# Caesars Entertainment Corporation

2Q 2016 Earnings Results

August 2, 2016

# Forward Looking Statements

Certain information in this presentation and discussed on the conference call which this presentation accompanies constitutes forward-looking information within the meaning of the Private Securities Litigation Reform Act of 1995. This information is based on the Company’s current expectations and actual results could vary materially depending on risks and uncertainties that may affect the Company’s operations, markets, services, prices and other factors as discussed in the Company’s filings with the Securities and Exchange Commission. These risks and uncertainties include, but are not limited to, industry and economic conditions, competitive, legal, governmental and technological factors. There is no assurance that the Company's expectations will be realized.

The forward-looking information in this presentation and discussed on the conference call which this presentation accompanies reflects the opinion of management as of today. Please be advised that developments subsequent to this call are likely to cause this information to become outdated with the passage of time. The Company assumes no obligation to update any forward-looking information contained in this presentation or discussed on the conference call which this presentation accompanies should circumstances change, except as otherwise required by securities and other applicable laws.

# Use of Non-GAAP Measures

The following non-GAAP measures will be used in the presentation and discussed on the conference call which this presentation accompanies:

- Adjusted EBITDA and Adjusted EBITDA Margin
- Property EBITDA
- CEC + CEOC, or enterprise-wide financial measures

Definitions of these non-GAAP measures, reconciliations to their nearest GAAP measures, and the reasons management believes these measures provide useful information for investors, can be found on Slide 3 and in the Appendix to this presentation, beginning on Slide 29.

# Important Information about Presentation of Results

On January 15, 2015, Caesars Entertainment Operating Company, Inc. filed a voluntary bankruptcy petition under Chapter 11 of the United States Bankruptcy Code, resulting in the deconsolidation of CEOC effective as of such date. As such, amounts presented in this presentation exclude the operating results of CEOC subsequent to January 15, 2015, unless otherwise stated, and analysis of our operating results in this presentation and as may be discussed on the conference call which this presentation accompanies include those components that remain in the consolidated CEC entity subsequent to the deconsolidation of CEOC. "Continuing CEC" represents CERP, CGP Casinos, CIE, and associated parent company and elimination adjustments that represent the current CEC consolidated structure.

However, we are also providing certain supplemental information as if we had continued to consolidate CEOC throughout the second quarter of 2016. This information includes both stand-alone CEOC financials and key metrics for the second quarter of 2016, and certain financial information for CEC as if CEOC remained a consolidated entity during the quarter. This information within this presentation may be different from CEOC's standalone results separately provided due to immaterial adjustments, rounding, and basis of presentation differences. CEC has committed to a material amount of payments to support CEOC's restructuring, which would result in the reacquisition of CEOC's operations if the restructuring is made on terms consistent with the current Restructuring Support Agreement to which CEC is a party ("RSAs"). 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 entire "Caesars" enterprise, including CEOC and consistent with the management services provided across the system's properties.

As a result of the deconsolidation of CEOC, CEC generates no direct economic benefits from CEOC's results. This supplemental information is non-GAAP. It is not preferable to GAAP results provided elsewhere in this presentation or discussed on the conference call this presentation accompanies, but is used by management as an analytical tool to assess the results of all properties owned, managed or branded by a Caesars entity, regardless of consolidation. Additionally, the results are not necessarily indicative of future performance or of the results that would be reported should the reorganization of CEOC contemplated by the RSAs be successfully completed.

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

# Operating Structure[1]

## Caesars Entertainment Corporation (NASDAQ: CZR)

## Caesars Acquisition Company (NASDAQ: CACQ)

Majority Ownership

100%

61% economic interest through Class B Non-Voting Units

39% economic interest through Class A Voting Units

### Caesars Entertainment Operating Company (CEOC)

Owned – *U.S.*

- Bally's Atlantic City
- Caesars Atlantic City
- Caesars Palace Las Vegas
- Harveys Lake Tahoe
- Harrah's Lake Tahoe
- Harrah's Reno
- Harrah's North Kansas City
- Harrah's Joliet
- Harrah's Metropolis
- Harrah's Council Bluffs
- Horseshoe Council Bluffs
- Horseshoe Hammond
- Horseshoe Southern Indiana
- Horseshoe Tunica
- Tunica Roadhouse
- Harrah's Gulf Coast
- Harrah's Philadelphia
- Horseshoe Bossier City
- Harrah's Louisiana Downs

*International*

- Alea Glasgow
- Alea Nottingham
- The Casino at the Empire
- Manchester235
- Playboy Club London
- Rendezvous Brighton
- Rendezvous Southend-on-Sea
- The Sportsman
- Emerald Safari

*Managed*

- Caesars Cairo
- The London Clubs Cairo-Ramses
- Caesars Windsor
- Harrah's Ak-Chin
- Harrah's Cherokee
- Harrah's Cherokee Valley River
- Harrah's Resort Southern California

### Caesars Entertainment Resort Properties (CERP)

- Flamingo Las Vegas
- Harrah's Atlantic City
- Harrah's Las Vegas
- Harrah's Laughlin
- Paris Las Vegas
- Rio All-Suites Hotel & Casino
- LINQ Promenade and High Roller
- Octavius Tower at Caesars Palace

### Caesars Growth Partners (CGP)

- Caesars Interactive Entertainment
- Bally's Las Vegas
- The Cromwell
- Harrah's New Orleans
- Horseshoe Baltimore
- Planet Hollywood Resort & Casino
- The LINQ Hotel & Casino

69%

20%

11%

### Caesars Enterprise Services (CES)[2]

[1] The Caesars Entertainment portfolio of properties operates 47 casino properties in 13 U.S. states and five countries; Does not include all subsidiaries

[2] CGP, CERP and CEOC are linked together through common ownership of CES – which manages and provides certain corporate and administrative services for all entities

# Today’s Agenda

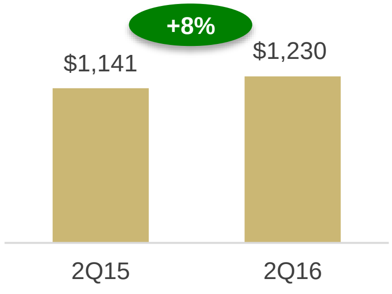
- **Overview** – Mark Frissora, CEO
- **2Q 2016 Financial Performance** – Eric Hession, CFO
- **Summary** – Mark Frissora, CEO
- **Q&A Session**

# 2Q16 Financial Summary

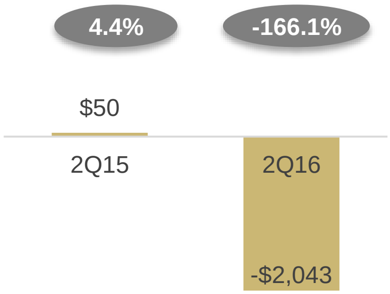
## CEC[1]

