

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**  
**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

**November 10, 2014 (November 10, 2014)**  
Date of Report (Date of earliest event reported)

**Caesars Entertainment Operating Company, Inc.**  
(Exact name of registrant as specified in its charter)

**Delaware**  
(State of Incorporation)

**001-10413**  
(Commission File Number)

**75-1941623**  
(IRS Employer  
Identification Number)

**One Caesars Palace Drive**  
**Las Vegas, Nevada 89109**  
(Address of principal executive offices)  
(Zip Code)

**(702) 407-6000**  
(Registrant's telephone number, including area code)  
**N/A**

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Item 2.02 Results of Operations and Financial Condition.**

Attached and incorporated herein by reference as Exhibit 99.1 and Exhibit 99.2, respectively, are copies of the press release and prepared remarks of Caesars Entertainment Corporation, each dated November 10, 2014, reporting the Registrant's financial results for the quarter ended September 30, 2014.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits. The following exhibits are being filed herewith:

- 99.1 Text of Caesars Entertainment Corporation press release, dated November 10, 2014.
- 99.2 Prepared remarks of Caesars Entertainment Corporation, dated November 10, 2014.

**SIGNATURES**

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

CAESARS ENTERTAINMENT OPERATING COMPANY, INC.

Date: November 10, 2014

By:

/s/ MARY E. HIGGINS

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**Mary E. Higgins**  
**Chief Financial Officer**



**Contact: Gary Thompson - Media**  
**Caesars Entertainment Corporation**  
**(702) 407-6529**

**Jennifer Chen - Investors**  
**Caesars Entertainment Corporation**  
**(702) 407-6407**

### Caesars Entertainment Reports Financial Results for the Third Quarter 2014

LAS VEGAS, November 10, 2014 - Caesars Entertainment Corporation (NASDAQ: CZR) today reported the following third quarter 2014 results and recent developments:

- Consolidated net revenue up 6.0% year-over-year driven by growth at CERP and CGP
- Consolidated results reflect strength in social and mobile games and sequential improvement in regional markets offset by several items such as out of service rooms and unfavorable hold at Caesars Palace
- CERP continued to invest in hospitality offerings and drive awareness around The LINQ and the High Roller
- CGP integrated the Total Rewards loyalty program into CIE's real-money online gaming platform and celebrated successful opening of Horseshoe Baltimore in August
- CEOC commenced formal discussions with several creditor groups as part of the company's efforts to improve the entity's financial condition

#### Summary Financial Data

The table below highlights certain GAAP and non-GAAP financial measures on a consolidated basis:

(Dollars in millions, except per share data)	Three Months Ended September 30,		Percent Favorable/ (Unfavorable)	Nine Months Ended September 30,		Percent Favorable/ (Unfavorable)
	2014	2013		2014	2013	
Casino revenues <sup>(1)</sup>	\$ 1,395.6	\$ 1,391.5	0.3 %	\$ 4,046.5	\$ 4,178.7	(3.2)%
Net revenues <sup>(1)</sup>	2,212.4	2,087.4	6.0 %	6,385.2	6,216.0	2.7 %
Loss from operations <sup>(1)</sup>	(327.8)	(524.0)	37.4 %	(50.3)	(248.5)	79.8 %
Loss from continuing operations, net of income taxes <sup>(1)</sup>	(931.7)	(699.2)	(33.3)%	(1,618.3)	(1,077.5)	(50.2)%
Loss from discontinued operations, net of income taxes	(48.4)	(62.6)	22.7 %	(177.4)	(110.3)	(60.8)%
Net loss attributable to Caesars	(908.1)	(761.4)	(19.3)%	(1,761.0)	(1,191.3)	(47.8)%
Basic and diluted loss per share	(6.29)	(6.03)	(4.3)%	(12.41)	(9.47)	(31.0)%
Property EBITDA <sup>(2)</sup>	444.7	510.0	(12.8)%	1,330.3	1,490.1	(10.7)%
Adjusted EBITDA <sup>(3)</sup>	442.5	508.0	(12.9)%	1,320.8	1,448.2	(8.8)%

<sup>(1)</sup> - <sup>(3)</sup> See footnotes following Basis of Presentation later in this release

## Management Commentary

“Our third quarter results reflect strength in the interactive business, stabilizing trends regionally, and generally good performance in Las Vegas considering an operating income impact of over \$35 million due to unfavorable hold at Caesars Palace” said Gary Loveman, chairman, chief executive officer and president of Caesars Entertainment Corporation. “Moving forward, we see several dynamics that bode well for our future including signs of improvement in regional markets given limited supply growth and greater traction from our investments in hospitality and entertainment offerings across our network. We expect progress on these fronts to yield a positive effect on our business, as we continue capital structure initiatives intended to reduce leverage at CEOC.”

### Other Key Matters During the Quarter

Third quarter Adjusted EBITDA for Caesars Entertainment Corporation was \$442.5 million and was negatively impacted year-over-year by approximately \$39 million of unfavorable hold, approximately \$23 million in bad debt expense, and approximately \$52 million driven by lower volumes and lower marginal returns on marketing investment. The year over year increase in bad debt expense was due to a prior year favorable comparison. General weakness in VIP volumes, the reduction of room nights available in Las Vegas as a result of The LINQ Hotel renovation, and business disruption at Caesars Palace due to construction and show cancellations resulted in lower core business volumes versus the prior year quarter. Marketing expense also increased in the quarter, resulting in reduced profitability in our core markets. This marketing spend increase was largely driven by programs aimed at retaining guests in Atlantic City following the closure of the Showboat Atlantic City casino. These items were partially offset by the addition of The Cromwell, Horseshoe Baltimore, and The LINQ, which together accounted over \$20 million in EBITDA in the quarter. Furthermore, strong growth in CIE provided approximately \$23 million in incremental EBITDA in the quarter.

We are intensely focused on ensuring operating costs are aligned with the current environment to enhance CEOC's profitability. To that end, we are acting to reduce expenses and increase EBITDA across the company through a variety of identified initiatives in operations, marketing and corporate expenses. We expect to produce an incremental \$250 to \$300 million of EBITDA in 2015 as a result of these actions. The overwhelming majority of this increase will be driven by cost savings.

We have commenced formal discussions with several groups of creditors related to our collective efforts to improve the financial condition of CEOC. We are keenly focused on deleveraging at CEOC and we refer you to our Form 10-Q to be filed later this week for a further discussion of CEOC's capital structure and liquidity position.

### Basis of Presentation

In the discussion below, the words “Company,” “Caesars,” “Caesars Entertainment,” “CEC,” “we,” and “our” refer to Caesars Entertainment Corporation and its consolidated entities, unless otherwise stated or the context requires otherwise.

The financial results presented herein include Caesars with its consolidated entities, Caesars Entertainment Operating Company, Inc. (“CEOC”) and Caesars Entertainment Resort Properties (“CERP”), and with Caesars Growth Partners, LLC (“CGP LLC”), which is consolidated as a variable interest entity.

Due to CEOC's continuing involvement with The LINQ and Octavius Tower of Caesars Palace Las Vegas, CEOC continued to consolidate both of these properties and their related net assets and income statement impacts into CEOC's financial results subsequent to CERP's ownership of The LINQ and Octavius Tower in October 2013, through May 5, 2014, at which point CEOC no longer consolidated the results of The LINQ due to the sale of The LINQ Hotel & Casino (“The LINQ Hotel”) to CGP LLC. CEOC continues to consolidate the results of the Octavius Tower in its GAAP results as presented in the reconciliation of Property EBITDA and Adjusted EBITDA. The impact is removed from final reported Property EBITDA and Adjusted EBITDA measures for CEOC.

