

**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

March 2, 2015 (March 2, 2015)
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)

001-10410
(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 ("CEC"), each dated March 2, 2015, reporting CEC's financial results for the quarter and year ended December 31, 2014.

The financial results presented in the exhibits below include consolidated CEC, its four reportable segments including Caesars Entertainment Operating Company ("CEO"), and Parent/Other. Segment results are presented consistent with the way CEC management makes operating decisions and assesses performance, which is a consolidated view that adjusts for the impact of certain transactions between reportable segments within CEC. As a result, the results of the CEO segment presented in the exhibits below may differ from the results and financial statement information presented in CEO's separate filings.

Item 9.01 Financial Statements and Exhibits.

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

99.1 Text of press release, dated March 2, 2015.

99.2 Prepared remarks, dated March 2, 2015.

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: March 2, 2015

By:

/S/ MARY E. HIGGINS

Mary E. Higgins
Chief Financial Officer



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Caesars Entertainment Reports Fourth Quarter and Full Year 2014 Results

LAS VEGAS, March 2, 2015 - Caesars Entertainment Corporation (NASDAQ: CZR) today reported the following fourth quarter and full year 2014 results and recent developments:

- Consolidated net revenues increased 6% year-over-year driven by growth at CGP LLC and CERP
- Consolidated results led by strength in social and mobile games and new hospitality offerings were offset by unfavorable hold at Caesars Palace and increased operating expenses
- CEOC announced comprehensive debt restructuring plan on December 19, which includes a significant reduction in CEOC's long-term debt and annual interest payments
- Caesars Acquisition Company and Caesars Entertainment announced on December 22 an agreement to merge in a combined company that will be positioned for sustainable long-term growth and value creation

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 December 31,		Percent Favorable/ (Unfavorable)	Years Ended December 31,		Percent Favorable/ (Unfavorable)
	2014	2013		2014	2013	
Casino revenues ⁽¹⁾	\$ 1,371	\$ 1,350	1.6 %	\$ 5,418	\$ 5,529	(2.0)%
Net revenues ⁽¹⁾	2,131	2,004	6.3 %	8,516	8,220	3.6 %
Loss from operations ⁽¹⁾	(402)	(1,777)	77.4 %	(452)	(2,026)	77.7 %
Loss from continuing operations, net of income taxes ⁽¹⁾	(1,055)	(1,655)	36.3 %	(2,674)	(2,733)	2.2 %
Loss from discontinued operations, net of income taxes	(15)	(97)	84.5 %	(192)	(207)	7.2 %
Net loss attributable to Caesars	(1,011)	(1,757)	42.5 %	(2,771)	(2,948)	6.0 %
Basic and diluted loss per share	(7.00)	(12.83)	45.4 %	(19.45)	(22.93)	15.2 %
Property EBITDA ⁽²⁾	359	386	(7.0)%	1,689	1,877	(10.0)%
Adjusted EBITDA ⁽³⁾	372	406	(8.4)%	1,693	1,855	(8.7)%

⁽¹⁾ - ⁽³⁾ See footnotes following Cash and Available Revolver Capacity later in this release

Management Commentary

“Ongoing strength in the interactive business, new hospitality offerings and sequential improvement in same-store regional results were key drivers of our fourth quarter performance despite the continuation of exceptionally unfavorable hold at Caesars Palace,” said Gary Loveman, chairman, chief executive officer and president of Caesars Entertainment. “As we begin 2015, we are highly focused on enhancing performance at CEOC through a series of cost initiatives and the implementation of the previously announced financial restructuring plan. With more than 80% of first lien noteholders supporting the plan, we are committed to working with additional creditor groups to build greater consensus and complete the restructuring process as quickly as possible.”

Other Key Matters During the Quarter

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.

Fourth quarter Adjusted EBITDA for Caesars Entertainment Corporation was \$372 million. Top-line results benefited from the addition of The Cromwell, Horseshoe Baltimore, and the High Roller as well as new hospitality offerings. Furthermore, strong growth in CIE provided over \$60 million in incremental revenue in the quarter. These increases to revenue were negatively impacted by approximately \$60 million of unfavorable year-over-year hold at Caesars Palace, higher start-up costs from new properties as well as new food and beverage outlets, and increased overhead expenses.

The Company is intensely focused on ensuring operating costs are aligned with the current environment to enhance CEC's profitability. To that end, the Company is acting aggressively to reduce expenses and increase EBITDA across the Company through a variety of identified initiatives in operations, marketing and corporate expenses. CEC will no longer consolidate CEOC beginning with the CEOC bankruptcy filing on January 15, 2015. Including CEOC and the entities (CES, CERP, CGP LLC and their consolidated subsidiaries) that will remain in CEC's consolidated results subsequent to CEOC's bankruptcy filing, we expect to produce an incremental \$250 to \$300 million of EBITDA in 2015 as a result of these actions, with the overwhelming majority of this increase to be driven by cost savings. During the fourth quarter, the Company realized approximately \$9 million in cost savings but the real benefits from these efforts will be seen beginning in the first quarter of 2015.

On December 19, 2014, CEOC reached an agreement with certain of CEOC's first lien noteholders regarding terms of a financial restructuring plan, which would significantly reduce long-term debt and annual interest payments, and result in a stronger balance sheet for CEOC. The restructuring support agreement has now been signed by over 80% of the first lien noteholders.

Additionally, on December 22, 2014, Caesars Entertainment and Caesars Acquisition Company announced a definitive agreement to merge in an all-stock transaction. The planned merger will position the combined company to support the restructuring of CEOC without the need for any significant outside financing.