$ millions

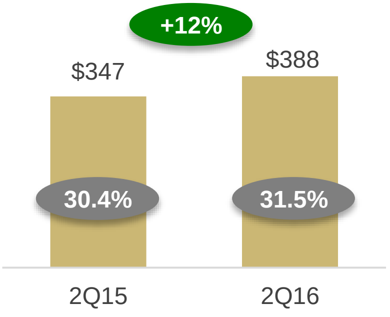
### Net Revenue




### Net Income & Margin[2]



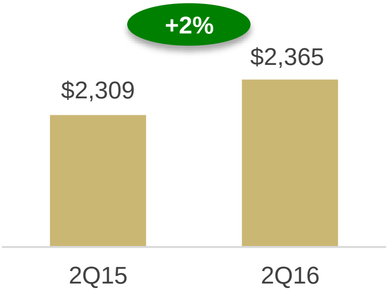

### Adjusted EBITDA & Margin[3]



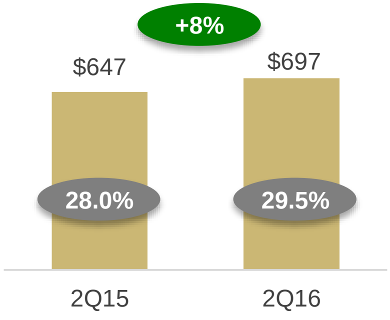

## Enterprise-wide[3]

$ millions

### Net Revenue




### Adjusted EBITDA & Margin




(1) Does not include CEOC, which was deconsolidated by CEC subsequent to its bankruptcy filing on January 15, 2015
(2) Net loss in 2Q16 was driven by an accrual of $2 billion related to CEC's estimate of the amount it will pay to support the restructuring of CEOC as well as YoY increase in stock based compensation at CIE due to fair value estimates.
(3) This information is non-GAAP and is presented for the reasons described in the Appendix beginning on Slide 29.

# Cornerstone Initiatives

Our **cornerstone initiatives** continue to play a pivotal role in **strengthening our foundation** and **positioning us for future value creation**:

**Invigorating Hospitality and Loyalty Marketing Programs**

**Investing in Caesars' Infrastructure to Enhance Long-term Value**

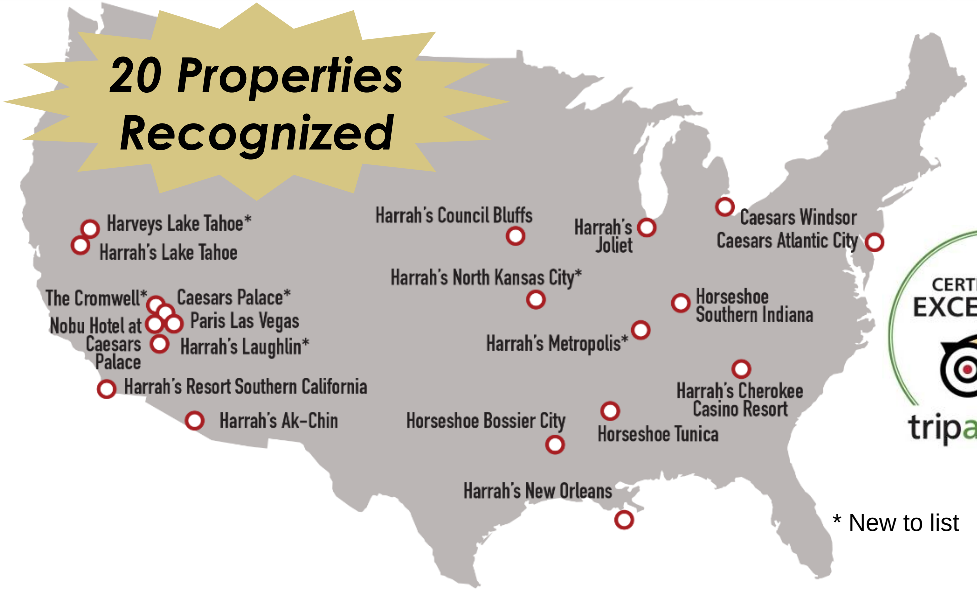
**Instituting a Continuous Improvement-focused Operating Model**

**Inspiring a Sales and Service Culture**

# Invigorating Hospitality and Loyalty Marketing Programs

**Loyalty360: Gold Award – Technology & Trends**


**TripAdvisor 2016 Certificate of Excellence**




2016 CERTIFICATE of EXCELLENCE tripadvisor

* New to list

**Caesars Palace 50th Anniversary Celebration**

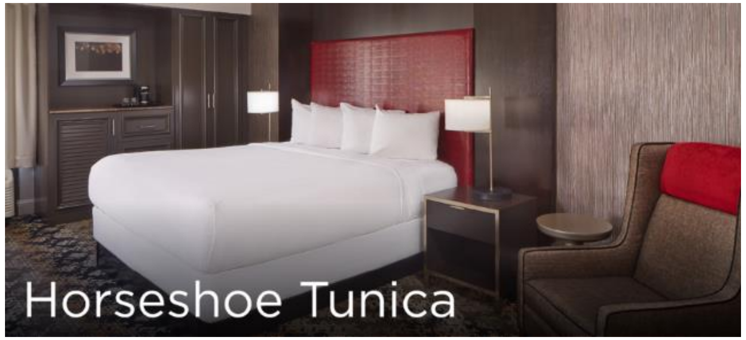
# Investing in Caesars' Infrastructure to Enhance Long-term Value: Room Product






***$25 - $40 Cash ADR increase post renovation depending on property peer group***

# Investing in Caesars' Infrastructure to Enhance Long-term Value: Room Product (cont.)








***$25 - $40 Cash ADR increase post renovation depending on property peer group***

# Investing in Caesars' Infrastructure to Enhance Long-term Value: Food & Beverage

MR CHOW
CAESARS PALACE

MONTECRISTO.
CIGAR BAR
CAESARS PALACE

BRIOCHE
BY GUY SAVOY


***Recently added at Caesars Palace***

# Investing in Caesars' Infrastructure to Enhance Long-term Value: Food & Beverage (cont.)

IN-N-OUT Burger


Canter's
RESTAURANT • BAKERY • DELICATESSEN

VIRGIL'S EST. 1994 REAL BARBECUE


GORDON RAMSAY FISH & CHIPS

Amorino®
GELATO DI QUALITÀ E TRADIZIONE

***New outlets scheduled to open at The LINQ Promenade***

# Investing in Caesars' Infrastructure to Enhance Long-term Value: Entertainment

# Instituting a Continuous Improvement-focused Operating Model


CODEGREEN®

| | | |
|---|---|---|
| ENERGY USE ↓2.8% | WATER USE ↓4.7% | WASTE ↓38% |
| energy use / 1,000 sq.ft. in 2015 vs. 2014 | water use / 1,000 sq.ft. in 2015 vs. 2014 | waste diverted from landfill in 2015 vs. 2014 |
| ENERGY USE ↓23.4% | WATER USE ↓20.4% | WASTE ↓210,379 TONS |
| cumulative reduction in energy use / 1,000 sq.ft. since 2007 | cumulative reduction in water use / 1,000 sq.ft. since 2008 | cumulative waste diverted from landfill since 2012 |