When CEOC results herein are presented on a consolidated view (“CEOC adjusted”), the presentation eliminates the impact of consolidating The LINQ and Octavius Tower subsequent to its transfer from CEOC to CERP. This transaction has been accounted for as a financing transaction in accordance with GAAP instead of as a completed real estate sale. This accounting treatment results in these properties being reported as part of both CEOC and CERP on a stand-alone basis, and therefore, they are not presented within the CEOC results in this earnings release when results are designated as CEOC adjusted.

CGP LLC results below (Net Revenues and Income from Operations) are reflective of CGP LLC as consolidated into CEC results; accordingly, the results of the four properties which CGP LLC acquired in 2014 from CEOC are included in the CGP LLC results only after the date of acquisition. As a result, the presentation of CGP LLC's results in this release differs from CGP LLC's presentation of its results on a stand-alone basis. Property EBITDA and Adjusted EBITDA are reported as reported by CGP LLC on a stand-alone basis.

"Other" includes consolidating adjustments, eliminating adjustments and other adjustments to reconcile to consolidated CEC results. For example, management fees paid to CEOC related to Planet Hollywood by CGP LLC are included in CEOC adjusted net revenues below, and eliminated in Other.

- (1) Casino revenues, net revenues, income from operations, and loss from continuing operations, net of income taxes for all periods presented in the table above exclude the results of Alea Leeds casino (closed in March 2013), Golden Nugget casino (closed in February 2014), Harrah's Tunica casino (closed in June 2014), Showboat casino (closed in August 2014) and the subsidiaries that held the Company's land concession in Macau (sold in November 2013) because all of these are presented as discontinued operations.
- (2) Property EBITDA is a non-GAAP financial measure that is defined and reconciled to its most comparable GAAP measure later in this release. Property EBITDA is included because the Company's management uses Property EBITDA to measure performance and allocate resources, and believes that Property EBITDA provides investors with additional information consistent with that used by management.
- (3) Adjusted EBITDA is a non-GAAP financial measure that is defined and reconciled to its most comparable GAAP measure later in this release. Adjusted EBITDA is included because management believes that Adjusted EBITDA provides investors with additional information that 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.

## Financial Results

### Net Revenues<sup>(a)</sup>

(Dollars in millions)	Three Months Ended September 30,		Percent Favorable/ (Unfavorable)	Nine Months Ended September 30,		Percent Favorable/ (Unfavorable)
	2014	2013		2014	2013	
CEOC adjusted	\$ 1,253.3	\$ 1,519.3	(17.5)%	\$ 3,939.1	\$ 4,528.5	(13.0)%
CERP	535.7	507.2	5.6 %	1,565.8	1,516.0	3.3 %
CGP LLC	485.8	80.0	*	1,064.6	222.3	*
Parent	15.9	17.7	(10.2)%	51.1	52.1	(1.9)%
Other	(78.3)	(36.8)	(112.8)%	(235.4)	(102.9)	(128.8)%
Total	\$ 2,212.4	\$ 2,087.4	6.0 %	\$ 6,385.2	\$ 6,216.0	2.7 %

### Income/(loss) from Operations<sup>(a)</sup>

(Dollars in millions)	Three Months Ended September 30,		Percent Favorable/ (Unfavorable)	Nine Months Ended September 30,		Percent Favorable/ (Unfavorable)
	2014	2013		2014	2013	
CEOC adjusted	\$ (304.3)	\$ (601.7)	49.4 %	\$ (158.8)	\$ (412.1)	61.5 %
CERP	(49.3)	72.5	(168.0)%	78.7	188.9	(58.3)%
CGP LLC	80.7	21.6	*	50.6	(6.1)	*
Parent	(9.7)	0.2	*	(12.5)	(4.5)	(177.8)%
Other	(45.2)	(16.6)	(172.3)%	(8.3)	(14.7)	43.5 %
Total	\$ (327.8)	\$ (524.0)	37.4 %	\$ (50.3)	\$ (248.5)	79.8 %

### Property EBITDA<sup>(b)</sup>

(Dollars in millions)	Three Months Ended September 30,		Percent Favorable/ (Unfavorable)	Nine Months Ended September 30,		Percent Favorable/ (Unfavorable)
	2014	2013		2014	2013	
CEOC adjusted	\$ 231.8	\$ 354.5	(34.6)%	\$ 711.4	\$ 1,026.3	(30.7)%
CERP	130.4	132.9	(1.9)%	403.4	426.1	(5.3)%
CGP LLC	81.2	75.7	7.3 %	259.0	239.2	8.3 %
Other	1.3	(53.1)	102.4 %	(43.5)	(201.5)	78.4 %
Total	\$ 444.7	\$ 510.0	(12.8)%	\$ 1,330.3	\$ 1,490.1	(10.7)%

## Adjusted EBITDA<sup>(b)</sup>

(Dollars in millions)	Three Months Ended September 30,		Percent Favorable/ (Unfavorable)	Nine Months Ended September 30,		Percent Favorable/ (Unfavorable)
	2014	2013		2014	2013	
CEOC adjusted	\$ 232.2	\$ 352.1	(34.1)%	\$ 717.2	\$ 997.3	(28.1)%
CERP	122.6	123.8	(1.0)%	363.7	398.4	(8.7)%
CGP LLC	105.4	78.7	33.9 %	312.8	254.0	23.1 %
Other	(17.7)	(46.6)	62.0 %	(72.9)	(201.5)	63.8 %
Total	\$ 442.5	\$ 508.0	(12.9)%	\$ 1,320.8	\$ 1,448.2	(8.8)%

\* Not meaningful

<sup>(a)</sup> As consolidated, and adjusted, see Basis of Presentation

<sup>(b)</sup> As reported, see Basis of Presentation

## Liquidity

Each of the entities comprising Caesars Entertainment's consolidated financial statements have separate debt agreements with restrictions on usage of the respective entity's capital resources. CGP LLC is a variable interest entity that is consolidated by Caesars Entertainment, but is controlled by its sole voting member, Caesars Acquisition Company ("CAC"). CAC is a managing member of CGP LLC and therefore controls all decisions regarding liquidity and capital resources of CGP LLC.

(In millions)	September 30, 2014			
	CEOC	CERP	CGP LLC	Parent
Cash and cash equivalents	\$ 1,479.9	\$ 200.8	\$ 989.2	\$ 512.5
Revolver capacity	106.1	269.5	150.0	—
Revolver capacity drawn or committed to letters of credit	(98.3)	(75.0)	(0.1)	—
Total Liquidity	\$ 1,487.7	\$ 395.3	\$ 1,139.1	\$ 512.5

## Conference Call Information

Caesars Entertainment Corporation (NASDAQ: CZR) will host a conference call at 1:30 p.m. Pacific Time Monday, November 10, 2014 to review its third-quarter results. The call will be accessible in the Investor Relations section of [www.caesars.com](http://www.caesars.com).

If you would like to ask questions and be an active participant in the call, you may dial 877-637-3723, or 832-412-1752 for international callers, and enter Conference ID 20797507 approximately 10 minutes before the call start time. A recording of the live call will be available on the Company's website for 90 days after the event.

## About Caesars

Caesars Entertainment Corporation (CEC) is the world's most diversified casino-entertainment provider and the most geographically diverse U.S. casino-entertainment company. CEC is mainly comprised of the following three entities: the majority owned operating subsidiary Caesars Entertainment Operating Company, wholly owned Caesars Entertainment Resort Properties and Caesars Growth Properties, in which we hold a variable economic interest. Since its beginning in Reno, Nevada, 75 years ago, CEC has grown through development of new resorts, expansions and acquisitions and its portfolio of subsidiaries now operate 50 casinos in 14 U.S. states and five countries. The Company's resorts operate primarily under the Caesars®, Harrah's® and Horseshoe® brand names. CEC's portfolio also includes the London Clubs International family of casinos. CEC is focused on building loyalty and value with its guests through a unique combination of great service, excellent products, unsurpassed distribution, operational excellence and technology leadership. The Company is committed to environmental sustainability and energy conservation and recognizes the importance of being a responsible steward of the environment. For more information, please visit [www.caesars.com](http://www.caesars.com).