To implement the financial restructuring, CEOC and certain of its U.S. subsidiaries voluntarily filed for reorganization under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Northern District of Illinois in Chicago on January 15, 2015. All Caesars Entertainment properties, including those owned by CEOC, are open for business and are continuing to operate in the ordinary course. The restructuring is conditioned upon the release of all pending and potential litigation claims against Caesars Entertainment, Caesars Acquisition Company and related parties. The proposed restructuring plan remains subject to approval by the Bankruptcy Court and the receipt of required gaming regulatory approvals.

Financial Results

The financial results presented below leverage a management view and include Caesars with its four reportable segments and Parent/Other. Segment results are presented consistent with the way CEC management assesses these results, which is a consolidated view that adjusts for the impact of certain transactions between reportable segments within Caesars, as described below. As a result, the results of certain reportable segments presented in this release differ from the financial statement information presented in their separate filings.

Segment Net Revenues⁽⁹⁾

(Dollars in millions)	Three Months Ended December 31,		Percent Favorable/ (Unfavorable)	Years Ended December 31,		Percent Favorable/ (Unfavorable)
	2014	2013		2014	2013	
CEOC ⁽⁴⁾	\$ 1,149	\$ 1,221	(5.9)%	\$ 4,812	\$ 4,985	(3.5)%
CERP ⁽⁵⁾	500	463	8.0 %	2,065	1,979	4.3 %
CGP LLC Casinos ⁽⁶⁾	371	265	40.0 %	1,281	1,040	23.2 %
CIE ⁽⁷⁾	156	95	64.2 %	587	317	85.2 %
Parent / Other ⁽⁸⁾	(45)	(40)	(12.5)%	(229)	(101)	(126.7)%
Total	\$ 2,131	\$ 2,004	6.3 %	\$ 8,516	\$ 8,220	3.6 %

Segment Income/(loss) from Operations⁽⁹⁾

(Dollars in millions)	Three Months Ended December 31,		Percent Favorable/ (Unfavorable)	Years Ended December 31,		Percent Favorable/ (Unfavorable)
	2014	2013		2014	2013	
CEOC ⁽⁴⁾	\$ (102)	\$ (863)	88.2 %	\$ (323)	\$ (1,344)	76.0 %
CERP ⁽⁵⁾	(122)	(981)	87.6 %	(32)	(804)	96.0 %
CGP LLC Casinos ⁽⁶⁾	(208)	(115)	(80.9)%	(139)	(3)	*
CIE ⁽⁷⁾	—	(4)	100.0 %	21	(9)	*
Parent / Other ⁽⁸⁾	30	186	(83.9)%	21	134	(84.3)%
Total	\$ (402)	\$ (1,777)	77.4 %	\$ (452)	\$ (2,026)	77.7 %

Cash and Available Revolver Capacity

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 the liquidity and capital resources of CGP LLC.

(In millions)	December 31, 2014				
	CEOC ⁽¹⁰⁾	CERP	CES	CGP LLC	Parent
Cash and cash equivalents	\$ 1,194	\$ 189	\$ 70	\$ 944	\$ 409
Revolver capacity		270	—	150	—
Revolver capacity drawn or committed to letters of credit		(180)	—	—	—
Total cash and revolver capacity		\$ 279	\$ 70	\$ 1,094	\$ 409

* Not meaningful

(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), CIE RMG BEL (closed in August 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.
- (4) CEOC results present the sales of The LINQ promenade and Octavius Tower (to CERP in 2013); Planet Hollywood Resort & Casino (to CGP LLC in October 2013); Horseshoe Baltimore (to CGP LLC in October 2013) and The Cromwell, Bally's Las Vegas, The LINQ Hotel, and Harrah's New Orleans (to CGP LLC in May 2014) as if they had occurred as of the earliest period presented, consistent with internal management presentation.
- (5) CERP includes The LINQ promenade and Octavius Tower in all periods presented.
- (6) CGP LLC Casinos is comprised of all subsidiaries of CGP LLC excluding CIE.
- (7) CIE is comprised of the subsidiaries that operate its social and mobile gaming operations and WSOP.
- (8) Parent/Other includes consolidating adjustments, eliminating adjustments and other adjustments to reconcile to consolidated CEC results and CEC Parent level activity.
- (9) As consolidated, and adjusted
- (10) CEOC is unable to draw on its remaining revolver capacity subsequent to its voluntary filing for reorganization under Chapter 11.

Conference Call Information

Caesars Entertainment Corporation (NASDAQ: CZR) will host a conference call at 1:30 p.m. Pacific Time Monday, March 2, 2015 to review its fourth quarter results. The call will be accessible in the Investor Relations section of www.caesars.com.

If you would like to ask questions and be an active participant in the call, you may dial 877-637-3676, or 832-412-1752 for international callers, and enter Conference ID 84866985 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 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 Partners, in which we hold a variable economic interest. Since its beginning in Reno, Nevada, 77 years ago, CEC has grown through development of new resorts, expansions, and acquisitions, and its portfolio of subsidiaries now operate 49 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.