***Continuous improvement is evident in our environmental and sustainability efforts***

# Inspiring a Sales and Service Culture

### Employee engagement

- ✓ Inspiring passion for service
- ✓ Supporting a diverse and inclusive workplace
- ✓ Increased focus on training and development

### Improved productivity and retention

- ✓ Annual employee opinion survey
- ✓ Supervisory feedback survey
- ✓ HR scorecard

### Improved customer satisfaction

- ✓ Delivered YoY improvement in 2Q16 customer service and net promoter scores
- ✓ TripAdvisor 2016 Certificate of Excellence

# Future Accelerator of Growth: Gaming Innovation


***Create unique, appealing gaming environments with distinctive, innovative games***

# ERIC HESSION
# CHIEF FINANCIAL OFFICER

- 2Q16 CEC and Segment Results
- 2Q16 Supplemental Information
  - CEOC Results
  - Enterprise-wide Results (CEC + CEOC)
- Liquidity and Capex Review

# 2Q16 Results (CEC)

**Results exclude CEOC after January 15, 2015 due to deconsolidation**

| $ millions | 2Q16 | $ Change YoY Increase / (Decrease) |
|---|---|---|
| Casino revenue | $ 545 | $ 2 |
| F&B revenue | 204 | 1 |
| Room revenue | 235 | 14 |
| Interactive entertainment | 248 | 62 |
| Other revenue | 130 | 9 |
| Less: casino promotional allowances | (132) | 1 |
| Net Revenue | $ 1,230 | $ 89 |
| Net Income | $ (2,043) | $ (2,093) |
| *Margin* | *-166.1%* | *-17048 bp* |
| Adj EBITDA[1] | $ 388 | $ 41 |
| *Margin*[1] | *31.5%* | *113 bp* |

| Key drivers / statistics | 2Q16 | % Change YoY Increase / (Decrease) |
|---|---|---|
| Cash ADR | $ 125 | 8.4% |
| Occupancy | 94.1% | 0.5 ppts |

1. Adjusted EBITDA and EBITDA margin are non-GAAP measures. This information is presented for the reasons described on page 3 and is reconciled to the nearest GAAP measure in the Appendix, beginning on slide 29.

**Financial Performance**

- Net revenue +8% YoY
  - Organic growth in social and mobile games at CIE
  - Strong growth in hospitality revenue in Las Vegas
  - Gaming revenue growth at Horseshoe Baltimore
  - Lower gaming revenues primarily in Atlantic City and Las Vegas
- Net income declined $2,093 million YoY driven by an accrual of $2.0 billion in 2Q16 related to CEC's estimate of the amount it will pay to support the restructuring of CEOC and a $66 million expense related to the fair value adjustment of CIE's stock based compensation awards.
- Adjusted EBITDA +12% YoY mainly due to net revenue increases, improved hotel customer mix and efficiency initiatives.
- Hold impact to operating income:
  - Favorable ~$5 to $10 million relative to our expectation
  - Minimal hold impact YoY

# 2Q16 CERP Results

**CERP's business consists of six casino resort properties, largely located in Las Vegas, and the LINQ Promenade**

| $ millions | | $ Change YoY Increase / (Decrease) |
|---|---|---|
| | 2Q16 | |
| Casino revenue | $ 287 | $ (12) |
| F&B revenue | 136 | (1) |
| Room revenue | 144 | 6 |
| Other revenue | 79 | 1 |
| Less: casino promotional allowances | (84) | 2 |
| Net Revenue | $ 562 | $ (4) |
| Net Income | $ 8 | $ (9) |
| *Margin* | *1.4%* | *-158 bp* |
| Adj EBITDA[1] | $ 179 | $ (3) |
| *Margin* [1] | *31.9%* | *-30 bp* |

| Key drivers / statistics | 2Q16 | % Change YoY Increase / (Decrease) |
|---|---|---|
| Cash ADR | $ 123 | 8.1% |
| Occupancy | 93.1% | 0.1 ppts |

1. Adjusted EBITDA and EBITDA margin are non-GAAP measures. This information is presented for the reasons described on page 3 and is reconciled to the nearest GAAP measure in the Appendix, beginning on slide 29.

**Financial Performance**

- Net revenues -1% YoY
  - Lower gaming volumes in Las Vegas and Atlantic City
    - Las Vegas: largely driven by WSOP calendar shift as well as room inventory disruption from renovations at Harrah's
    - Atlantic City: primarily due a number of one time events
  - Unfavorable YoY hold
  - Hotel revenue growth
- Las Vegas properties faced tough YoY comparison due to record month of hotel revenues in May 2015. Inventory disruption at Harrah's Las Vegas affected 2Q16 revenues as there were over 10K room nights out of service due to renovations.
- Net income down $9 million YoY largely due to accelerated depreciation.
- Adjusted EBITDA -2% YoY. Performance mainly due to lower gaming revenues, which more than offset the benefits from marketing efficiencies, improved hotel customer mix and improved performance of The LINQ Promenade.
- Hold impact to operating income:
  - Favorable ~$0 to $5 million relative to our expectation
  - Unfavorable ~$0 to $5 million YoY

# 2Q16 CGP Results

**CGP's business consists of the interactive business and six destination market properties**

| $ millions | | | | |
|---|---|---|---|---|
| | | 2Q16 | | $ Change YoY Increase / (Decrease) |
| Net Revenue | $ | 672 | $ | 96 |
| CIE stock-based compensation | | 66 | $ | 59 |
| Net Income | $ | 15 | $ | (22) |
| *Margin* | | *2.2%* | | *-419 bp* |
| Adj EBITDA[1] | | 214 | | 53 |
| *Margin* [1] | | *31.8%* | | *389 bp* |

**Financial Performance**

- Net revenue +17% YoY
- Net income -60% YoY due to higher stock based compensation expense at CIE.
- Adjusted EBITDA +33% YoY driven mainly by organic growth in CIE's social and mobile games business, gaming volume increases at Horseshoe Baltimore and strength in hospitality revenues.