## Forward Looking Information

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

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

- the impact of the Company's substantial indebtedness and the restrictions in the Company's debt agreements, and the outcome of discussions with CEOC's creditors regarding CEOC's capital structure;
- litigation outcomes and judicial and governmental body actions, including gaming legislative action, referenda, regulatory disciplinary actions, and fines and taxation, including but not limited to, the assertion and outcome of litigation or other claims that have been or may be brought against the Company by certain creditors, some of whom have notified the Company of their objection to various transactions undertaken by the Company in 2013 and 2014;
- the effects of local and national economic, credit, and capital market conditions on the economy, in general, and on the gaming industry, in particular;
- the ability to realize the expense reductions from cost savings programs, including the program to increase its working capital and excess cash by \$500 million;
- changes in laws, including increased tax rates, smoking bans, regulations or accounting standards, third-party relations and approvals, and decisions, disciplines, and fines of courts, regulators, and governmental bodies;
- the ability of the Company's customer-tracking, customer loyalty, and yield-management programs to continue to increase customer loyalty and same-store or hotel sales;
- the effects of competition, including locations of competitors, competition for new licenses and operating and market competition;
- the ability to recoup costs of capital investments through higher revenues;
- abnormal gaming holds (“gaming hold” is the amount of money that is retained by the casino from wagers by customers);
- the ability to timely and cost-effectively integrate companies that the Company acquires into its operations;
- the potential difficulties in employee retention and recruitment as a result of the Company's substantial indebtedness, the ongoing downturn in the U.S. regional gaming industry, or any other factor;
- construction factors, including delays, increased costs of labor and materials, availability of labor and materials, zoning issues, environmental restrictions, soil and water conditions, weather and other hazards, site access matters, and building permit issues;
- severe weather conditions or natural disasters, including losses therefrom, including losses in revenues and damage to property, and the impact of severe weather conditions on the Company's ability to attract customers to certain of its facilities, such as the amount of losses and disruption to us as a result of Hurricane Sandy in late October 2012;
- acts of war or terrorist incidents or uprisings, including losses therefrom, including losses in revenues and damage to property,
- the effects of environmental and structural building conditions relating to the Company's properties;
- access to insurance on reasonable terms for the Company's assets; and

- the impact, if any, of unfunded pension benefits under multi-employer pension plans.

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

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

(In millions, except per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
<b>Revenues</b>				
Casino	\$ 1,395.6	\$ 1,391.5	\$ 4,046.5	\$ 4,178.7
Food and beverage	394.3	367.3	1,143.8	1,103.5
Rooms	301.3	302.5	915.0	887.5
Management fees	16.0	14.5	44.4	42.3
Other	337.6	220.2	892.3	628.3
Reimbursable management costs	62.6	72.7	196.8	203.2
Less: casino promotional allowances	(295.0)	(281.3)	(853.6)	(827.5)
Net revenues	<u>2,212.4</u>	<u>2,087.4</u>	<u>6,385.2</u>	<u>6,216.0</u>
<b>Operating expenses</b>				
<b>Direct</b>				
Casino	833.9	760.0	2,412.5	2,329.6
Food and beverage	183.4	163.5	516.0	488.3
Rooms	81.9	74.2	241.6	225.0
Property, general, administrative, and other	605.6	511.3	1,680.5	1,490.0
Reimbursable management costs	62.6	72.7	196.8	203.2
Depreciation and amortization	131.9	124.9	371.1	410.4
Write-downs, reserves, and project opening costs, net of recoveries	19.2	0.5	95.1	44.7
Impairment of intangible and tangible assets	498.6	818.6	548.8	945.9
Loss on interests in non-consolidated affiliates	6.6	4.0	9.4	20.4
Corporate expense	73.9	37.0	192.5	114.3
Acquisition and integration costs	8.8	3.2	71.0	69.6
Amortization of intangible assets	33.8	41.5	100.2	123.1
Total operating expenses	<u>2,540.2</u>	<u>2,611.4</u>	<u>6,435.5</u>	<u>6,464.5</u>
Income/(loss) from operations	(327.8)	(524.0)	(50.3)	(248.5)
Interest expense	(708.3)	(562.9)	(1,954.1)	(1,677.4)
Gain/(loss) on early extinguishment of debt	(66.5)	13.0	(95.2)	17.5
Gain/(loss) on partial sale of subsidiary	—	—	(3.1)	44.1
Other income, including interest income	1.0	0.5	5.1	8.9
Loss from continuing operations before income taxes	(1,101.6)	(1,073.4)	(2,097.6)	(1,855.4)
Income tax benefit	169.9	374.2	479.3	777.9
Loss from continuing operations, net of income taxes	(931.7)	(699.2)	(1,618.3)	(1,077.5)
<b>Discontinued operations</b>				
Loss from discontinued operations	(46.1)	(98.7)	(188.4)	(151.5)
Income tax benefit	(2.3)	36.1	11.0	41.2
Loss from discontinued operations, net of income taxes	(48.4)	(62.6)	(177.4)	(110.3)
Net loss	(980.1)	(761.8)	(1,795.7)	(1,187.8)
Net (income)/loss attributable to noncontrolling interests	72.0	0.4	34.7	(3.5)
Net loss attributable to Caesars	<u>\$ (908.1)</u>	<u>\$ (761.4)</u>	<u>\$ (1,761.0)</u>	<u>\$ (1,191.3)</u>
<b>Loss per share - basic and diluted</b>				
Loss per share from continuing operations	\$ (5.96)	\$ (5.54)	\$ (11.16)	\$ (8.60)
Loss per share from discontinued operations	(0.33)	(0.49)	(1.25)	(0.87)
Net loss per share	<u>\$ (6.29)</u>	<u>\$ (6.03)</u>	<u>\$ (12.41)</u>	<u>\$ (9.47)</u>

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

	September 30, 2014	December 31, 2013
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 3,182.4	\$ 2,771.2
Restricted cash	61.5	87.5
Other current assets	917.9	911.6
Total current assets	4,161.8	3,770.3
Property and equipment, net	13,484.8	13,237.9
Goodwill and other intangible assets	5,996.1	6,551.0
Restricted cash	42.5	336.8
Assets held for sale	2.9	11.9
Other long-term assets	803.4	781.0
Total assets	\$ 24,491.5	\$ 24,688.9
<b>Liabilities and Stockholders' Deficit</b>		
Current liabilities		
Current portion of long-term debt	\$ 140.6	\$ 197.1
Other current liabilities	2,657.9	2,333.7
Total current liabilities	2,798.5	2,530.8
Long-term debt	22,888.9	20,918.4
Other long-term liabilities	2,518.5	3,143.5
Total liabilities	28,205.9	26,592.7
Total Caesars stockholders' deficit	(4,012.2)	(3,122.0)
Noncontrolling interests	297.8	1,218.2
Total deficit	(3,714.4)	(1,903.8)
Total liabilities and stockholders' deficit	\$ 24,491.5	\$ 24,688.9

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

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

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

Adjusted EBITDA is defined as EBITDA further adjusted to exclude certain non-cash and other items required or permitted in calculating covenant compliance under the indenture governing CEOC's secured credit facilities.

Adjusted EBITDA 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.