Forward Looking Information

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

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

- the effects of CEOC's bankruptcy filing on CEOC and its subsidiaries and affiliates, including Caesars Entertainment, and the interest of various creditors, equity holders, and other constituents;

- the ability to retain key employees during the restructuring of CEOC;
- the event that the Restructuring Support Forbearance Agreement (“RSA”) may not be consummated in accordance with its terms, or persons not party to the RSA may successfully challenge the implementation thereof;
- the length of time CEOC will operate in the Chapter 11 cases or CEOC’s ability to comply with the milestones provided by the RSA;
- risks associated with third party motions in the Chapter 11 cases, which may hinder or delay CEOC’s ability to consummate the restructuring as contemplated by the RSA;
- the potential adverse effects of Chapter 11 proceedings on Caesars Entertainment’s liquidity or results of operations;
- the effects of local and national economic, credit, and capital market conditions on the economy, in general, and on the gaming industry, in particular;
- the ability to realize the expense reductions from our cost savings programs;
- the financial results of CGP LLC’s business;
- the impact of our substantial indebtedness and the restrictions in our debt agreements;
- access to available and reasonable financing on a timely basis, including the ability of the company to refinance its indebtedness on acceptable terms;
- the ability of our customer tracking, customer loyalty, and yield management programs to continue to increase customer loyalty and same-store or hotel sales;
- changes in laws, including increased tax rates, smoking bans, regulations or accounting standards, third-party relations and approvals, and decisions, disciplines and fines of courts, regulators and governmental bodies;
- our ability to recoup costs of capital investments through higher revenues;
- abnormal gaming holds (“gaming hold” is the amount of money that is retained by the casino from wagers by customers);
- the effects of competition, including locations of competitors, competition for new licenses, and operating and market competition;
- the ability to timely and cost-effectively integrate companies that we acquire into our operations;
- the potential difficulties in employee retention and recruitment as a result of our substantial indebtedness or any other factor;
- construction factors, including delays, increased costs of labor and materials, availability of labor and materials, zoning issues, environmental restrictions, soil and water conditions, weather and other hazards, site access matters, and building permit issues;
- severe weather conditions or natural disasters, including losses therefrom, losses in revenues and damage to property, and the impact of severe weather conditions on our ability to attract customers to certain of 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, severe weather conditions, uprisings or natural disasters, including losses therefrom, losses in revenues and damage to property, and the impact of severe weather conditions on our ability to attract customers to certain of our facilities, such as the amount of losses and disruption to our company as a result of Hurricane Sandy in late October 2012;
- the effects of environmental and structural building conditions relating to our properties;
- access to insurance on reasonable terms for our assets; and

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

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

CAESARS ENTERTAINMENT CORPORATION
CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS
(UNAUDITED)

(In millions, except per share data)

	Three Months Ended December 31,		Years Ended December 31,	
	2014	2013	2014	2013
Revenues				
Casino	\$ 1,371	\$ 1,350	\$ 5,418	\$ 5,529
Food and beverage	378	347	1,522	1,451
Rooms	292	279	1,207	1,167
Management fees	13	15	58	57
Other	306	228	1,197	855
Reimbursable management costs	55	65	252	268
Less: casino promotional allowances	(284)	(280)	(1,138)	(1,107)
Net revenues	2,131	2,004	8,516	8,220
Operating expenses				
Direct				
Casino	840	783	3,253	3,112
Food and beverage	178	151	694	639
Rooms	74	71	315	296
Property, general, administrative, and other	625	544	2,306	2,035
Reimbursable management costs	55	65	252	268
Depreciation and amortization	165	168	636	701
Write-downs, reserves, and project opening costs, net of recoveries	24	59	120	104
Impairment of goodwill	407	—	695	104
Impairment of intangible and tangible assets	39	1,885	299	2,727
Corporate expense	90	47	282	161
Acquisition and integration costs and other	36	8	116	99
Total operating expenses	2,533	3,781	8,968	10,246
Loss from operations	(402)	(1,777)	(452)	(2,026)
Interest expense	(716)	(574)	(2,670)	(2,252)
Other gains/(losses)	(1)	(43)	(95)	28
Loss from continuing operations before income taxes	(1,119)	(2,394)	(3,217)	(4,250)
Income tax benefit	64	739	543	1,517
Loss from continuing operations, net of income taxes	(1,055)	(1,655)	(2,674)	(2,733)
Discontinued operations				
Loss from discontinued operations	(25)	(88)	(213)	(239)
Income tax benefit/(provision)	10	(9)	21	32
Loss from discontinued operations, net of income taxes	(15)	(97)	(192)	(207)
Net loss	(1,070)	(1,752)	(2,866)	(2,940)
Net (income)/loss attributable to noncontrolling interests	59	(5)	95	(8)
Net loss attributable to Caesars	\$ (1,011)	\$ (1,757)	\$ (2,771)	\$ (2,948)
Loss per share - basic and diluted				
Loss per share from continuing operations	\$ (6.90)	\$ (12.13)	\$ (18.10)	\$ (21.32)
Loss per share from discontinued operations	(0.10)	(0.70)	(1.35)	(1.61)
Net loss per share	\$ (7.00)	\$ (12.83)	\$ (19.45)	\$ (22.93)

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

	December 31, 2014	December 31, 2013
Assets		
Current assets		
Cash and cash equivalents	\$ 2,806	\$ 2,771
Restricted cash	76	88
Other current assets	791	911
Total current assets	3,673	3,770
Property and equipment, net	13,456	13,238
Goodwill and other intangible assets	5,516	6,551
Restricted cash	109	337
Other long-term assets	781	793
Total assets	<u>\$ 23,535</u>	<u>\$ 24,689</u>
Liabilities and Stockholders' Deficit		
Current liabilities		
Current portion of long-term debt	\$ 15,779	\$ 197
Other current liabilities	2,501	2,334
Total current liabilities	18,280	2,531
Long-term debt	7,434	20,918
Other long-term liabilities	2,563	3,144
Total liabilities	28,277	26,593
Total Caesars stockholders' deficit	(4,998)	(3,122)
Noncontrolling interests	256	1,218
Total deficit	(4,742)	(1,904)
Total liabilities and stockholders' deficit	<u>\$ 23,535</u>	<u>\$ 24,689</u>

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 tax; (iii) depreciation and amortization; (iv) corporate expenses; and (v) certain items that management does not consider indicative of the Company's 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 Property EBITDA further adjusted to exclude certain non-cash and other items required or permitted in calculating covenant compliance under the agreements governing CEOC, CERP, and CGP LLC'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.