1. Adjusted EBITDA and EBITDA margin are non-GAAP measures. This information is presented for the reasons described on page 3 and is reconciled to the nearest GAAP measure in the Appendix, beginning on slide 29.

# 2Q16 CGP Casino Properties Segment Results

| $ millions | | 2Q16 | | $ Change YoY Increase / (Decrease) |
|---|---|---|---|---|
| Casino revenue | $ | 259 | $ | 14 |
| F&B revenue | | 68 | | 2 |
| Room revenue | | 91 | | 9 |
| Other revenue | | 53 | | 10 |
| Less: casino promotional allowances | | (48) | | (2) |
| Net Revenue | $ | 423 | $ | 33 |
| Net Income | $ | 19 | $ | 21 |
| *Margin* | | *4.5%* | | *500 bp* |
| Adj EBITDA[1] | | 114 | | 23 |
| *Margin* [1] | | *27.0%* | | *362 bp* |

| Key drivers / statistics | | 2Q16 | % Change YoY Increase / (Decrease) |
|---|---|---|---|
| Cash ADR | $ | 129 | 8.7% |
| Occupancy | | 96.0% | 1.1 ppts |

1. Adjusted EBITDA and EBITDA margin are non-GAAP measures. This information is presented for the reasons described on page 3 and is reconciled to the nearest GAAP measure in the Appendix, beginning on slide 29.

**Financial Performance**

- Net revenue +9% YoY
    - Gaming revenue growth at Horseshoe Baltimore
    - Increases in entertainment revenue at Planet Hollywood
    - Higher hotel revenues at The LINQ Hotel
    - Favorable YoY hold
- Net income increased $21 million YoY and adjusted EBITDA +25% YoY.
- Performance mainly due to net revenue increases and efficiency initiatives.
- Hold impact to operating income:
    - Favorable ~$0 to $5 million relative to our expectation
    - Favorable ~$0 to $5 million YoY
- Anniversaried smoking ban at Harrah's New Orleans in April and LINQ room renovations in May.

# 2Q16 CIE Segment Results

| $ millions | | 2Q16 | | $ Change YoY Increase / (Decrease) |
|---|---|---|---|---|
| Social & mobile games | $ | 238 | $ | 63 |
| WSOP & online real money | | 11 | | - |
| Net Revenue | $ | 249 | $ | 63 |
| Stock-based compensation | | 66 | $ | 59 |
| Net Income | $ | (4) | $ | (43) |
| *Margin* | | *-1.6%* | | *-2257 bp* |
| Adj EBITDA[1] | $ | 100 | $ | 30 |
| *Margin*[1] | | *40.2%* | | *253 bp* |

| Key drivers / statistics | | 2Q16 | | % Change YoY Increase / (Decrease) |
|---|---|---|---|---|
| Avg monthly unique payers | | 891,000 | | 95,000 |
| ARPU | $ | 0.40 | $ | 0.09 |

1. Adjusted EBITDA and EBITDA margin are non-GAAP measures. This information is presented for the reasons described on page 3 and is reconciled to the nearest GAAP measure in the Appendix, beginning on slide 29.

## Financial Performance

- Revenue +34% YoY
- Net income decreased $43 million YoY due to higher stock-based compensation expense.
- Adjusted EBITDA +43% YoY mainly due to strong results in social and mobile games due to a combination of increased unique paying users and growth in average revenue per user.
- Average monthly unique paying users +12% YoY
- Average revenue per user +29% YoY

# 2Q16 Supplemental Financial Information – CEOC Results

| $ millions | | 2Q16 | | $ Change YoY Increase / (Decrease) |
|---|---|---|---|---|
| Net Revenue | $ | 1,173 | $ | (33) |
| Adj EBITDA | $ | 309 | $ | 6 |
| *Margin* | | *26.3%* | | *122 bp* |

| Key drivers / statistics | | 2Q16 | % Change YoY Increase / (Decrease) |
|---|---|---|---|
| Cash ADR | $ | 167 | 7.0% |
| Occupancy | | 89.3% | -0.1 ppts |

*Note:. The above Supplemental Financial Information contains CEOC results. CEOC is no longer consolidated by CEC subsequent to its bankruptcy filing on January 15, 2015. The information is non-GAAP as it does not appear in CEC's results, and is presented for the reasons described on slide 3. CEOC information within this presentation may be different from CEOC's standalone results separately provided due to immaterial adjustments, rounding and basis of presentation differences. This information is not preferable to GAAP results provided earlier in this presentation, but is used by management as an analytical tool to assess the results of all properties owned, managed or branded by a Caesars entity, regardless of ownership.*

**Financial Performance**

- Net revenue -3% YoY
  - Strong gaming volumes and F&B revenue growth in Las Vegas; Caesars Palace experienced broad based gaming revenue increases and favorable YoY hold.
  - Gaming volume declines in regional markets and the international portfolio.
    - Softness in regional markets primarily concentrated in the Southeast and mainly attributable to lower slot volumes.
    - International properties experienced unfavorable YoY hold and lower volumes.
- Caesars Palace had over 19K room nights out of service in the quarter due to the renovations at the Julius and Augustus towers, which concluded in July.
- Adjusted EBITDA +2% YoY. Performance was driven primarily by higher collections and efficiency initiatives.
- Hold impact to operating income:
  - Favorable ~$10 to $15 million relative to our expectation
  - Favorable ~$0 to $5 million YoY

# 2Q16 Supplemental Financial Information – Enterprise-wide Results (CEC + CEOC)

| $ millions | 2Q16 | $ Change YoY Increase / (Decrease) |
|---|---|---|
| Net Revenue | $ 2,365 | $ 56 |
| Adj EBITDA | $ 697 | $ 50 |
| *Margin* | *29.5%* | *145 bp* |

| Key drivers / statistics | 2Q16 | % Change YoY Increase / (Decrease) |
|---|---|---|
| Cash ADR | $ 136 | 7.5% |
| Occupancy | 92.5% | 0.3 ppts |

*Note: The Supplemental Financial Information presented herein includes 2015 information consistent with the 2014 Caesars Reporting Entity. The above Supplemental Financial Information contains the CEC consolidated results on a GAAP basis plus the results of its deconsolidated subsidiary, CEOC. CEOC information within this presentation may be different from CEOC's standalone results separately provided due to immaterial adjustments, rounding and basis of presentation differences. This information is non-GAAP and is presented for the reasons described on slide 3. This information is not preferable to GAAP results provided earlier in this presentation, but is used by management as an analytical tool to assess the results of all properties owned, managed or branded by a Caesars entity, regardless of ownership.*

## Financial Performance

- Net revenue +2% YoY driven by organic growth in social and mobile games at CIE, gaming revenue growth at Caesars Palace and Horseshoe Baltimore, higher hotel and entertainment revenues, primarily in Las Vegas and favorable YoY hold. This was partially offset by gaming volume weakness in regional and international markets.
- Adjusted EBITDA +8% YoY driven by net revenue increases, improved hotel customer mix and higher collections.
- Hold impact to operating income:
  - Favorable ~$15 to $20 million relative to our expectation
  - Favorable ~$0 to $5 million YoY
- Considerations:
  - Expect inflationary cost pressures to persist and will remain vigilant in offsetting these increases.
  - YoY margin comparisons become more challenging as we annualize efficiency efforts.
  - Expect to be adversely affected by ongoing restructuring efforts, largely in the form of elevated expenses.
  - Ongoing room renovations will result in inventory disruptions, which we will attempt to mitigate.