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

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

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

(In millions)	Three Months Ended September 30, 2014					Three Months Ended September 30, 2013				
	CEOC <sup>(i)</sup>	CERP <sup>(i)</sup>	CGP LLC <sup>(k)</sup>	Other <sup>(i)</sup>	CEC	CEOC <sup>(i)</sup>	CERP <sup>(i)</sup>	Predecessor <sup>(k)</sup>	Other <sup>(i)</sup>	CEC
Net income/(loss) attributable to company	\$ (875.1)	\$ (141.9)	\$ 61.2	\$ 47.7	\$ (908.1)	\$ (1,066.1)	\$ 23.6	\$ 50.5	\$ 230.6	\$ (761.4)
Net income/(loss) attributable to noncontrolling interests	(0.4)	—	(5.1)	(66.5)	(72.0)	(2.1)	—	(3.7)	5.4	(0.4)
Net income/(loss)	(875.5)	(141.9)	56.1	(18.8)	(980.1)	(1,068.2)	23.6	46.8	236.0	(761.8)
Net (income)/loss from discontinued operations	48.0	—	14.6	(14.2)	48.4	99.4	—	—	(36.8)	62.6
Net (income)/loss from continuing operations	(827.5)	(141.9)	70.7	(33.0)	(931.7)	(968.8)	23.6	46.8	199.2	(699.2)
Income tax (benefit)/provision	(168.6)	(6.2)	22.1	(17.2)	(169.9)	(173.3)	12.9	22.3	(236.1)	(374.2)
Income/(loss) from continuing operations before income taxes	(996.1)	(148.1)	92.8	(50.2)	(1,101.6)	(1,142.1)	36.5	69.1	(36.9)	(1,073.4)
Other (income)/loss, including interest income	(12.6)	—	(19.0)	30.6	(1.0)	0.3	—	(45.0)	44.2	(0.5)
(Gain)/loss on early extinguishments of debt <sup>(a)</sup>	113.5	—	—	(47.0)	66.5	0.3	(13.4)	0.3	(0.2)	(13.0)
Interest expense	583.9	98.8	44.2	(18.6)	708.3	539.8	49.4	21.6	(47.9)	562.9
Income/(loss) from operations	(311.3)	(49.3)	118.0	(85.2)	(327.8)	(601.7)	72.5	46.0	(40.8)	(524.0)
Depreciation and amortization	76.7	35.5	37.8	(18.1)	131.9	96.2	36.8	24.6	(32.7)	124.9
Amortization of intangible assets	11.3	12.4	—	10.1	33.8	22.5	14.8	—	4.2	41.5
Impairment of intangible and tangible assets <sup>(b)</sup>	388.3	117.8	63.5	(71.0)	498.6	795.9	5.5	—	17.2	818.6
Write-downs, reserves, and project opening costs, net of recoveries <sup>(c)</sup>	2.8	4.7	12.3	(0.6)	19.2	11.5	(8.0)	4.8	(7.8)	0.5
Acquisition and integration costs <sup>(d)</sup>	4.1	0.1	5.5	(0.9)	8.8	3.1	—	0.3	(0.2)	3.2
(Income)/loss on interests in non-consolidated affiliates	6.5	—	—	0.1	6.6	4.3	(0.3)	—	—	4.0
Corporate expense	54.7	9.2	—	10.0	73.9	18.6	11.6	—	6.8	37.0
Impact of consolidating The LINQ and Octavius Tower <sup>(e)</sup>	(1.2)	—	—	1.2	—	—	—	—	—	—
Change in fair value of contingently issuable non-voting membership units	—	—	(56.4)	56.4	—	—	—	—	—	—
Change in fair value of contingent consideration	—	—	0.1	(0.1)	—	—	—	—	—	—
Gain on sale of bonds	—	—	(99.4)	99.4	—	—	—	—	—	—
EBITDA attributable to discontinued operations	(0.1)	—	(0.2)	—	(0.3)	4.1	—	—	0.2	4.3
Property EBITDA	\$ 231.8	\$ 130.4	\$ 81.2	\$ 1.3	\$ 444.7	\$ 354.5	\$ 132.9	\$ 75.7	\$ (53.1)	\$ 510.0
Corporate expense	(54.7)	(9.2)	—	(10.0)	(73.9)	(18.6)	(11.6)	—	(6.8)	(37.0)
Stock-based compensation expense <sup>(f)</sup>	10.7	0.3	22.6	(0.4)	33.2	5.8	0.2	2.0	0.4	8.4
Adjustments to include 100% of Baluma S.A.'s adjusted EBITDA <sup>(g)</sup>	(2.0)	—	—	—	(2.0)	(0.7)	—	—	—	(0.7)
Depreciation in corporate expense	16.5	—	—	—	16.5	3.1	—	—	0.1	3.2
Other items <sup>(h)</sup>	29.9	1.1	1.6	(8.6)	24.0	8.0	2.3	1.0	12.8	24.1
Adjusted EBITDA	\$ 232.2	\$ 122.6	\$ 105.4	\$ (17.7)	\$ 442.5	\$ 352.1	\$ 123.8	\$ 78.7	\$ (46.6)	\$ 508.0

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

(In millions)	Nine Months Ended September 30, 2014					Nine Months Ended September 30, 2013				
	CEOC <sup>(i)</sup>	CERP <sup>(i)</sup>	CGP LLC <sup>(k)</sup>	Other <sup>(i)</sup>	CEC	CEOC <sup>(i)</sup>	CERP <sup>(i)</sup>	Predecessor <sup>(k)</sup>	Other <sup>(i)</sup>	CEC
Net income/(loss) attributable to company	\$ (1,654.0)	\$ (181.1)	\$ 66.5	\$ 7.6	\$ (1,761.0)	\$ (1,681.8)	\$ 57.6	\$ 121.1	\$ 311.8	\$ (1,191.3)
Net income/(loss) attributable to noncontrolling interests	2.8	—	(14.5)	(23.0)	(34.7)	2.8	—	(4.9)	5.6	3.5
Net income/(loss)	(1,651.2)	(181.1)	52.0	(15.4)	(1,795.7)	(1,679.0)	57.6	116.2	317.4	(1,187.8)
Net (income)/loss from discontinued operations	149.0	—	15.6	12.8	177.4	124.9	—	—	(14.6)	110.3
Net (income)/loss from continuing operations	(1,502.2)	(181.1)	67.6	(2.6)	(1,618.3)	(1,554.1)	57.6	116.2	302.8	(1,077.5)
Income tax (benefit)/provision	(424.0)	(28.6)	31.9	(58.6)	(479.3)	(449.2)	26.0	55.9	(410.6)	(777.9)
Income/(loss) from continuing operations before income taxes	(1,926.2)	(209.7)	99.5	(61.2)	(2,097.6)	(2,003.3)	83.6	172.1	(107.8)	(1,855.4)
Other (income)/loss, including interest income	(18.4)	—	(120.1)	133.4	(5.1)	(7.4)	(0.1)	(128.6)	127.2	(8.9)
(Gain)/loss on partial sale of subsidiary	3.1	—	—	—	3.1	(44.1)	—	—	—	(44.1)
(Gain)/loss on early extinguishments of debt <sup>(a)</sup>	113.5	—	23.8	(42.1)	95.2	29.8	(52.4)	0.5	4.6	(17.5)
Interest expense	1,667.4	288.4	123.8	(125.5)	1,954.1	1,612.9	157.8	56.2	(149.5)	1,677.4
Income/(loss) from operations	(160.6)	78.7	127.0	(95.4)	(50.3)	(412.1)	188.9	100.2	(125.5)	(248.5)
Depreciation and amortization	231.9	116.2	98.8	(75.8)	371.1	316.4	118.5	73.8	(98.3)	410.4
Amortization of intangible assets	39.0	37.3	—	23.9	100.2	67.6	44.3	—	11.2	123.1
Impairment of intangible and tangible assets <sup>(b)</sup>	418.1	117.6	63.5	(50.4)	548.8	898.8	29.9	—	17.2	945.9
Write-downs, reserves, and project opening costs, net of recoveries <sup>(c)</sup>	61.9	10.4	34.3	(11.5)	95.1	38.6	10.7	15.8	(20.4)	44.7
Acquisition and integration costs <sup>(d)</sup>	17.3	0.3	11.5	41.9	71.0	20.5	—	0.5	48.6	69.6
(Income)/loss on interests in non-consolidated affiliates	9.4	—	—	—	9.4	23.0	(3.0)	—	0.4	20.4
Corporate expense	133.4	42.9	—	16.2	192.5	62.8	36.8	—	14.7	114.3
Impact of consolidating The LINQ and Octavius Tower <sup>(e)</sup>	(33.0)	—	—	33.0	—	—	—	—	—	—
Change in fair value of contingently issuable non-voting membership units	—	—	(7.9)	7.9	—	—	—	—	—	—
Change in fair value of contingent consideration	—	—	32.7	(32.7)	—	—	—	48.9	(48.9)	—
Gain on sale of bonds	—	—	(99.4)	99.4	—	—	—	—	—	—
EBITDA attributable to discontinued operations	(6.0)	—	(1.5)	—	(7.5)	10.7	—	—	(0.5)	10.2
Property EBITDA	\$ 711.4	\$ 403.4	\$ 259.0	\$ (43.5)	\$ 1,330.3	\$ 1,026.3	\$ 426.1	\$ 239.2	\$ (201.5)	\$ 1,490.1
Corporate expense	(133.4)	(42.9)	—	(16.2)	(192.5)	(62.8)	(36.8)	—	(14.7)	(114.3)
Stock-based compensation expense <sup>(f)</sup>	32.9	1.3	49.0	—	83.2	15.7	0.5	12.5	(10.6)	18.1
Adjustments to include 100% of Baluma S.A.'s adjusted EBITDA <sup>(g)</sup>	21.4	—	—	—	21.4	(0.8)	—	—	0.1	(0.7)
Depreciation in corporate expense	38.7	—	—	—	38.7	9.7	—	—	—	9.7
Other items <sup>(h)</sup>	46.2	1.9	4.8	(13.2)	39.7	9.2	8.6	2.3	25.2	45.3
Adjusted EBITDA	\$ 717.2	\$ 363.7	\$ 312.8	\$ (72.9)	\$ 1,320.8	\$ 997.3	\$ 398.4	\$ 254.0	\$ (201.5)	\$ 1,448.2