Property EBITDA^(a)

(Dollars in millions)	Three Months Ended December 31,		Percent Favorable/ (Unfavorable)	Years Ended December 31,		Percent Favorable/ (Unfavorable)
	2014	2013		2014	2013	
CEOC	\$ 174	\$ 263	(33.8)%	\$ 886	\$ 1,290	(31.3)%
CERP	116	104	11.5 %	519	530	(2.1)%
CGP LLC	64	65	(1.5)%	324	304	6.6 %
Other	5	(46)	*	(40)	(247)	83.8 %
Total	\$ 359	\$ 386	(7.0)%	\$ 1,689	\$ 1,877	(10.0)%

Adjusted EBITDA^(a)

(Dollars in millions)	Three Months Ended December 31,		Percent Favorable/ (Unfavorable)	Years Ended December 31,		Percent Favorable/ (Unfavorable)
	2014	2013		2014	2013	
CEOC	\$ 171	\$ 274	(37.6)%	\$ 888	\$ 1,272	(30.2)%
CERP	103	95	8.4 %	467	493	(5.3)%
CGP LLC	103	85	21.2 %	416	339	22.7 %
Other	(5)	(48)	89.6 %	(78)	(249)	68.7 %
Total	\$ 372	\$ 406	(8.4)%	\$ 1,693	\$ 1,855	(8.7)%

* Not meaningful

^(a) Property EBITDA and Adjusted EBITDA are presented on a legal entity basis consistent with agreements governing applicable secured credit facilities.

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 December 31, 2014					Three Months Ended December 31, 2013				
	CEOC ⁽ⁱ⁾	CERP ⁽ⁱ⁾	CGP LLC ^(k)	Other ⁽ⁱ⁾	CEC	CEOC ⁽ⁱ⁾	CERP ⁽ⁱ⁾	CGP LLC/ Predecessor ^(k)	Other ⁽ⁱ⁾	CEC
Net income/(loss) attributable to company	\$ (739)	\$ (217)	\$ (247)	\$ 192	\$ (1,011)	\$ (1,385)	\$ (696)	\$ (114)	\$ 438	\$ (1,757)
Net income/(loss) attributable to noncontrolling interests	5	—	(18)	(46)	(59)	2	—	(5)	8	5
Net income/(loss)	(734)	(217)	(265)	146	(1,070)	(1,383)	(696)	(119)	446	(1,752)
Net (income)/loss from discontinued operations	24	—	—	(9)	15	93	—	—	4	97
Net income/(loss) from continuing operations	(710)	(217)	(265)	137	(1,055)	(1,290)	(696)	(119)	450	(1,655)
Income tax (benefit)/provision	41	(6)	17	(116)	(64)	(68)	(409)	19	(281)	(739)
Income/(loss) from continuing operations before income taxes	(669)	(223)	(248)	21	(1,119)	(1,358)	(1,105)	(100)	169	(2,394)
Other (gains)/losses ^(a)	2	—	—	(1)	1	(6)	37	(45)	57	43
Interest expense	561	101	49	5	716	532	88	21	(67)	574
Income/(loss) from operations	(106)	(122)	(199)	25	(402)	(832)	(980)	(124)	159	(1,777)
Depreciation and amortization	81	46	44	(6)	165	116	53	28	(29)	168
Impairment of intangible and tangible assets ^(b)	118	172	147	9	446	910	1,016	—	(41)	1,885
Write-downs, reserves, and project opening costs, net of recoveries ^(c)	(2)	3	19	4	24	53	5	4	(3)	59
Acquisition and integration costs and other ^(d)	31	—	6	(1)	36	(9)	—	15	2	8
Corporate expense	55	17	—	18	90	35	10	—	2	47
Impact of consolidating The LINQ and Octavius Tower ^(e)	(3)	—	—	3	—	(6)	—	—	6	—
Change in fair value of contingently issuable non-voting membership units	—	—	47	(47)	—	—	—	138	(138)	—
Change in fair value of contingent consideration	—	—	—	—	—	—	—	4	(4)	—
EBITDA attributable to discontinued operations	—	—	—	—	—	(4)	—	—	—	(4)
Property EBITDA	\$ 174	\$ 116	\$ 64	\$ 5	\$ 359	\$ 263	\$ 104	\$ 65	\$ (46)	\$ 386
Corporate expense	(55)	(17)	—	(18)	(90)	(35)	(10)	—	(2)	(47)
Stock-based compensation expense ^(f)	8	2	39	—	49	20	—	19	(3)	36
Adjustments to include 100% of Baluma S.A.'s adjusted EBITDA ^(g)	8	—	—	—	8	10	—	—	—	10
Depreciation in corporate expense	11	—	—	—	11	3	—	—	—	3
Other items ^(h)	25	2	—	8	35	13	1	1	3	18
Adjusted EBITDA	\$ 171	\$ 103	\$ 103	\$ (5)	\$ 372	\$ 274	\$ 95	\$ 85	\$ (48)	\$ 406