# Liquidity and Capex Review

## Liquidity *($ millions)*

| | June 30, 2016 | | | |
|---|---|---|---|---|
| | CERP | CES | CGP[1] | Other[2] |
| Cash and cash equivalents | $ 191 | $ 104 | $ 1,029 | $ 201 |
| Revolver capacity | 270 | - | 160 | - |
| Revolver capacity drawn or committed to letters of credit | (15) | - | | - |
| **Total** | **$ 446** | **$ 104** | **$ 1,189** | **$ 201** |

## Capex Review *($ millions)*

| | FY 2016 | |
|---|---|---|
| | Low Est. | High Est. |
| CERP | $ 150 | $ 165 |
| CGP | 110 | 120 |
| CES | 15 | 30 |
| **CEC** | **$ 275** | **$ 315** |
| **CEOC** | **$ 225** | **$ 250** |
| **Enterprise-wide** | **$ 500** | **$ 565** |

(1) CGP's cash and cash equivalents includes $99 million held by foreign subsidiaries.

(2) Other reflects CEC and its various non-operating subsidiaries and excludes CERP, CES and CGP.

# MARK FRISSORA
# CHIEF EXECUTIVE OFFICER

- Summary

# Summary

- Strong 2Q16 performance, increasingly reflective of progress on executing on cornerstone initiatives
- Hospitality continues to be a bright spot and has been a key business performance driver
- Efficiency initiatives enabling the enterprise to maintain margin improvements
- Focused on employee engagement and customer satisfaction
- Strong cash flow generation enables reinvestment in high-return projects such as room renovations

# Recent Milestones in CEOC's Chapter 11 Case

| | |
|---|---|
| **May 2016** | CEOC filed amended Plan of Reorganization and related Disclosure Statement |
| **June 2016** | CEC and CEOC received support of First Lien Bank Lenders, certain holders of subsidiary guarantee notes and the unsecured creditors committee<br><br>Court approved CEOC's Disclosure Statement |
| **July 2016** | CEC and CAC enter into amended merger agreement<br><br>Solicitation process for CEOC Plan commenced (in-process until October) |
| **August 2016** | CEC and CEOC receive support of 37% of Second Lien Noteholders |
| **October 2016** | Deadline for creditors' vote (October 31$^{st}$) |
| **January 2017 and Beyond** | Confirmation hearing scheduled to begin (January 17$^{th}$)<br><br>Regulatory approvals sought and Plan implementation |

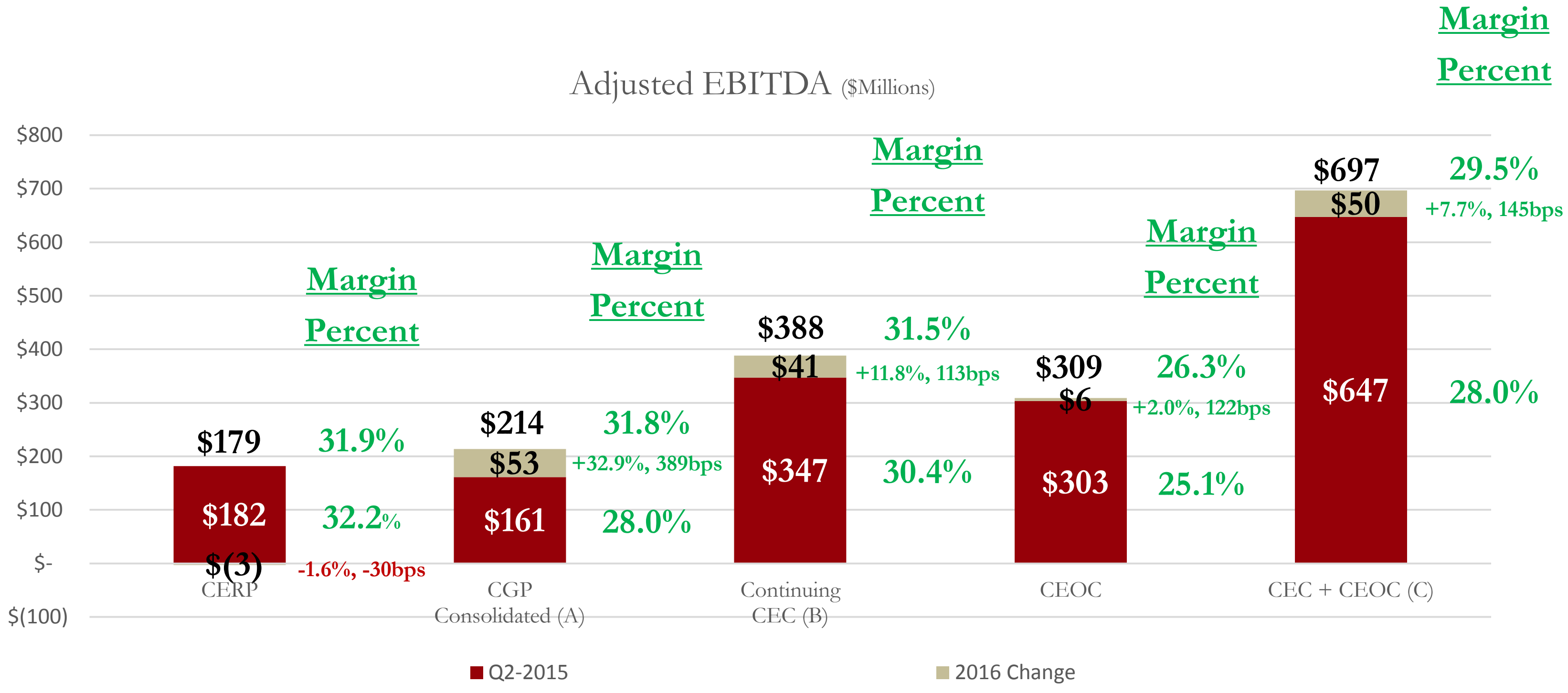
# APPENDIX

# Reconciliation of Non-GAAP Information: Notes

Because we deconsolidated CEOC upon its Chapter 11 filing, 2016 financial results presented under GAAP, we are also providing certain supplemental information as if we had continued to consolidate CEOC throughout the second quarter of 2016. This information includes both stand-alone CEOC financials and key metrics for the second quarter of 2016, and certain financial information for CEC as if CEOC remained a consolidated entity during the quarter. This information within this presentation may be different from CEOC's standalone results separately provided due to immaterial adjustments, rounding, and basis of presentation differences. CEC has committed to a material amount of payments to support CEOC's restructuring, which would result in the reacquisition of CEOC's operations if the restructuring is made on terms consistent with the current Restructuring Support Agreement to which CEC is a party ("RSAs"). 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 entire "Caesars" enterprise, including CEOC and consistent with the management services provided across the system's properties. .