**CAESARS ENTERTAINMENT CORPORATION**  
**NOTES TO SUPPLEMENTAL INFORMATION**  
**RECONCILIATION OF NET LOSS ATTRIBUTABLE TO CAESARS ENTERTAINMENT CORPORATION**  
**TO PROPERTY EBITDA AND ADJUSTED EBITDA**

- (a) Amounts represent the difference between the fair value of consideration paid and the book value, net of deferred financing costs, of debt retired through debt extinguishment transactions, which are capital structure-related, rather than operational-type costs.
- (b) Amounts represent non-cash charges to impair intangible and tangible assets primarily resulting from changes in the business outlook in light of competitive conditions.
- (c) Amounts primarily represent pre-opening costs incurred in connection with new property openings and expansion projects at existing properties, as well as any non-cash write-offs of abandoned development projects.
- (d) Amounts include certain costs associated with acquisition and development activities and reorganization activities, which are infrequently occurring costs.
- (e) Amounts represent the EBITDA of The LINQ and Octavius Tower as consolidated in CEOC. Because The LINQ and Octavius Tower are not legally owned by CEOC the related EBITDA impact is removed from Property EBITDA and Adjusted EBITDA measures.
- (f) Amounts represent stock-based compensation expense related to shares, stock options, and restricted stock granted to the Company's employees.
- (g) 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.
- (h) Amounts represent add-backs and deductions from EBITDA, whether permitted and/or required under the indentures governing CEOC's existing notes and the credit agreement governing CEOC's senior secured credit facilities, but not separately identified. Such add-backs and deductions include litigation awards and settlements, severance and relocation costs, sign-on and retention bonuses, permit remediation costs, gains and losses from disposals of assets, costs incurred in connection with implementing the Company's efficiency and cost-saving programs, business optimization expenses, the Company's insurance policy deductibles incurred as a result of catastrophic events such as floods and hurricanes, one time sales tax assessments and accruals, project start-up costs, and non-cash equity in earnings of non-consolidated affiliates (net of distributions). Additionally, in the current period CEOC includes \$12.4 million of dividends from HIE Holdings.
- (i) Amounts include the results and adjustments of CEOC on a consolidated basis without the exclusion of CEOC's unrestricted subsidiaries, and therefore, are different than the calculations used to determine compliance with debt covenants under the credit facility.
- (j) Amounts include the results and adjustments of CERP on a stand-alone basis.
- (k) Amounts include the results and adjustments attributable to CGP LLC and Predecessor Growth Partners ("Predecessor") on a consolidated or combined, stand-alone basis. The financial information for the three and nine months ended September 30, 2013 does not reflect the impacts of the Formation Transaction, including the recording of non-controlling interest or the determination of taxes in accordance with the limited liability company structure of CGP LLC. Instead, the financial information, referred to as "Predecessor", presents the combination of the assets and entities that were purchased by or contributed to CGP LLC for the periods presented as that financial information was initially recorded in the underlying accounting records of Caesars Entertainment. The financial statement information of CGP LLC presented below have been prepared consistent with CGP LLC's presentation of its results presented on a stand-alone basis. As the properties were acquired from CEOC, CGP LLC has treated these acquisitions as a reorganization of entities under common control; accordingly all properties results are reported as if acquired as of the earliest period presented.
- (l) Amounts include consolidating adjustments, eliminating adjustments and other adjustments to reconcile to consolidated CEC Property EBITDA and Adjusted EBITDA.

**CAESARS ENTERTAINMENT CORPORATION**  
**SUPPLEMENTAL INFORMATION**  
**LTM ADJUSTED EBITDA-PRO FORMA**

Last twelve months ("LTM") Adjusted EBITDA-Pro Forma is defined as Adjusted EBITDA further adjusted to include Pro Forma adjustments related to properties and estimated cost savings yet-to-be-realized, as set forth in our secured credit facilities.

LTM Adjusted EBITDA-Pro Forma is presented as a supplemental measure of performance and management believes that LTM Adjusted EBITDA-Pro Forma 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.

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

The following table reconciles net income to LTM Adjusted EBITDA-Pro Forma for the last twelve months ended September 30, 2014.

<b>(In millions)</b>	<b>Twelve Months Ended September 30, 2014</b>	
	<b>CEOC</b>	<b>CERP</b>
Net income/(loss) attributable to company	\$ (3,030.6)	\$ (876.9)
Interest Expense	2,199.7	376.5
Interest Income	(14.7)	—
Benefit for income taxes	(500.2)	(438.1)
Depreciation and amortization	326.5	154.6
Depreciation in corporate expenses	41.8	—
Amortization of intangible assets	59.9	52.1
Discontinued operations	23.3	—
<b>EBITDA</b>	<b>(894.3)</b>	<b>(731.8)</b>
Write-downs, reserves, and project opening costs, net of recoveries <sup>(a)</sup>	114.7	15.1
Acquisition and integration costs <sup>(b)</sup>	10.2	0.3
Loss on early extinguishment of debt <sup>(c)</sup>	115.8	37.1
Net income attributable to noncontrolling interests	4.4	—
Impairment of tangible and intangible assets <sup>(d)</sup>	1,328.1	1,133.6
Stock-based compensation expense <sup>(e)</sup>	52.4	1.7
Adjustments to include 100% of Baluma S.A.'s adjusted EBITDA <sup>(f)</sup>	31.2	—
Discontinued operations write-downs, reserves, and project opening costs, net of recoveries and impairments	208.6	—
Impact of consolidating The LINQ and Octavius Tower <sup>(g)</sup>	(37.2)	—
Other items <sup>(h)</sup>	59.1	2.6
<b>Adjusted EBITDA</b>	<b>993.0</b>	<b>458.6</b>
Pro Forma adjustments related to properties <sup>(i)</sup>	0.2	0.1
Pro Forma adjustment for estimated cost savings yet-to-be-realized <sup>(j)</sup>	94.8	14.0
Pro forma quarterly add back for Caesars Linq LLC <sup>(k)</sup>	—	60.7
<b>LTM Adjusted EBITDA-Pro Forma</b>	<b>1,088.0</b>	<b>\$ 533.4</b>
Adjusted EBITDA-Pro Forma of CEOC's unrestricted subsidiaries	(12.4)	
Adjusted EBITDA-Pro Forma of CEOC's discontinued operations <sup>(l)</sup>	9.9	
<b>LTM Adjusted EBITDA-ProForma - CEOC Restricted</b>	<b>1,085.5</b>	
LTM Adjusted EBITDA-ProForma - CEOC Property Sales <sup>(m)</sup>	(108.9)	
LTM Adjusted EBITDA-ProForma - Management Fees <sup>(n)</sup>	7.2	
<b>LTM Adjusted EBITDA-ProForma - CEOC Adjusted for Property Sales and Management Fees</b>	<b>\$ 983.8</b>	