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

(In millions)	Year Ended December 31, 2014					Year Ended December 31, 2013				
	CEOC ⁽ⁱ⁾	CERP ⁽ⁱ⁾	CGP LLC ^(k)	Other ⁽ⁱ⁾	CEC	CEOC ⁽ⁱ⁾	CERP ⁽ⁱ⁾	CGP LLC/Predecessor ^(k)	Other ⁽ⁱ⁾	CEC
Net income/(loss) attributable to company	\$ (2,393)	\$ (406)	\$ (181)	\$ 209	\$ (2,771)	\$ (3,066)	\$ (638)	\$ 8	\$ 748	\$ (2,948)
Net income/(loss) attributable to noncontrolling interests	8	—	(33)	(70)	(95)	4	—	(10)	14	8
Net income/(loss)	(2,385)	(406)	(214)	139	(2,866)	(3,062)	(638)	(2)	762	(2,940)
Net (income)/loss from discontinued operations	173	—	16	3	192	218	—	—	(11)	207
Net income/(loss) from continuing operations	(2,212)	(406)	(198)	142	(2,674)	(2,844)	(638)	(2)	751	(2,733)
Income tax (benefit)/provision	(383)	(27)	49	(182)	(543)	(517)	(384)	75	(691)	(1,517)
Income/(loss) from continuing operations before income taxes	(2,595)	(433)	(149)	(40)	(3,217)	(3,361)	(1,022)	73	60	(4,250)
Other (gains)/losses ^(a)	100	—	(96)	91	95	(27)	(15)	(175)	189	(28)
Interest expense	2,228	389	173	(120)	2,670	2,145	246	77	(216)	2,252
Income/(loss) from operations	(267)	(44)	(72)	(69)	(452)	(1,243)	(791)	(25)	33	(2,026)
Depreciation and amortization	352	200	143	(59)	636	500	216	102	(117)	701
Impairment of intangible and tangible assets ^(b)	536	289	211	(42)	994	1,809	1,046	—	(24)	2,831
Write-downs, reserves, and project opening costs, net of recoveries ^(c)	60	13	53	(6)	120	91	15	20	(22)	104
Acquisition and integration costs and other ^(d)	58	1	17	40	116	34	(3)	15	53	99
Corporate expense	189	60	—	33	282	98	47	—	16	161
Impact of consolidating The LINQ and Octavius Tower ^(e)	(36)	—	—	36	—	(6)	—	—	6	—
Change in fair value of contingently issuable non-voting membership units	—	—	39	(39)	—	—	—	139	(139)	—
Change in fair value of contingent consideration	—	—	33	(33)	—	—	—	53	(53)	—
Gain on sale of bonds	—	—	(99)	99	—	—	—	—	—	—
EBITDA attributable to discontinued operations	(6)	—	(1)	—	(7)	7	—	—	—	7
Property EBITDA	\$ 886	\$ 519	\$ 324	\$ (40)	\$ 1,689	\$ 1,290	\$ 530	\$ 304	\$ (247)	\$ 1,877
Corporate expense	(189)	(60)	—	(33)	(282)	(98)	(47)	—	(16)	(161)
Stock-based compensation expense ^(f)	41	3	88	—	132	35	1	32	(14)	54
Adjustments to include 100% of Baluma S.A.'s adjusted EBITDA ^(g)	29	—	—	—	29	9	—	—	—	9
Depreciation in corporate expense	50	—	—	—	50	13	—	—	—	13
Other items ^(h)	71	5	4	(5)	75	23	9	3	28	63
Adjusted EBITDA	\$ 888	\$ 467	\$ 416	\$ (78)	\$ 1,693	\$ 1,272	\$ 493	\$ 339	\$ (249)	\$ 1,855

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

- (a) Amounts primarily represent (gain)/loss on early extinguishments of debt, which 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 promenade and Octavius Tower as consolidated in CEOC. Because The LINQ promenade 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).
- (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 consolidated financial information for the periods subsequent to October 21, 2013 reflects the impacts of the transaction forming CGP LLC in October 2013, including the recording of non-controlling interest and the determination of taxes in accordance with the limited liability company structure of CGP LLC. Financial information for the period through October 21, 2013, referred to herein as Predecessor Growth Partners ("Predecessor"), presents the combination of the assets and entities that were purchased by or contributed to CGP LLC with financial information derived from the historical accounting records and consolidated financial statements of Caesars Entertainment. The financial statement information of CGP LLC presented above 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 (CZR)**Fourth Quarter 2014 Earnings Announcement****March 2, 2015**

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, March 2, 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. A reconciliation between GAAP and non-GAAP results is provided in the tables in the press release.

Prepared Remarks**Jennifer Chen:**

Good afternoon, and welcome to the Caesars Entertainment Fourth Quarter 2014 Results Conference Call. Joining me today from Caesars Entertainment Corporation are Gary Loveman, Chief Executive Officer, and Eric Hession, 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.

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. 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 these 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, but we do not intend to update the information provided today prior to our next quarterly conference call.

Further, today, we are reporting fourth quarter 2014 results. These results are not necessarily indicative of results in future periods. Also, please note that, prior to this call, we furnished on Form 8-K a copy 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.

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

Good afternoon and thank you for joining us today.

The fourth quarter was an encouraging period for Caesars Entertainment. The company's performance benefited from:

- Improvements in activity levels and expense management across the network;
- Increasing revenues associated with our investments in hospitality, especially in Las Vegas; and
- A recovery in markets where we have addressed structural cost issues, specifically Atlantic City and Tunica.

Overall, revenue increased 6% from the prior year. While activity at the beginning of the quarter was sluggish, overall revenue performance has been improving sequentially since November. December and January were particularly positive, resulting from better revenue performance across the network.

Top line growth in the fourth quarter was driven by very strong results at Caesars Interactive coupled with the addition of Horseshoe Baltimore, the High Roller, and the Cromwell, all of which opened in 2014. Our investments in recent years to enhance and expand hospitality offerings also contributed to the gains in revenue.

However, similar to last quarter, unfavorable hold at Caesars Palace to the tune of \$60 million year over year and higher start-up costs from new properties, as well as new food and beverage offerings, offset the top-line growth we experienced in these areas.

During the fourth quarter, we began to experience the benefits of our restructuring in Atlantic City and Tunica. EBITDA in Atlantic City has begun a steady climb - after being marginally profitable in the fourth quarter of last year; while in Tunica we have seen EBITDA increase roughly 60%, from the prior year period.