- As a result of the above, "Continuing CEC" in the following reconciliations represents GAAP results for CEC as reported for the period ended June 30, 2016 and 2015.
- As a result of the above, "CEC+CEOC" in the following reconciliations represents Non-GAAP results as it includes CEOC for both the 2015 and 2016 periods.

# Reconciliation of Non-GAAP Information: 2Q16 Adjusted EBITDA



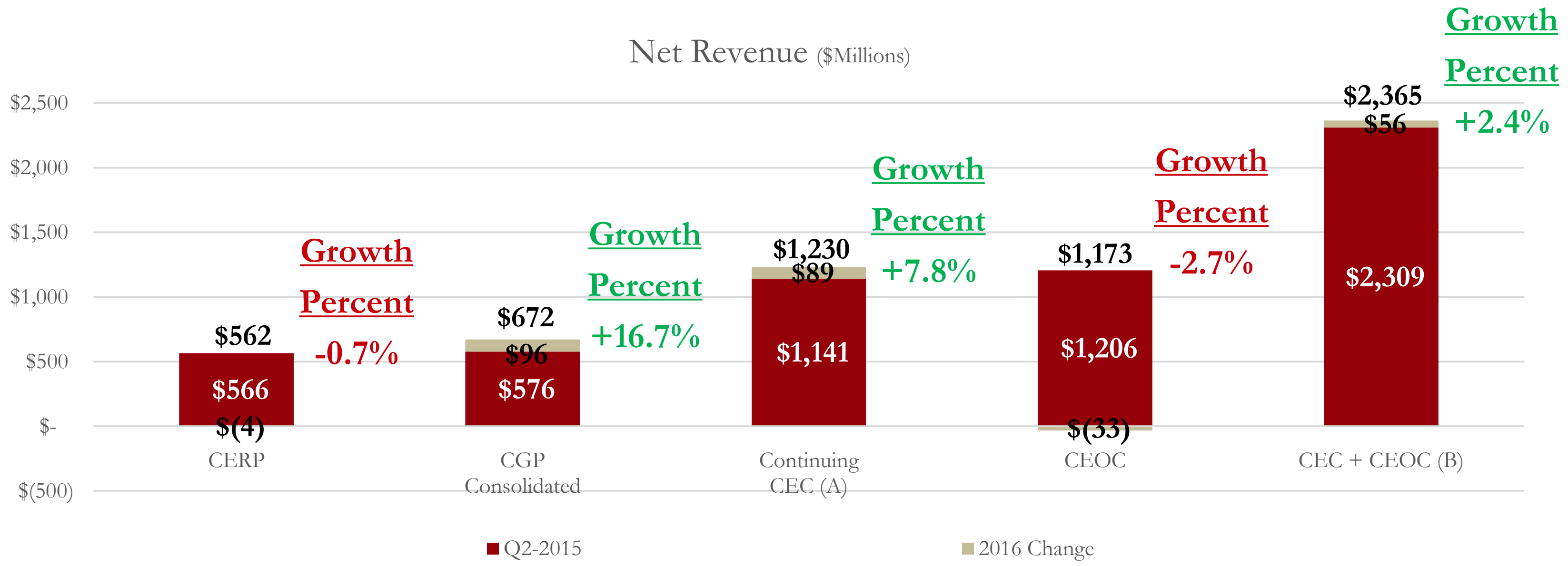

(A) CGP Consolidated includes Adjusted EBITDA amounts for CGP Casinos and CIE in the amounts of $114 and $100 for Q2-2016, respectively, and $91 and $70 for Q2-2015, respectively.

(B) Continuing CEC includes elimination and other adjustments totaling $(5) and $4 for the 2016 and 2015 periods, respectively.

(C) CEC+CEOC includes elimination and other adjustments totaling $(3) for the 2015 period.

- Adjusted EBITDA information is separately reconciled to the nearest GAAP metric on the following slides.
- CEC+CEOC and Continuing CEC EBITDA Margin information is provided for the reasons set forth on slide 3.
- CEOC on a deconsolidated, comparable basis is provided to allow greater understanding of that entity's results on a comparable basis as CEOC results were included in CEC consolidated results in 2015 (See slide 3).

# Reconciliation of Non-GAAP Information: 2Q 2016 Net Revenue




(A) Continuing CEC includes elimination and other adjustments totaling $(4) and $(1) for the 2016 and 2015 periods, respectively.

(B) CEC + CEOC includes elimination and other adjustments totaling $(38) and $(38) for the 2016 and 2015 periods, respectively.

- CEOC on a deconsolidated, comparable basis is provided to allow greater understanding of that entity's results on a comparable basis as CEOC results were included in CEC consolidated results in 2015 (See slide 3).