- (a) Amounts primarily represent pre-opening costs incurred in connection with new property openings and expansion projects at existing properties, as well as any non-cash write-offs of abandoned development projects.
- (b) Amounts include certain costs associated with acquisition and development activities and reorganization activities, which are infrequently occurring costs.
- (c) Amounts represent the difference between the fair value of consideration paid and the book value, net of deferred financing costs, of debt retired through debt extinguishment transactions, which are capital structure-related, rather than operational-type costs.
- (d) Amounts represent non-cash charges to impair intangible and tangible assets primarily resulting from changes in the business outlook in light of competitive conditions.
- (e) Amounts represent stock-based compensation expense related to shares, stock options, and restricted stock granted to the Company's employees.
- (f) 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.
- (g) Amounts represent the EBITDA of The LINQ and Octavius Tower as consolidated in CEOC. Because The LINQ and Octavius Tower are not legally owned by CEOC, the related EBITDA impact is removed from the Adjusted EBITDA measure.
- (h) Amounts represent add-backs and deductions from EBITDA, whether permitted and/or required under the indentures governing CEOC's existing notes and the credit agreement governing CEOC's senior secured credit facilities, included in arriving at LTM Adjusted EBITDA-Pro Forma but not separately identified. Such add-backs and deductions include litigation awards and settlements, severance and relocation costs, sign-on and retention bonuses, permit remediation costs, gains and losses from disposals of assets, costs incurred in connection with implementing the Company's efficiency and cost-saving programs, business optimization expenses, the Company's insurance policy deductibles incurred as a result of catastrophic events such as floods and hurricanes, one time sales tax assessments and accruals, project start-up costs, and non-cash equity in earnings of non-consolidated affiliates (net of distributions).
- (i) Amounts represent the estimated annualized impact of operating results related to newly completed construction projects, combined with the estimated annualized EBITDA impact associated with properties acquired during the period.
- (j) Amount represents adjustments to reflect the impact of annualized run-rate cost-savings and anticipated future cost savings to be realized from profitability improvement and cost savings programs. These amounts do not include the cost savings programs announced in this press release, as those measures were not finalized at September 30, 2014.
- (k) In accordance with the CERP Financing, EBITDA of the Linq for each fiscal quarter, through the fourth quarter of 2014, will be deemed to be equal to the greater of (i) \$24.75 million or (ii) actual EBITDA.
- (l) Per CEOC's senior secured credit facilities, EBITDA related to the Company's discontinued operations are deducted from LTM Adjusted EBITDA - Pro Forma. Amount represents a loss of \$9.9 million in discontinued operations for the last twelve months ended September 30, 2014.
- (m) Per CEOC's senior secured credit facilities, EBITDA related to the Company's divested properties is deducted from LTM Adjusted EBITDA - Pro Forma. Amount represents \$108.9 million in Adjusted EBITDA related to CEOC's sale of four properties (The Cromwell, Bally's Las Vegas, The LINQ Hotel & Casino (formerly The Quad Resort & Casino), and Harrah's New Orleans) to CGP LLC in May 2014, following the sale of Planet Hollywood Resort & Casino to CGP LLC in October 2013 (the "Property Sales") for the last twelve months ended September 30, 2014.
- (n) Per CEOC's senior secured facilities, management fees related to the Company's divested properties are added to LTM Adjusted EBITDA-Pro Forma. Amount represents \$7.2 million in management fees CEOC will receive from properties included in the Property Sales.

## Caesars Entertainment Corporation (CZR)

### Third Quarter 2014 Earnings Announcement

November 10, 2014

Caesars is posting a copy of these prepared remarks and its press release to its Investor Relations website. These prepared remarks are offered to provide stockholders and analysts with additional time and detail for analyzing our results in advance of our quarterly conference call. As previously scheduled, the conference call will begin today, November 10 at 1:30 p.m. PT (4:30 p.m. ET). To access the live broadcast, please visit the Investor Relations section of Caesars' website at [www.caesars.com](http://www.caesars.com). A reconciliation between GAAP and non-GAAP results is provided in the tables in the press release.

### Prepared Remarks

**Eric Hession:**

Good afternoon, and welcome to the Caesars Entertainment Third Quarter 2014 Results Conference Call. Joining me today from Caesars Entertainment Corporation are Gary Loveman, Chief Executive Officer; and Donald Colvin, Chief Financial Officer. Following our prepared remarks, we'll turn the call over to your questions.

A copy of our press release, today's prepared remarks and a replay of this conference call will be available in the Investor Relations section on our website at [caesars.com](http://caesars.com).

Before I turn the call over to Gary, I'd like to call your attention to the following information. The Safe Harbor disclaimer in our public documents covers this call and the simultaneous webcast at [caesars.com](http://caesars.com). The forward-looking statements made during this conference call reflect the opinion of management as of the date of this call. There are risks and uncertainties with such statements, which are detailed in our filings with the SEC. Please be advised that developments subsequent to this call are likely to cause these statements to become outdated with the passage of time. We do not intend, however, to update the information provided today prior to our next quarterly conference call.

Further, today, we are reporting third quarter 2014 results. These results are not necessarily indicative of results in future periods. Also, please note that, prior to this call, we furnished a Form 8-K of this afternoon's press release to the SEC.

Property EBITDA and adjusted EBITDA are non-GAAP financial measures. Reconciliations of net income and loss to property EBITDA and net income and loss to adjusted EBITDA can be found in the tables of our press release.

This call, the webcast and its replay are the property of Caesars Entertainment Corporation. It's not for rebroadcast or use by any other party without the prior written consent of Caesars Entertainment Corporation. If you do not agree with these terms, please disconnect now. By remaining on the line, you agree to be bound by these terms.

Recall, Caesars Entertainment is a holding company, consisting of three primary entities in which Caesars Entertainment holds an economic interest:

- Caesars Entertainment Resort Properties;
- Caesars Growth Partners, and;
- Caesars Entertainment Operating Co.

CERP and CGP have outsized exposure to destination markets, particularly in Las Vegas. As I have described in the past, CGP is the primary growth vehicle for the company's online and offline distribution channels. CEOC, which remains heavily levered, is the focus of our ongoing work to address its capital structure.

The holding company structure that has emerged, along with the implementation of Caesars Enterprise Services in certain jurisdictions, facilitates ongoing access to Total Rewards and other shared services for properties within CERP, CGP, and CEOC. The structure also creates an efficient mechanism for ongoing investment in the growth of the Total Rewards network, the benefits of which will accrue to each of our entities.

