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Caesars Entertainment Operating Company Announces Additional Steps to Position Company for Deleveraging and Public Listing

John Payne Named CEO; CFO and General Counsel Appointed

LAS VEGAS, July 30, 2014 /PRNewswire/ -- Caesars Entertainment Operating Company, Inc. ("CEOC" or "the Company") today announced additional steps intended to position CEOC for a stock listing and significant deleveraging including the appointment of John Payne as Chief Executive Officer, Mary Elizabeth Higgins as Chief Financial Officer and Tim Lambert as General Counsel of CEOC. The appointment of Payne, Higgins and Lambert follows the addition of two independent directors to the CEOC board in June. The appointments are subject to the receipt of regulatory approval.

The appointment of an executive leadership team and the addition earlier this month of independent directors are key steps in CEOC's comprehensive plan to reduce leverage. These actions follow the completion of the previously announced \$1.75 billion first lien debt offering and associated redemption of existing 2015 maturities as well as a paydown of \$800 million of bank facilities maturing in 2016; the sale by Caesars Entertainment of 5% of CEOC's equity to institutional investors; the closing of the previously announced asset sales; and the amendment of CEOC's credit facility.

"We are focused on deleveraging and creating value at CEOC and today's announcement supports those goals," said Gary Loveman, Chairman and CEO of Caesars Entertainment. "John possesses a deep understanding of our regional markets and has strongly contributed to the growth and development of the Caesars-branded network over the years. I have complete confidence in John's ability to create value at CEOC."

Payne joined Caesars Entertainment nearly 19 years ago as a President's Associate. Most recently, he served as President, Central Markets & Partnership Development for Caesars Entertainment. Prior to this role, Payne was President of Enterprise Shared Services from July 2011 to May 2013. Previously, he was Central Division President. Payne has held general manager roles of several properties, including Harrah's New Orleans.

"The regional properties within CEOC are an important part of the Caesars-branded properties' business model, which allows regional customers the ability to accumulate Total Rewards credit and redeem it across a vast network of affiliated properties, including destination markets such as Las Vegas and New Orleans," Payne said. "Despite difficult conditions in some regional markets, I believe there are exciting opportunities to enhance value and capitalize on a number of exciting developments across the industry."

Higgins will report to Payne and be responsible for executive management and oversight of CEOC's financial operations.

Higgins joins CEOC from Global Cash Access Inc., where she served as Chief Financial Officer and Executive Vice President from September 2010 to March 2014 and was responsible for all facets of financial management. Prior to this, Higgins held the CFO role at Herbst Gaming Inc. and Camco Inc., successively. She holds a bachelor's degree in political science from the University of Southern California and an MBA in finance from Memphis State University.

Lambert joined a predecessor to Caesars, Empress Entertainment, in 1995. He was most recently Vice President and Chief Counsel Regional Operations, Regulatory & Compliance for Caesars Entertainment. He holds a bachelor's degree in business administration from Illinois Wesleyan University and received his law degree from the University of Illinois College of Law.

CEOC Board

CEOC announced on June 27 that Ronen Stauber and Steven Winograd have joined CEOC's board as independent directors.

Stauber leads the day-to-day activities of Jenro Capital, which provides transaction and consulting services to corporations, private equity firms and family investment offices. He was previously president and CEO of Cendant Corporation's Consumer Travel, International Markets business unit as well as led Cendant's strategic development efforts. He was also Chief Operating Officer of Gullivers Travel Associates.

Winograd is a managing director in the financial sponsors group of the Investment & Corporate Banking division of BMO Capital Markets, where he is responsible for managing relationships with a number of large-cap and mid-cap private equity clients and their portfolio companies. CEOC's board is now comprised of seven directors.

About Caesars Entertainment Operating Company Inc.

Caesars Entertainment Operating Company, Inc. ("CEOC"), a majority owned subsidiary of Caesars Entertainment Corporation (NASDAQ: CZR), [provides casino entertainment services and owns, operates or manages] 44 gaming and resort properties in 13 states of the United States and in five countries primarily under the Caesars, Harrah's and Horseshoe brand names. CEOC is focused on building customer loyalty through providing its guests with a combination of great service, excellent products, unsurpassed distribution, operational excellence and technology leadership as well as all the advantages of the Total Rewards program. CEOC also is committed to environmental sustainability and energy conservation, and recognizes the importance of being a responsible steward of the environment.

Forward-Looking Statements

This release contains or may contain "forward-looking statements" intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. These statements can be identified by the fact that they do not relate strictly to historical or current facts. CEOC has based these forward-looking statements on its current expectations about future events. Further, statements that include words such as "may," "will," "project," "might," "expect," "believe," "anticipate," "intend," "could," "would," "estimate," "continue," "present," "preserve," or "pursue," or the negative of these words or other words or expressions of similar meaning may identify forward-looking statements. These forward-looking statements are found at various places throughout this release. These forward-looking statements, including, without limitation, those relating to future actions, new projects, strategies, future performance, the outcome of contingencies such as legal proceedings, listing of CEOC's common stock and future financial results, wherever they occur in this release, are necessarily estimates reflecting the best judgment of CEOC's management and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements.

Important factors that could cause actual results to differ materially from estimates or projections contained in the forward-looking statements include without limitation:

- access to available and reasonable financing on a timely basis, including the new incremental term loan CEOC is seeking under its credit agreement (and related repayment of 2015 maturities) and amendment to CEOC's credit agreement and related Caesars Entertainment guarantee of CEOC's credit agreement, which may not be consummated on the terms contemplated or at all;
- the outcome of the allegations in a notice of default sent by a minority group of holders of one tranche of second lien notes issued by CEOC;
- the acts or failures to act of various gaming regulators;
- the assertion and outcome of litigation or other claims that may be brought against Caesars by creditors of CEOC, some of whom have notified Caesars of their objection to various transactions undertaken by Caesars in 2013 and 2014;
- the impact of Caesars' substantial indebtedness and the restrictions in Caesars' debt agreements;
- 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 Caesars' working capital and excess cash by \$500 million;
- the ability of Caesars' customer-tracking, customer loyalty and yield-management programs to continue to increase customer loyalty and same-store or hotel sales;
- changes in laws, including increased tax rates, smoking bans, regulations or accounting standards, third-party relations and approvals, and decisions, disciplines and fines of courts, regulators and governmental bodies;
- 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 effects of competition, including locations of competitors, competition for new licenses and operating and market competition;
- the ability to timely and cost-effectively integrate companies that Caesars acquires into its operations;
- the potential difficulties in employee retention and recruitment as a result of Caesars' 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 Caesars' 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;
- litigation outcomes and judicial and governmental body actions, including gaming legislative action, referenda, regulatory disciplinary actions and fines and taxation;
- acts of war or terrorist incidents or uprisings, including losses therefrom, including losses in revenues and damage to property;

- the effects of environmental and structural building conditions relating to Caesars' properties;
- access to insurance on reasonable terms for Caesars' assets; and
- the impact, if any, of unfunded pension benefits under multi-employer pension plans.

Any forward-looking statements should, therefore, be considered in light of various important factors set forth above and from time to time in CEOC's filings with the SEC. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this release. CEOC and Caesars Entertainment undertake no obligations to publicly update or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this release or to reflect the occurrence of unanticipated events, except as required by law.

SOURCE Caesars Entertainment Operating Company, Inc.

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