction or conversion to Promus brands at March 31, 1994.

Construction of a company-owned prototype of a downsized Homewood Suites property suitable for smaller markets will begin during second quarter 1994. The prototype is expected to be completed by the end of 1994 at a cost of less than $6 million. Three Hampton Inn & Suites hotels, a new concept combining rooms and suites in a single property introduced by Promus hotels in late 1993, were approved for development during first quarter 1994. The first Hampton Inn & Suites property is expected to open in first quarter 1995.

To increase distribution and awareness of its Homewood Suites brand, subsequent to the end of first quarter 1994 Promus announced plans to expand the brand by developing 20 to 25 additional properties over the next three years. A total of up to $150 million is expected to be required over the three year period to fund this development.

Summary

Cash needed to finance projects currently under development as well as additional projects being pursued by Promus will be made available from operating cash flows, the Bank Facility (see DEBT REFINANCING ACTIVITIES section), joint venture partners, specific project financing, guarantees by Promus of third party debt, sales of existing hotel assets and, if necessary, Promus debt and/or equity offerings. Including $58.3 million spent during first quarter 1994, Promus currently estimates $325 million to $375 million of cash from all sources will be required during 1994 to fund project development, including the projects discussed in this CAPITAL SPENDING AND DEVELOPMENT section, refurbishment of existing facilities and other projects.

DEBT AND LIQUIDITY

Bank Facility

At March 31, 1994, $185.0 million in borrowings were outstanding under Promus' reducing revolving and letter of credit facility (the Bank Facility). An additional $220.5 million of the Bank Facility was committed to back certain letters of credit, including a $204.7 million letter of credit supporting the existing 9% Notes. After consideration of these borrowings, $244.5 million was available to Promus under the Bank Facility as of March 31, 1994. Subsequent to the end of the first quarter, Promus funded the scheduled retirement of $39.1 million of 10 1/2% notes using borrowings under the Bank Facility.

Debt Rating Upgrade

A primary financial objective was fulfilled subsequent to the end of the quarter with the announcement by Standard and Poor's that it had upgraded Promus' implied senior debt rating to investment grade status. As a result of achieving investment grade status, the interest rate on Promus' Bank Facility will be reduced by 1/4 of 1% during third quarter 1994. This reduction in the interest rate will remain in force so long as the investment grade status is maintained.

Interest Rate Agreements

In prior years, Promus entered into various interest rate swap agreements as summarized in the following table:

Associated Debt	Swap Rate (LIBOR+)	Rate at Mar. 31, 1994	Next Semi-Annual Rate Adjustment Date	Swap Agreement Expiration Date
10 7/8% Notes				
$200 million	4.731%	8.143%	April 15	October 15, 1997
8 3/4% Notes				
$50 million	3.42%	6.929%	May 15	May 15, 1998
$50 million	3.22%	6.688%	July 15	July 15, 1998

In accordance with the terms of the interest rate swap agreements, the effective interest rate on the 10 7/8% Notes was adjusted on April 15, 1994, to 9.159%. This rate will remain in effect until October 15, 1994.

Promus maintains interest rate protection, in the form of a rate collar transaction entered into in June 1990, on $140 million on its variable rate bank debt. The interest rate protection expires in 1995 and currently holds Promus' interest rate in a range between 9.3% and 12.5%.

Shelf Registration

Promus, through its wholly-owned subsidiary Embassy Suites, Inc. (Embassy), has registered up to $200 million of new debt securities pursuant to a shelf registration declared effective by the Securities and Exchange Commission. The terms and conditions of these debt securities, which will be unconditionally guaranteed by Promus, will be determined by market conditions at the time of issuance.

EQUITY TRANSACTIONS

On April 29, 1994, Promus' stockholders approved an amendment to the Certificate of Incorporation which increased the number of authorized common shares from 120 million to 360 million and reduced the par value per common share from $1.50 to $0.10. As a result of the change in the par value, approximately $143 million has been transferred from common stock to capital surplus on the balance sheet.

RESULTS OF OPERATIONS

Overall

(in millions, except earnings per share)	First Quarter 1994	First Quarter 1993	Percent Increase/ (Decrease)
Revenues	$345.8	$269.2	28.5 %
Operating income	86.7	54.9	57.9 %
Net income	20.3	11.0	84.5 %
Earnings per share	0.20	0.11	81.8 %
Operating margin	25.1%	20.4%	4.7 pts

First quarter 1994's record revenues, operating income and earnings per share are due primarily to unit growth attained in both segments, especially the addition of the riverboat casino properties, and lower overall cost of debt, which continues favorable operating trends noted during 1993. A summary of Promus' operating segments performance for the first quarter ended March 31, 1994 and 1993 is presented in Note 8 to the consolidated condensed financial statements.