Today we filed a form extending the time in which we will file our Form 10-Q. The Company does not expect any material changes to its financial results to be reflected in the Form 10-Q when filed, relative to what is contained in today's press release. The Company intends to file the Form 10-Q within the five day extension period.

As we move forward with this call, the words "company", "Caesars", "Caesars Entertainment", "we", "our" and "us" refer to Caesars Entertainment Corporation and its consolidated entities, unless otherwise stated, or context requires otherwise.

Let me turn it over to Gary.

**Gary Loveman:**

Thank you Eric.

The third quarter of 2014 was marked by several milestones in our efforts to expand distribution into high-growth markets and further enhance Caesars' hospitality and entertainment assets. However, expenses related to some of these items negatively impacted results in the period. Among these expenses were construction disruption, adverse hold, higher start-up costs related to ramp of several dining options across our network and higher marketing expenses. As

a result, we saw revenue increases associated with these assets, though did not realize the positive impact to profitability we expect to see in future periods.

That said, I am enthusiastic about our new and refreshed assets and believe they better position Caesars Entertainment to capitalize on the strong underlying fundamentals in Las Vegas. The investment impact is most evident in our CERP entity, where several new offerings have recently come online. Also, CGP is beginning to realize returns from previous investments.

Since our last call, we have commenced formal discussions with several groups of creditors related to our collective efforts to improve the financial condition of CEOC. As discussed on prior calls, we are keenly focused on deleveraging at CEOC and we refer you to our Form 10-Q to be filed later this week for a further discussion of CEOC's capital structure and liquidity position. While it is premature to report on the details of these negotiations with creditors, it is fair to say that the talks have been constructive. Further, we are intensely focused on ensuring operating costs are aligned with the current environment to enhance CEC's profitability. To that end, we are acting to reduce expenses and enhance EBITDA across the company through a variety of initiatives in operations, marketing and corporate expenses. We expect to produce an incremental \$250 to \$300 million of EBITDA in 2015 as a result of these actions. The overwhelming majority of this increase will be driven by cost savings.

I will now turn to the performance of our business in the third quarter.

In Las Vegas, I am encouraged by year-over-year increases in key tourism indicators, including Strip occupancy, airport traffic, ADR, RevPAR and convention attendance. This is a positive sign for the market as a whole and for our business. The trend reinforces our confidence in the investments we have made on the Strip. While our new investments in Las Vegas have added significant value to our portfolio, our Las Vegas properties did not fully benefit from the market growth this quarter due to several costs; namely unfavorable hold, bad debt expense, and rooms out of service for renovation. With the exception of the renovation impact, which we anticipate will continue for several quarters, we expect these issues to normalize in future quarters, and continue to view the Las Vegas market with optimism.

Ultimately, we anticipate the ongoing recovery in Las Vegas, coupled with growing awareness of our new attractions, will drive increases in our profitability over time. At Caesars Entertainment Resort Properties, third quarter revenue increased due to contributions from the LINQ and High Roller and growth in hotel and food and beverage offerings. CERP's Strip properties posted 2% growth in lodging revenue driven largely by an increase in cash ADR as a result of various hospitality initiatives. Gaming revenues declined as an increase in promotional allowances coupled with lower volumes was partially offset by favorable hold in Atlantic City.

Direct operating expenses at CERP's properties were higher in the quarter due primarily to the opening of several new dining outlets and higher marketing expenses compared with last year. The increase in marketing expenses was largely a result of programs aimed at retaining guests in Atlantic City following the closure of the Showboat. These incentives increased guest reinvestment in an effort to entice customers to visit our other properties in the market. We are

encouraged by the increased visitation, and hope to retain these players at more normalized investment levels going forward.

Our marketing activities at the LINQ and the High Roller are generating greater customer awareness and engagement. The Happy (Half) Hour on the High Roller and the weekly BLOQ party have been particularly successful in generating F&B revenue and garnering a strong ticket price as well driving additional riders to the wheel and foot traffic through the corridor. We are currently rolling out the next phase of our advertising and marketing activities to stimulate even more traffic to the LINQ promenade.

The properties on the East side of the Strip have benefited from this additional traffic, particularly Flamingo, which witnessed double digit growth in slot volume in the third quarter. During the period, we opened the Fulton Street Food Hall at Harrah's Las Vegas - a chef driven marketplace and the first food hall concept on the Strip. The Food Hall is open 24 hours a day and combines a sit down restaurant experience with the convenience of a to-go café.

In Atlantic City, we recently celebrated the "topping off" of CERP's waterfront meetings facility adjacent to Harrah's. We are pleased to have already booked multiple events at the facility, including a 1,400-person trade show and network event for UniPro next fall. Overall, our meetings and convention team has secured 25 bookings with 36,000 committed room nights and is currently in negotiation with 22 additional groups for 37,000 room nights. Our early success here supports our investment thesis that the city will benefit from a robust meetings business. We are optimistic the addition of this center to Atlantic City will help stimulate new visitation, particularly mid-week.

Turning to Growth Partners, CIE delivered another strong quarter. CIE's third-quarter revenue and EBITDA set new records for the business. Compared to the prior year, revenue increased 105% and EBITDA rose 75%. As Mitch detailed this morning, these results are attributable to the team's emphasis on driving higher monetization and conversion, the release of new game content and broadening the distribution of CIE's social and mobile games across various platforms. The social and mobile games business delivered a 103% year over year increase in revenues and grew paying users and average revenue per user.

In real-money online gaming, CIE launched new slot content and a mobile app for CaesarsCasino.com in New Jersey. In addition, the Total Rewards loyalty program was integrated into CaesarsCasino.com, an important technological step as it enables customers to earn TR credit for online casino play.

Growth Partners' brick and mortar properties also showed aggregate year over year growth mainly due to the addition of The Cromwell and Horseshoe Baltimore. In Las Vegas, activity at The Cromwell is picking up nicely, with quarter over quarter improvement in occupancy since opening in May. Giada's also continues to generate high demand. The restaurant is consistently fully booked, and began serving lunch in mid-July and breakfast in September. We are expanding the main dining room and adding a second private dining area with a patio that overlooks the Strip to capitalize on the venue's popularity. Performance at Drai's continues to exceed expectations, even after a strong initial debut.

At The LINQ Hotel & Casino, formerly The Quad, performance was negatively impacted by room closures related to the property's transformation, which amounted to an estimated \$7 to \$10 million impact to revenue in the quarter as approximately half of the rooms were out of service. The property began welcoming its first hotel guests on October 30, bringing over 800 rooms back online. The remaining rooms have been taken out of service, beginning the final phase of room upgrades, which is projected to be completed in the first half of 2015. The newly renovated rooms are yielding more than double the cash ADR of the former Quad. Despite construction disruption, the casino has experienced increased foot traffic and visitation due to its proximity to the LINQ and High Roller and previously completed renovations to the lobby, including the casino floor. Slot and table volumes were up 26% and 22%, respectively. We expect additional enhancements, which include amenities such as a pool, cabanas, spa, salon and signature lobby bar, to boost the property's appeal and drive improved operating performance.

We are looking forward to the imminent opening of the Grand Bazaar Shops at Bally's. The new third-party retail attraction will be accessible directly from the Strip, Bally's and Paris, and via the bridges from The Cromwell and Caesars Palace. Designed as a 21st-century bazaar, the Grand Bazaar Shops will feature approximately 150 shops and dining establishments, and special attractions, including a vibrantly-colored rooftop design and a giant crystal starburst that creates a celebratory New Year's Eve-like experience daily. Tenants will include well-known brands like Superdry and Swatch as well as new experiences.