Since 2008, the company has implemented a series of cost management initiatives and operational improvements to address the challenging set of conditions that have faced our industry since the financial crisis. Through these efforts we have extracted significant costs without sacrificing service levels. Considering where the industry is today and to ensure strong EBITDA flow through from top-line revenue growth going forward, we remain relentless in our focus on these efforts. During the fourth quarter, we began implementing additional measures across the enterprise to ensure the company's expense base is appropriately sized for the current dynamics in the industry. We have focused our efforts on reducing costs that we have determined no longer yield significant incremental revenue. Among the steps we have taken have been the discontinuation of non-essential contract services, improving property level costs through process enhancements such as more sophisticated scheduling, and eliminating certain management layers. Additionally, we are working to reduce marketing expenses in circumstances where our analytics show that such reductions will have little impact on customer behavior and revenue. As a result of these efforts, we realized approximately \$9 million of cost savings in the quarter, but we expect the real benefits from these efforts will be seen beginning in the first quarter of 2015. Across the 2015 year, we expect to produce an incremental \$250 to \$300 million of EBITDA as a result of cost savings and EBITDA enhancing initiatives. The majority of our planned initiatives have already been implemented, and we anticipate robust flow through prospectively.

Before I dive into the details and highlights across the three entities that comprise Caesars Entertainment, I would like to first discuss the developments related to CEOC's restructuring efforts.

You are all well aware that on January 15th, CEOC voluntarily filed for Chapter 11 bankruptcy protection to facilitate a restructuring of its capital structure. CEOC entered into a Restructuring Support Agreement with more than 80% of its first lien bondholders. Caesars Entertainment Corporation is not part of the filing nor is Caesars Growth Partners or Caesars Entertainment Resort Properties. During this process all of Caesars Entertainment's properties, including those owned or managed by CEOC, are open for business and will continue to operate in the normal course.

This action marks the culmination of efforts to improve CEOC's balance sheet, which has included substantial investment in new and upgraded hospitality assets, particularly in Las Vegas at Caesars Palace. The financial restructuring for CEOC is part of a comprehensive plan to strengthen CEOC and all of Caesars Entertainment and position them for sustainable, long-term growth and value creation.

The details of the plan entail moving substantially all of CEOC's U.S. real estate holdings into a publicly traded REIT. The properties will be leased for an annual lease payment of \$635 million, which will be guaranteed by CEC, and managed by the operating company which CEC will control and be the majority equity owner. As is currently the case,

and continuing following the restructuring, all properties will continue to be part of the Caesars Entertainment network and will continue to benefit from the same brands, centralized services, and access to Total Rewards.

To facilitate a smooth restructuring, Caesars Entertainment Corporation has agreed to make significant contributions to benefit CEOC and its creditors. In addition, a significant step in the overall restructuring is the completion of the previously announced merger of Caesars Entertainment and Caesars Acquisition Company. Not only will this merger further simplify our capital structure and drive expense savings, it will also facilitate CEC's contributions without the need for significant third-party financing. Additionally, the strength of the merged company will position it to be a strong guarantor of the CEOC lease.

If successful, the plan will reduce CEOC's debt by approximately \$10 billion and decrease its annual interest expense from approximately \$1.7 billion to approximately \$450 million with a vastly improved cash flow profile.

The REIT structure is a highly efficient vehicle and has been gaining traction in the gaming and hospitality industry as evidenced by Penn National Gaming's REIT conversion in 2013 and the announcement by several others in our industry of exploring such a move including Pinnacle Entertainment and Boyd Gaming. We believe the plan will enable CEOC to maximize value and substantially improve financial recoveries to each creditor group while maintaining the integrity of Caesars Entertainment's multi-channel distribution network. Upon completion of the merger and restructuring, Caesars Entertainment will be a financially stronger company with significantly reduced leverage and a much simpler and straightforward corporate structure.

As alternative restructuring paths would likely have greater costs and higher risks, it remains CEC and CEOC's goal for there to be a consensual agreement with all of CEOC's various lender constituents on its restructuring plan. A consensual deal would reduce costly litigation, provide for a quicker restructuring process, minimize any potential disruption on the business, and provide the best recovery for all creditors.

The REIT transaction and merger are subject to gaming regulatory approvals and the restructuring plan must be approved by the Bankruptcy Court. CEOC is focused on obtaining approvals for each of these and intends to move this process forward as quickly as possible so that CEOC can emerge from Chapter 11 in a timely manner.

Now let me move on to review our fourth quarter performance.

At Caesars Entertainment Report Properties, revenue increased 8% over the prior year, driven primarily by hospitality amenities in Las Vegas and improved performance in Atlantic City. Flow through, however, remained challenged as recently opened dining outlets continue to ramp up, impacting margins. Additionally, CERP had higher corporate and overhead expenses in the quarter.

New marketing initiatives have broadened customer awareness and visitation to The LINQ and High Roller as well as to the Flamingo and Harrah's. These properties experienced increases in gaming volumes attributable to their proximity

to the promenade. The Wheel experienced increased ridership from the third quarter of this year. Overall, the LINQ's performance was broadly consistent with prior quarters but we had some one-time charge offs related to the optimization of the tenant base mix.

In Atlantic City, we are particularly encouraged by the level of bookings at the meetings facility adjacent to Harrah's. Reservations for meetings have been steadily growing, outpacing our expectations. With the key booking period still ahead of us, we are very thrilled with where the business stands today. As of January 1st, the facility has booked 62,000 room nights for the first 12- month period following its expected opening in Q3 of 2015.

Moving on to Caesars Growth Partners, the entity reported another great quarter with revenues up 46% to \$527 million. CGP's results are attributable to exceptional performance at CIE, primarily from social and mobile games, the openings of The Cromwell and Horseshoe Baltimore and increased revenue from hospitality amenities.