First quarter 1994 operating results have been restated to reflect the cumulative effect of a change in accounting policy. On October 3, 1994, Promus changed its accounting policy effective January 1, 1994, for preopening costs to expense those costs upon opening of the new casino entertainment or hotel project. Previously, Promus had amortized preopening costs to expense over 36 months following the opening of the project. As a result of this change, Promus' first quarter 1994 results have been restated to include the write off of the unamortized preopening costs balances related to projects opened in prior years. The effect of this change on reported net income and earnings per share is as follows:

	First Quarter 1994 As Reported	First Quarter 1994 Restated
Net income	$27,372	$20,284
Earnings per share	0.27	0.20

The mix of Promus' operating income among the casino entertainment divisions, including the contribution now made by the Riverboat Casino Entertainment Division, and the growth experienced by the hotel segment reflect the increasing diversification of Promus' operations. The following table summarizes operating income before property transactions for the twelve month periods ended March 31, 1994, 1993 and 1992 in million of dollars and as a percent of the total for each of Promus' casino entertainment divisions and primary business segments:

Operating Income Contributions for the Twelve Months Ended March 31,

	In Millions of Dollars			Percent of Total		
	1994	1993	1992	1994	1993	1992
Casino Entertainment						
Southern Nevada	$ 79	$ 69	$ 59	24 %	28 %	28 %
Northern Nevada	79	69	61	24 %	28 %	27 %
Atlantic City	68	63	68	20 %	25 %	31 %
Riverboat	60	-	-	18 %	-	-
New Orleans	(3)	-	-	(1)%	-	-
Other	(19)	(13)	(7)	(6)%	(5)%	(3)%
Total	264	188	181	79 %	76 %	83 %
Hotel	68	57	37	20 %	23 %	17 %
Other	3	1	(1)	1 %	1 %	-
Total Promus	$335	$246	$217	100 %	100 %	100 %

Casino Entertainment

Promus' casino entertainment segment includes the combined results of Promus' casino entertainment properties located in Colorado, Illinois, Mississippi, Nevada and New Jersey. Overall revenues and operating income for the segment increased 38.3% and 75.4%, respectively, for first quarter 1994 over the comparable prior year period. This growth is primarily a result of the first quarter 1994 operating contributions made by the Riverboat Casino Entertainment Division, partially offset by the recognition of Promus' pro-rata share of Harrah's New Orleans preopening-related costs. Included in both periods are development costs related to Promus' pursuit of additional casino entertainment projects. The amounts of these development costs charged to casino entertainment segment other operating expense for first quarter 1994 and 1993 were $3.6 million and $1.4 million, respectively.

Riverboat Division

(in millions)	First Quarter 1994
Revenues	$ 83.1
Operating income	31.5
Operating margin	37.9%
Gaming volume	$790.5

The Riverboat Division includes the operations of four riverboats, all of which opened subsequent to the end of first quarter 1993, as well as the results of the Division's group staff function. The higher operating margin achieved by this Division reflects operational differences between a riverboat facility and a conventional land-based property and limited competition currently faced by facilities opening in new, emerging markets.

Southern Nevada

(in millions)	First Quarter 1994	First Quarter 1993	Percent Increase/ (Decrease)
Revenues	$ 71.4	$ 69.7	2.4 %
Operating income	18.3	18.8	(2.7)%
Operating margin	25.6%	26.9%	(1.3)pts
Gaming volume	$754.9	$742.3	1.7 %

The increase in first quarter revenues for the Southern Nevada region is due to record revenue at Harrah's Las Vegas, which benefited from the increased visitation to the market prompted by the late-1993 openings of three "mega" properties. However, total operating income and operating margin for the region declined due to lower results posted by Harrah's Laughlin as the Laughlin market continues to absorb new capacity and as its traditional customers tried some of the new Las Vegas properties.

Northern Nevada

(in millions)	First Quarter 1994	First Quarter 1993	Percent Increase/ (Decrease)
Revenues	$ 70.3	$ 67.6	4.0 %
Operating income	13.1	10.9	20.2 %
Operating margin	18.6%	16.1%	2.5 pts
Gaming volume	$808.6	$775.5	4.3 %

All three Northern Nevada properties reported first quarter operating income records. The region's continuing emphasis on costs savings and operating efficiencies enabled it to again achieve disproportionate growth in operating income and margins versus revenue growth. The revenue and gaming volume growth achieved by the region can be partially attributed to better weather compared to last year.