In August, we celebrated the opening of Horseshoe Baltimore with an event that welcomed visitors to what we believe will be Charm City's next great attraction. We are quite pleased with the property's performance since its opening, and have been experiencing strong food and beverage results. The property was designed to appeal to gamers and non-gamers alike. This approach is clearly resonating with customers, who are taking advantage of the wide array of entertainment options at the property.

Turning to CEOC - Caesars Palace experienced a particularly challenging quarter, which was the primary driver of the entity's weak results. Caesars Palace suffered from more than \$35 million of unfavorable hold, somewhat lower volumes and an approximately \$20 million increase in bad debt expense. The year ago period at Caesars Palace experienced exceedingly favorable hold on Baccarat, which made for a tough year over year comparison. Volume declines were largely attributable to a decline in high-end international play. Looking ahead, this particularly frustrating period of bad luck has continued into the fourth Quarter. On a year-over-year basis, we currently estimate more than \$85 million of unfavorable hold impact in the second half of 2014.

Additionally, hospitality revenues were unfavorably impacted by the cancellation of Celine Dion shows. We are in the process of securing acts to fill the Colosseum while Celine is on leave and look forward to her return.

Also at Caesars Palace, we anticipate opening our newest nightclub addition, Omnia. Set to open in Spring 2015, Omnia will take over the former space of the iconic PURE Nightclub with a multi-level venue that will encompass a seductive ultra-lounge, a high-energy main room and mezzanine, as well as a breathtaking rooftop garden, showcasing panoramic views of the Las Vegas Strip.

Performance in Atlantic City also weighed heavily on CEOC's results as the market continued to struggle with oversupply. While the closures of Showboat and other properties have been challenging for the city, we are optimistic that Atlantic City's transformation is under way and that, over time, revenues will stabilize and margins will improve. For quite some time, we have pursued the diversification and enhancement of our offerings there to attract new visitors. This year, CEOC has opened several new dining outlets at Bally's, which produced increases in visitation and an improvement in customer experience. The transformation of Atlantic City won't happen overnight, but we believe new offerings will create new reasons for guests to visit and enhance the appeal of the destination.

Similar to CERP, CEOC expenses in the third quarter were higher due to the dining outlets ramping up as well as higher marketing expenses compared with last year. While it is still too early to quantify the impact that the Showboat and other property closings will have on our remaining three properties in the market, we believe that the reduction of gaming capacity will help create a more sustainable operational environment over the long term.

On a more positive note, regional markets appear to be showing signs of stabilization. Net revenues at same store CEOC properties excluding Las Vegas and Atlantic Coast were flat with growth in several regions such as Louisiana and Northern Nevada regions offset by declines from regions such as Illinois and Indiana. The dynamics in the regional markets are looking better than they have for quite some time, particularly as there is limited new supply coming online throughout the country. In Tunica, for example, EBITDA grew despite the fact we operate one less property than we did a year ago. As a result, we are cautiously optimistic about slowing declines and signs of growth in some markets. In the meantime, we are focused on maximizing EBITDA at CEOC by improving operational performance and reducing leverage.

Also in the quarter, the company made ongoing progress on the roll-out of Caesars Enterprise Services. The first employees of the shared-services entity officially transferred in early October following the receipt of regulatory approval in New Jersey.

Now, let me now turn it over to Donald to review consolidated financial performance for the third quarter.

**Donald Colvin:**

Thank you Gary.

I will provide a brief recap of the company's consolidated third quarter performance.

Third quarter consolidated net revenues were up 6.0% from the prior year to \$2.2 billion primarily due to growth in social and mobile games at CIE. Casino revenue increased 0.3% driven mainly by the opening of Horseshoe Baltimore and The Cromwell, offset by significant unfavorable hold and lower volumes at Caesars Palace. Room revenue decreased 0.4% year over year as fewer available room nights at The LINQ Hotel & Casino due to renovations were partially offset by an 8.7% rise in cash ADR due to hospitality initiatives. RevPAR in the quarter increased 5.4%.

Groups business was a highlight in Q3, generating a 10.6% revenue increase and a 4.9% operating income increase. As we look forward, we expect groups to continue to produce strong results in the remainder of 2014 and into 2015, with double digit increases in room nights and revenue. F&B revenue was up 7.4% year over year due to the strong performance of several new restaurant openings this year in Las Vegas including Giada's and Drai's at The Cromwell and the opening of Horseshoe Baltimore. Other revenue rose 53.3% year over year due to strong growth in social and mobile games at CIE and third party rent and entertainment revenue from the LINQ, High Roller, Planet Hollywood and the Cromwell. Consolidated adjusted EBITDA declined 12.9% year over year to \$443 million due to higher property operating costs offset by strength in CIE margins.

Additionally, CERP and CGP each made initial cash payments to CES related to its launch in the amount of \$42.5 million and \$22.5 million respectively.

In conclusion, we are committed to driving efficiency, decreasing working capital, generating EBITDA growth and further improving our balance sheet with a particular focus on CEO's capital structure.

On that note, I will turn it back to Gary for his closing remarks.

**Gary Loveman:**

Thank you, Donald.

Some closing thoughts on the quarter, while we were generally encouraged by revenue performance in most markets, the combination of certain expenses and poor hold put significant pressure on our results for the quarter. We are optimistic that the absence of these items in the future combined with our actions to reduce operating costs across the enterprise will lead to improved results in future periods.

During today's Q&A session, we will not be able to provide any additional disclosures related to company's capital structure and liquidity position, as we will have additional disclosure around these topics when we file our 10Q later this week. We have provided as much detail as we are presently able to and will release additional details as they become available.

Operator, we are now happy to take questions on the company's operations.

## Forward Looking Information

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

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

- the impact of the Company's substantial indebtedness and the restrictions in the Company's debt agreements, and the outcome of discussions with CEOC's creditors regarding CEOC's capital structure;
- litigation outcomes and judicial and governmental body actions, including gaming legislative action, referenda, regulatory disciplinary actions, and fines and taxation, including but not limited to, the assertion and outcome of litigation or other claims that have been or may be brought against the Company by certain creditors, some of whom have notified the Company of their objection to various transactions undertaken by the Company in 2013 and 2014;
- the effects of local and national economic, credit, and capital market conditions on the economy, in general, and on the gaming industry, in particular;
- the ability to realize the expense reductions from cost savings programs, including the program to increase its working capital and excess cash by \$500 million;
- changes in laws, including increased tax rates, smoking bans, regulations or accounting standards, third-party relations and approvals, and decisions, disciplines, and fines of courts, regulators, and governmental bodies;
- the ability of the Company's customer-tracking, customer loyalty, and yield-management programs to continue to increase customer loyalty and same-store or hotel sales;
- the effects of competition, including locations of competitors, competition for new licenses and operating and market competition;
- the ability to recoup costs of capital investments through higher revenues;

- abnormal gaming holds (“gaming hold” is the amount of money that is retained by the casino from wagers by customers);
- the ability to timely and cost-effectively integrate companies that the Company acquires into its operations;
- the potential difficulties in employee retention and recruitment as a result of the Company's substantial indebtedness, the ongoing downturn in the U.S. regional gaming industry, or any other factor;
- construction factors, including delays, increased costs of labor and materials, availability of labor and materials, zoning issues, environmental restrictions, soil and water conditions, weather and other hazards, site access matters, and building permit issues;
- severe weather conditions or natural disasters, including losses therefrom, including losses in revenues and damage to property, and the impact of severe weather conditions on the Company's ability to attract customers to certain of its facilities, such as the amount of losses and disruption to us as a result of Hurricane Sandy in late October 2012;
- acts of war or terrorist incidents or uprisings, including losses therefrom, including losses in revenues and damage to property,
- the effects of environmental and structural building conditions relating to the Company's properties;
- access to insurance on reasonable terms for the Company's assets; and
- the impact, if any, of unfunded pension benefits under multi-employer pension plans.

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