CIE continues to be a shining star with fourth quarter adjusted EBITDA increasing 87% year over year on revenue growth of 64%. This performance was driven by the acquisition of Pacific Interactive in early 2014, continued organic growth in the business and contributions from real money online gaming. During the quarter, CIE's social and mobile games business grew paying users to 657,000 and average revenue per user increased year over year to \$0.28 as a result of the team's efforts to drive greater monetization of the user base.

With respect to real money online gaming, we continue to look for ways to attract new customers and grow the business. For example, in January of this year, WSOP.com and 888 Poker, which is CIE's platform provider in New Jersey, began partial pooling of players in the state to increase liquidity. As we have stated before regarding the online gaming sector, we intend to continue capitalizing on new opportunities in existing and potential new states.

On the brick and mortar side of the business, Growth Partners' casino properties also delivered good results with revenue up 40% year over year to \$371 million, primarily due to the openings of the Cromwell and Horseshoe Baltimore. Non-gaming revenue growth was attributable to the opening of Drai's and Giada at The Cromwell earlier this year, continued strong hotel revenues from the renovated Jubilee tower at Bally's, and new dining and entertainment options across all of Growth Partners' properties. Adjusted EBITDA, however, decreased 3% to \$60 million, as Growth Partners incurred additional expenses in the fourth quarter of this year that did not occur in the prior year comparison. These costs included general operating expenses associated with the Cromwell and Horseshoe Baltimore, which opened in the second and third quarters, respectively, the strip-front lease expense at the LINQ Hotel, which began in the first quarter of 2014, management fees that were paid to CEOC for the purchased properties, and overhead expenses related to Caesars Enterprise Services, which commenced in the third quarter of 2014.

Performance at the LINQ Hotel & Casino was impacted by 1,250 rooms that were out of service due to the ongoing renovation there. The project is proceeding as planned and we expect these rooms to be returned to service in the first

half of this year. The renovated rooms that have already come back online have performed exceedingly well, generating a 47% cash ADR premium compared to the historical cash ADR in Q4 of 2013.

Turning to CEOC, as we noted on our last call Caesars Palace faced tough comparisons this quarter due to extremely favorable hold in the second half of 2013. Compounding the comparison to the favorable hold in 2013, this year we experienced nearly unprecedented poor hold. In total, hold at Caesars Palace amounted to an approximately \$60 million year over year impact on Q4 EBITDA. On a positive note, I am delighted to report that so far in the first quarter it appears our luck has started to normalize with respect to hold.

Looking forward at Caesars Palace, the imminent opening of Omnia Nightclub will further add to our selection of premier entertainment options and attract guests to our flagship. The club opens March 12 with an impressive lineup of award-winning, global electronic music artists, including DJ Calvin Harris on opening night. We are also eagerly anticipating the launch of Mariah Carey's residency at the Colosseum in early May.

Away from Las Vegas, as I noted earlier, we are pleased by the stability in same store regional markets, which have performed flat to up in the fourth quarter on a sequential basis. Since November, excluding Caesars Palace, the other CEOC properties have generated improved revenue growth driven by good gaming volumes and slightly favorable hold with strength being broad based across geographies. In particular, Tunica and Atlantic City have delivered healthier revenue and EBITDA performance stemming from the adjustments we recently made to our cost structure.

With the exception of an increase in VLT supply in Illinois, there is no significant new supply expected to come online in CEOC's regional markets in 2015. We are optimistic about slowing declines and signs of growth in certain markets. We expect ongoing stability in the regions coupled with our vigilance in reducing costs to drive improvement in CEOC's 2015 EBITDA to our \$1.024 billion plan. As mentioned previously, the majority of the increase in 2015 EBITDA is expected to be predominately driven by cost savings, with an incremental \$165 to \$200 million of CEOC EBITDA in 2015 coming from a variety of identified initiatives in operations, marketing and corporate expenses.

On the international development front, we are making good progress on the design phase of our Korea project and will begin the permitting process in the coming months. With Chinese visitation to Korea growing by over 40% this past year, we are very excited about the prospects for our Korea project.

Now let me hand it over to Eric to review consolidated financial performance for the fourth quarter.

Eric Hession:

Thank you Gary.

Fourth quarter consolidated net revenues increased 6% from the prior year to \$2.1 billion primarily due to growth in social and mobile games at CIE and the opening of new properties and food and beverage outlets. Casino revenue rose 2% mainly due to the addition of Horseshoe Baltimore. Excluding Baltimore, regional markets experienced sequentially

improved visitation from both VIP and non-VIP guests in Q4. January performance shows encouraging signs that this sequential improvement has continued into 2015. Room revenue increased 5% as fewer available room nights at The LINQ Hotel & Casino due to renovations were more than offset by a 14% increase in cash ADR. Overall RevPAR increased 9% led by an 11% growth in RevPAR in Las Vegas.

Group revenue increased 12% with margin expansion leading to a 19% profit growth over the prior year. We are particularly excited about the year ahead when it comes to group business. 2015 is positioned well with the group business expected to grow in the high single-digits year over year. Contracted business for 2016 is positive as well, with strength in both Atlantic City and Las Vegas.

Fourth quarter F&B revenue was 9% higher relative to the prior year due to the opening of several new restaurants in Las Vegas, notably Giada at The Cromwell and the opening of Horseshoe Baltimore. Other revenue increased 34% year over year due to strong growth in social and mobile games at CIE and third party rent and entertainment revenue from The LINQ and High Roller and Britney Spears' Piece of Me show at Planet Hollywood.