Atlantic City

(in millions)	First Quarter 1994	First Quarter 1993	Percent Increase/ (Decrease)
Revenues	$ 65.8	$ 70.4	(6.5)%
Operating income	10.4	10.4	-
Operating margin	15.7%	14.7%	1.0 pts
Gaming volume	$684.6	$650.1	5.3 %

The decline in revenues for Atlantic City reflects the impact of inclement weather, construction on the casino floor, a decline in table game volume and a lower table hold percentage. The increase in total gaming volume reflects an increase in slot volume, which more than offset the decline in table play. An emphasis on managing expenses and targeting marketing dollars towards more profitable customer segments enabled the property to achieve a 1.0 percentage point increase in operating margin and match its prior year operating income, despite the decrease in revenues.

Harrah's New Orleans

Revenues and operating income for the casino entertainment segment include a loss of $3.2 million representing the equity pick-up of Promus' pro-rata share of preopening-related costs incurred by the joint venture developing Harrah's New Orleans. (See CAPITAL SPENDING AND DEVELOPMENT section.)

Hotel

(in millions, except rooms/hotels data)	First Quarter 1994	First Quarter 1993	Percent Increase/ (Decrease)
Revenues	$55.3	$58.9	(6.1)%
Operating income before property transactions	19.7	17.0	15.9 %
Operating margin	35.6%	28.9%	6.7 pts
Number of rooms	73,433	68,881	6.6 %
Number of hotels	511	462	10.6 %

Hotel segment revenues for first quarter 1994 declined from the comparable prior year period due to a decrease in the number of company-owned Embassy Suites properties. Despite the decline in revenues, the segment reported increased operating income for first quarter 1994 due to increases in franchise and management fees reflecting growth in the combined hotel systems and increased revenue per available room (suite) (RevPAR/S). Compared to the prior year period, total system RevPAR/S for the first quarter increased 6.2% at Hampton Inn, 5.4% at Embassy Suites and 5.4% at Homewood Suites. The number of room/suites at franchised properties and RevPAR/S significantly affects hotel segment results since franchise royalty fees are based upon rooms/suites revenues at franchised hotels. Also contributing to the operating income and margin improvements for the hotel segment are overhead cost savings being achieved as a result of consolidation of hotel brand management into a single organization structure announced in third quarter 1993.

Other Factors Affecting Income Per Share

(in millions)	First Quarter 1994	First Quarter 1993	Percent Increase/ (Decrease)
Property transaction (gains) losses, net	$ 0.2	$ 0.3	NM
Corporate expense	5.5	6.7	(17.9)%
Interest expense	25.7	27.9	(7.9)%
Interest and other income	(0.4)	(0.4)	-
Effective tax rate	41.0%	41.8%	(0.8)pts
Minority interest	$ 4.7	$ -	-
Extraordinary loss, net	-	1.1	NM
Cumulative effect of change in accounting policy, net	(7.9)	-	NM

Corporate expense decreased primarily due to timing and reimbursement of certain expenses. The decrease in interest expense is due to the impact of lower interest rates on Promus' variable rate debt and lower overall levels of debt. Minority interest reflects joint venture partners' shares of income at joint venture riverboat casinos. The extraordinary loss recorded in the prior year related to the write-off of unamortized deferred finance charges due to the early retirement of the related debt. The cumulative effect of change in accounting policy reflects the write-off of unamortized preopening costs associated with projects opened in prior years.

Tax Matters

The effective tax rate for both periods is higher than the federal statutory rate due primarily to state income taxes.

In connection with the spin-off of Promus' stock (the Spin-off) to Holiday Corporation (Holiday) stockholders on February 7, 1990, Promus is liable, with certain exceptions, for the taxes of Holiday and subsidiaries for all pre-Spin-off tax periods. Negotiations with the Internal Revenue Service (IRS) to resolve disputed issues for the 1985 and 1986 tax years were concluded and a settlement reached during fourth quarter 1993. Final payment of the federal income taxes and related interest due under the settlement was made during second quarter 1994. The IRS has completed its examination of Holiday's federal income tax returns for 1987 through the Spin-off date and has issued its proposed adjustments to those returns. Federal income taxes and related interest assessed on agreed issues were paid during first quarter 1994. A protest defending the taxpayer's position on all unagreed issues for the 1987 through Spin-off periods was filed with the IRS during third quarter 1993 and negotiations to resolve disputed issues are currently expected to begin during the second half of 1994. Final resolution of the disputed issues is not expected to have a materially adverse effect on Promus' consolidated financial position or its results of operations.