# Reconciliation of Non-GAAP Information: 2Q16

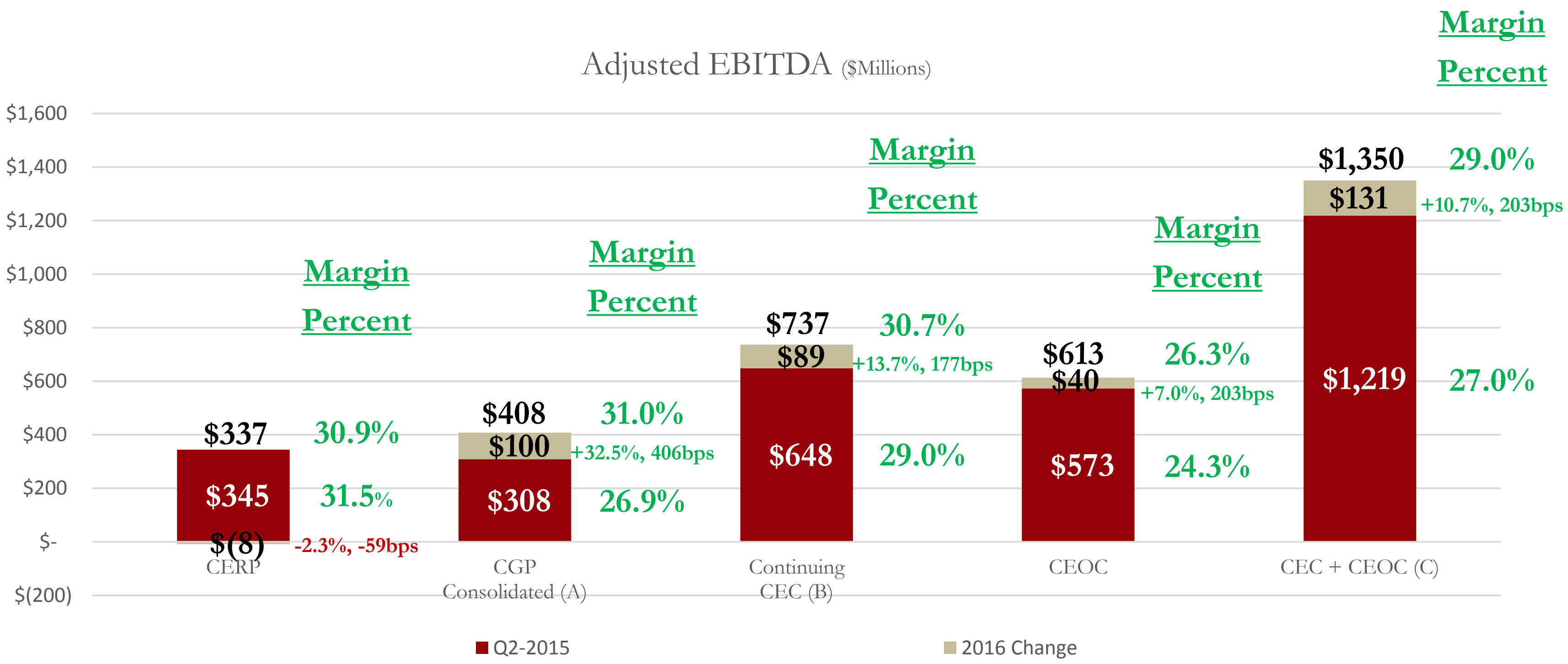
**CAESARS ENTERTAINMENT CORPORATION**

**SUPPLEMENTAL INFORMATION**

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

| | Three Months Ended June 30, 2016 | | | | | | Three Months Ended June 30, 2015 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| *(In millions)* | CEOC | CERP | CGP Casinos [f] | CIE [g] | Other [h] | CEC | CEOC | CERP | CGP Casinos [f] | CIE [g] | Other [h] | CEC |
| Net income/(loss) attributable to company | $ — | $ 8 | $ 17 | $ (5) | $ (2,097) | $ (2,077) | $ — | $ 17 | $ 2 | $ 33 | $ (37) | $ 15 |
| Net income/(loss) attributable to noncontrolling interests | — | — | 2 | 1 | 31 | 34 | — | — | (4) | 6 | 33 | 35 |
| Income tax (benefit)/provision | — | 4 | — | 24 | 3 | 31 | — | 11 | — | 14 | (29) | (4) |
| Deconsolidation and restructuring of CEOC and other [a] | — | — | (1) | — | 2,027 | 2,026 | — | — | (1) | — | (6) | (7) |
| Interest expense | — | 99 | 49 | — | 2 | 150 | — | 98 | 47 | 1 | 1 | 147 |
| Income/(loss) from operations | — | 111 | 67 | 20 | (34) | 164 | — | 126 | 44 | 54 | (38) | 186 |
| Depreciation and amortization | — | 59 | 42 | 9 | (1) | 109 | — | 49 | 38 | 8 | 1 | 96 |
| Other operating costs [b] | — | 3 | — | 3 | 15 | 21 | — | 1 | 7 | — | 16 | 24 |
| Corporate expense | — | 11 | 8 | — | 22 | 41 | — | 10 | 11 | — | 24 | 45 |
| **Property EBITDA** | **—** | **184** | **117** | **32** | **2** | **335** | **—** | **186** | **100** | **62** | **3** | **351** |
| Corporate expense | — | (11) | (8) | — | (22) | (41) | — | (10) | (11) | — | (24) | (45) |
| Stock-based compensation expense [c] | — | 3 | 3 | 66 | 8 | 80 | — | 3 | 1 | 7 | 20 | 31 |
| Other items [e] | — | 3 | 2 | 2 | 7 | 14 | — | 3 | 1 | 1 | 5 | 10 |
| **Adjusted EBITDA** | **$ —** | **$ 179** | **$ 114** | **$ 100** | **$ (5)** | **$ 388** | **$ —** | **$ 182** | **$ 91** | **$ 70** | **$ 4** | **$ 347** |