Consolidated adjusted EBITDA declined 8% to \$372 million, which was attributable to the impact of poor hold, higher property operating costs driven by the openings of the new venues and increased overhead expenses.

Looking at liquidity by entity:

CERP had \$279 million in liquidity at quarter end composed of \$189 million in cash and cash equivalents and \$90 million of capacity remaining on the CERP revolver. CGP ended the quarter with \$1.094 billion in liquidity, \$944 million of which was in cash and cash equivalents with the remaining \$150 million attributable to the CGPH revolver. CEOC had \$1.194 billion in cash and cash equivalents as of December 31, 2014.

Subsequent to the fourth quarter, we announced that Rock Ohio entered into an agreement with Caesars Entertainment to redeem our 20% minority interest in ROC. Caesars continues to manage the Horseshoe Cleveland and Cincinnati casinos and Thistledown racetrack and all properties remain a part of Caesars' Total Rewards network.

Lastly, before turning it back to Gary, I would like to note a change you should expect to see in our press release and consolidated financial statements beginning next quarter. Given CEOC's Chapter 11 filing on January 15, 2015, beginning with the first quarter of 2015, CEC will deconsolidate CEOC and its subsidiaries from its reported results.

Gary Loveman:

While the fourth-quarter was encouraging on many levels, EBITDA was negatively impacted by a series of items including unfavorable hold, ongoing construction disruption and higher start-up costs related to new food and beverage offerings. EBITDA has improved during the period since November, and we are pleased with the sequential improvement in key business indicators across our network. Coupled with the top line benefits we are realizing from our hospitality investments and our focus to improve flow through and enhance cash flow generation, I am optimistic

about 2015 as we see a pathway to delivering stronger results. Additionally, for the upcoming year we will be very engaged with the execution of CEOC's restructuring plan and the Caesars Entertainment and Caesars Acquisition merger, so that we can complete this process as quickly and efficiently as possible and realize additional cost savings to restore the health and long-term viability of CEOC. Combined, we believe these actions will provide a platform to grow and prosper for many years to come.

With a track forward to ensure the future prosperity of Caesars Entertainment, I feel this is an appropriate time for a transition in management. I will step down as CEO of Caesars Entertainment on June 30 after serving in this position for the past 12 years. During this time, I have seen this company evolve and accomplish more than I could have ever imagined. I am extremely proud of the team and all that we have achieved.

I will continue to oversee the restructuring of CEOC, remaining Chairman of this entity as well as of Caesars Entertainment. Mark Frissora has been appointed CEO designee, effective as of March 31, 2015, and subject to regulatory approval, will take over as CEO effective July 1. He has also joined the Board. Mark and I will work closely together to ensure a seamless transition and a productive start beginning on Day 1. We have an excellent team at all levels within the company, and I am confident that Mark, working together with me and the rest of the senior management team, will effectively execute on the initiatives underway to position Caesars for future growth and success.

Before we open up the call for Q&A, let me just say that I know many of you likely have questions regarding the status of the restructuring process or the state of our discussions with various creditors. However, we will not be able to answer and discuss these questions due to the ongoing nature of the negotiations and proceedings.

Forward Looking Information

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

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

- the effects of CEOC's bankruptcy filing on CEOC and its subsidiaries and affiliates, including Caesars Entertainment, and the interest of various creditors, equity holders and other constituents;
- the ability to retain key employees during the restructuring of CEOC;
- the event that the Restructuring Support Forbearance Agreement (“RSA”) may not be consummated in accordance with its terms, or persons not party to the RSA may successfully challenge the implementation thereof;
- the length of time CEOC will operate in the Chapter 11 cases or CEOC's ability to comply with the milestones provided by the RSA;
- risks associated with third party motions in the Chapter 11 cases, which may hinder or delay CEOC's ability to consummate the restructuring as contemplated by the RSA;
- the potential adverse effects of Chapter 11 proceedings on Caesars Entertainment's liquidity or results of operations;
- the effects of local and national economic, credit and capital market conditions on the economy, in general, and on the gaming industry, in particular;
- the ability to realize the expense reductions from our cost savings programs;
- the financial results of CGP LLC's business;
- the impact of our substantial indebtedness and the restrictions in our debt agreements;

- access to available and reasonable financing on a timely basis, including the ability of the company to refinance its indebtedness on acceptable terms;
- the ability of our customer tracking, customer loyalty, and yield management programs to continue to increase customer loyalty and same-store or hotel sales;
- changes in laws, including increased tax rates, smoking bans, regulations or accounting standards, third-party relations and approvals, and decisions, disciplines and fines of courts, regulators and governmental bodies;
- our ability to recoup costs of capital investments through higher revenues;
- abnormal gaming holds (“gaming hold” is the amount of money that is retained by the casino from wagers by customers);
- the effects of competition, including locations of competitors, competition for new licenses, and operating and market competition;
- the ability to timely and cost-effectively integrate companies that we acquire into our operations;
- the potential difficulties in employee retention and recruitment as a result of our substantial indebtedness, or any other factor;
- construction factors, including delays, increased costs of labor and materials, availability of labor and materials, zoning issues, environmental restrictions, soil and water conditions, weather and other hazards, site access matters, and building permit issues;
- severe weather conditions or natural disasters, including losses therefrom, losses in revenues and damage to property, and the impact of severe weather conditions on our ability to attract customers to certain of 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, severe weather conditions, uprisings or natural disasters, including losses therefrom, including losses in revenues and damage to property, and the impact of severe weather conditions on our ability to attract customers to certain of our facilities, such as the amount of losses and disruption to our company as a result of Hurricane Sandy in late October 2012;
- the effects of environmental and structural building conditions relating to our properties;
- access to insurance on reasonable terms for our assets; and
- the impact, if any, of unfunded pension benefits under multi-employer pension plans.

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