EFFECTS OF CURRENT ECONOMIC AND POLITICAL CONDITIONS

The casino entertainment industry is experiencing expansion in both existing markets and new jurisdictions. In the Las Vegas market, three competitors opened new casino "mega" facilities during fourth quarter 1993 adding more than 350,000 square feet of casino space and 10,000 rooms to the market. In Laughlin, expansions by competitors completed in 1993 increased the number of rooms available in that market by 12%. In Reno, competitors have announced new projects which, if constructed, will add significant additional casino space and hotel rooms to that market. In addition, the proliferation of casino gaming activity in many new jurisdictions continues due to the widespread growing acceptance of casino gaming as a form of entertainment and as an alternative tax revenue source for municipalities and states. Also furthering the proliferation of casino gaming has been the Indian Gaming Regulatory Act of 1988 which, as of May 10, 1994, had resulted in the approval of 107 compacts for the development of casinos on Native American lands in 19 states. Promus is not able to determine the impact, whether favorable or unfavorable, that these developments will have on the markets in which it currently operates. However, management believes that the current balance of its operations among the existing casino entertainment divisions and the hotel segment as discussed above, combined with the further geographic diversification and the continuing pursuit of the Harrah's national brand strategy presently underway in its casino entertainment segment, have well-positioned Promus to face the challenges presented by these developments and will reduce the potentially negative impact these new developments may have on Promus' overall operations.

INTERCOMPANY DIVIDEND RESTRICTION

Agreements governing the terms of its debt require Promus to abide by covenants which, among other things, limit Embassy's ability to pay dividends and make other restricted payments, as defined, to Promus. The amount of Embassy's restricted net assets, as defined, computed in accordance with the most restrictive of these covenants regarding restricted payments, was approximately $562.2 million at March 31, 1994. Promus' principal asset is the stock of Embassy, a wholly-owned subsidiary. Embassy holds, directly and through subsidiaries, the principal assets of Promus' businesses. Given this ownership structure, these restrictions should not impair Promus' ability to conduct its business through its subsidiaries or to pursue its development plans.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

EX-3.1	Certificate of Incorporation of The Promus Companies Incorporated.*
EX-3.2	Certificate of Amendment of Certificate of Incorporation of The Promus Companies Incorporated dated April 29, 1994.*
EX-3.3	Bylaws of The Promus Companies Incorporated, as amended April 29, 1994.*
EX-10.1	The Promus Companies Incorporated 1990 Stock Option Plan, as amended April 29, 1994.*
EX-10.2	Second Amendment dated March 31, 1994 to the Amended and Restated Partnership Agreement of Harrah's Jazz Company.*
EX-11	Computation of per share earnings.**

(b) No reports on Form 8-K were filed during the quarter ended March 31, 1994.

* Previously filed.

** Filed herewith.

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

THE PROMUS COMPANIES INCORPORATED

October 11, 1994

BY: MICHAEL N. REGAN

Michael N. Regan
Vice President and Controller
(Chief Accounting Officer)

Exhibit Index

Exhibit No.	Description	Sequential Page No.
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* Previously filed.

** Filed herewith.

THE PROMUS COMPANIES INCORPORATED
COMPUTATION OF PER SHARE EARNINGS

	First Quarter Ended March 31, 1994	March 31, 1993
Income before extraordinary items	$ 28,216,000	$ 11,965,000
Extraordinary items, net	-	(1,009,000)
Cumulative effect of change in accounting policy, net	(7,932,000)	-
Net income	$ 20,284,000	$ 10,956,000
Primary earnings per share (1)		
Weighted average number of common shares outstanding	101,503,574	99,375,771
Common stock equivalents		
Additional shares based on average market price for period applicable to:		
Restricted stock	459,462	1,484,790
Stock options	944,198	391,314
Average number of primary common and common equivalent shares outstanding	102,907,234	101,251,875
Primary earnings per common and common equivalent share		
Income before extraordinary items	$ 0.28	$ 0.12
Extraordinary items	-	(0.01)
Change in accounting policy	(0.08)	-
Net income	$ 0.20	$ 0.11
Fully diluted earnings per share (1)		
Average number of primary common and common equivalent shares outstanding	102,907,234	101,251,875
Additional shares based on period-end price applicable to:		
Restricted stock	11,618	32,616
Stock options	-	100,635
Average number of fully diluted common and common equivalent shares outstanding	102,918,852	101,385,126
Fully diluted earnings per common and common equivalent share		
Income before extraordinary items	$ 0.28	$ 0.12
Extraordinary items	-	(0.01)
Change in accounting policy	(0.08)	-
Net income	$ 0.20	$ 0.11

(1) March 31, 1993 amounts have been retroactively adjusted for three-for-two stock split approved by Promus' Board of Directors on October 29, 1993.