# Reconciliation of Non-GAAP Information: FY 2Q16 Adjusted EBITDA



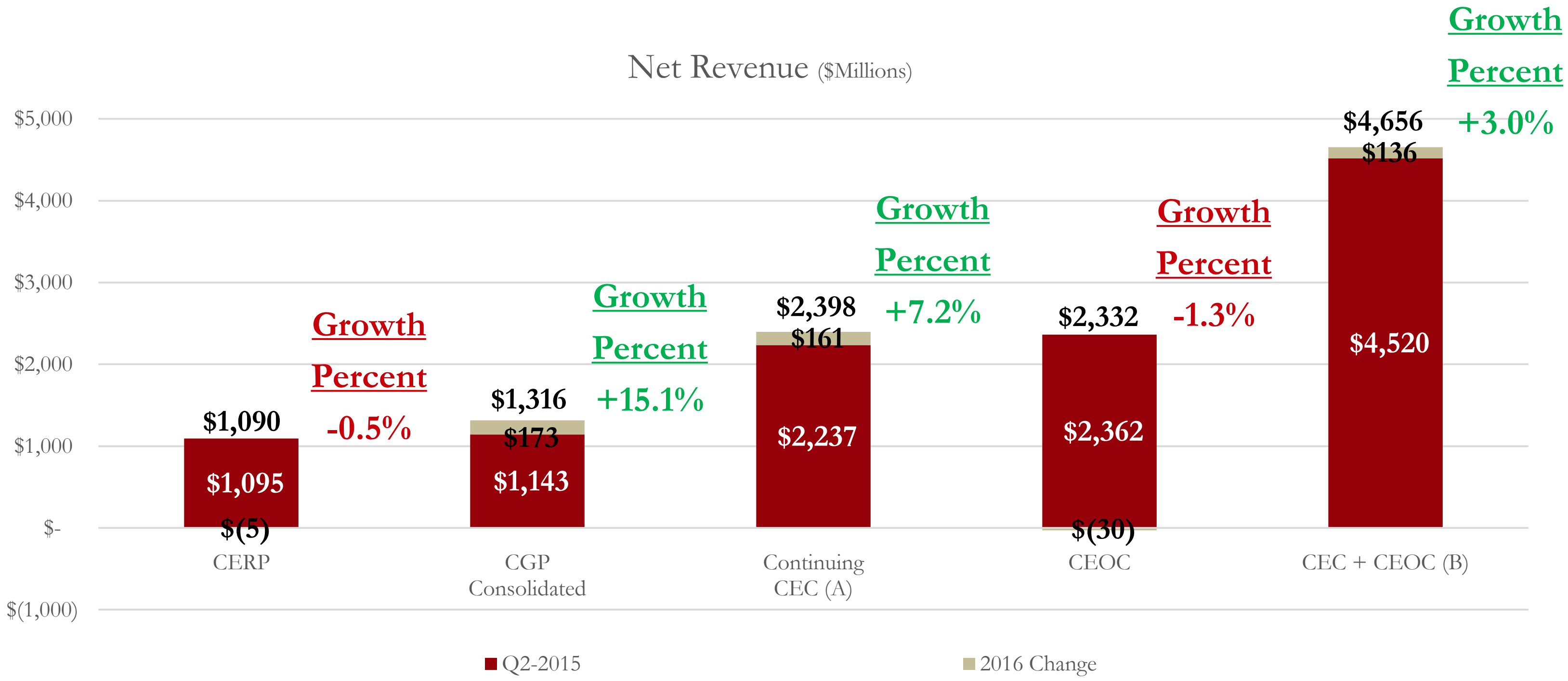

(A) CGP Consolidated includes Adjusted EBITDA amounts for CGP Casinos and CIE in the amounts of $219 and $189 for Q2-2016, respectively, and $175 and $133 for Q2-2015, respectively.

(B) Continuing CEC includes elimination and other adjustments totaling $(8) and $(5) for the 2016 and 2015 periods, respectively. Additionally, Continuing CEC excludes $34 of 15 days of Adjusted EBITDA from CEOC in 2015 (see following slides).

(C) CEC+CEOC includes elimination and other adjustments totaling $(2) for the 2015 period.

- Adjusted EBITDA information is separately reconciled to the nearest GAAP metric on the following slides.
- CEC+CEOC and Continuing CEC EBITDA Margin information is provided for the reasons set forth on slide 3.
- CEOC on a deconsolidated, comparable basis is provided to allow greater understanding of that entity's results on a comparable basis as CEOC results were included in CEC consolidated results in 2015 (See slide 3).

# Reconciliation of Non-GAAP Information: FY 2Q 2016 Net Revenue




(A) Continuing CEC includes elimination and other adjustments totaling $(8) and $(1) for the 2016 and 2015 periods, respectively. Additionally, Continuing CEC excludes $158 of 15 days of net revenue, including eliminations of intercompany transactions and other consolidating adjustments, from CEOC in 2015.

(B) CEC + CEOC includes elimination and other adjustments totaling $(74) and $(79) for the 2016 and 2015 periods, respectively.

- CEOC on a deconsolidated, comparable basis is provided to allow greater understanding of that entity's results on a comparable basis as CEOC results were included in CEC consolidated results in 2015 (See slide 3).

# Reconciliation of Non-GAAP Information: FY 2Q16

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

| | Six Months Ended June 30, 2016 | | | | | | Six Months Ended June 30, 2015 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| (In millions) | CEOC | CERP | CGP Casinos [f] | CIE [g] | Other [h] | CEC | CEOC | CERP | CGP Casinos [f] | CIE [g] | Other [h] | CEC |
| Net income/(loss) attributable to company | $ — | $ (8) | $ 30 | $ 12 | $ (2,419) | $ (2,385) | $ (85) | $ 20 | $ 123 | $ 54 | $ 6,675 | $ 6,787 |
| Net income/(loss) attributable to noncontrolling interests | — | — | 2 | 5 | 61 | 68 | — | — | (9) | 11 | 58 | 60 |
| Net (income)/loss from discontinued operations | — | — | — | — | — | — | 7 | — | — | — | — | 7 |
| Income tax (benefit)/provision | — | (2) | — | 56 | 17 | 71 | — | 13 | — | 27 | 148 | 188 |
| Deconsolidation and restructuring of CEOC and other [a] | — | 1 | (2) | — | 2,264 | 2,263 | — | — | — | — | (7,096) | (7,096) |
| Interest expense | — | 198 | 100 | 1 | 2 | 301 | 87 | 200 | 94 | 3 | — | 384 |
| Income/(loss) from operations | — | 189 | 130 | 74 | (75) | 318 | 9 | 233 | 208 | 95 | (215) | 330 |
| Depreciation and amortization | — | 132 | 81 | 16 | (1) | 228 | 11 | 99 | 71 | 16 | 1 | 198 |
| Other operating costs [b] | — | 5 | 1 | 3 | 34 | 43 | 4 | 2 | (108) | — | 174 | 72 |
| Corporate expense | — | 22 | 15 | — | 45 | 82 | 7 | 22 | 19 | — | 43 | 91 |
| **Property EBITDA** | **—** | **348** | **227** | **93** | **3** | **671** | **31** | **356** | **190** | **111** | **3** | **691** |
| Corporate expense | — | (22) | (15) | — | (45) | (82) | (7) | (22) | (19) | — | (43) | (91) |
| Stock-based compensation expense [c] | — | 5 | 4 | 94 | 15 | 118 | 1 | 6 | 2 | 20 | 28 | 57 |
| Adjustments to include 100% of Baluma S.A.'s adjusted EBITDA [d] | — | — | — | — | — | — | 3 | — | — | — | — | 3 |
| Depreciation in corporate expense | — | 1 | — | — | — | 1 | 2 | — | — | — | — | 2 |
| Other items [e] | — | 5 | 3 | 2 | 19 | 29 | 4 | 5 | 2 | 2 | 7 | 20 |
| **Adjusted EBITDA** | **$ —** | **$ 337** | **$ 219** | **$ 189** | **$ (8)** | **$ 737** | **$ 34** | **$ 345** | **$ 175** | **$ 133** | **$ (5)** | **$ 682** |

# Notes to Non-GAAP Information

Adjusted EBITDA is defined as EBITDA further adjusted to exclude certain non-cash and other items as exhibited in the above reconciliation, and is presented as a supplemental measure of the Company's performance and 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.

Adjusted EBITDA Margin is the ratio of Adjusted EBITDA to Net Revenue and is presented for the same reasons as Adjusted EBITDA noted above.

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

(a) *Amounts during 2016 primarily represent CEC's estimated costs in connection with the restructuring of CEOC. Amounts during 2015 primarily represent CEC's gain recognized upon the deconsolidation of CEOC.*

(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.*

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