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

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2016

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period to

Commission File No. 001-36629

ELDORADO RESORTS, INC.
(Exact name of registrant as specified in its charter)

Nevada	**46-3657681**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

100 West Liberty Street, Suite 1150, Reno, Nevada 89501
(Address and zip code of principal executive offices)

(775) 328-0100
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☒	Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of shares of the Registrant's Common Stock, $0.00001 par value per share, outstanding as of April 29, 2016 was 47,075,635.

ELDORADO RESORTS, INC.
QUARTERLY REPORT FOR THE THREE MONTHS ENDED
MARCH 31, 2016
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PART I-FINANCIAL INFORMATION

Item 1. Financial Statements.

ELDORADO RESORTS, INC.
CONSOLIDATED BALANCE SHEETS
(dollars in thousands)

	March 31, 2016 (unaudited)	December 31, 2015
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 44,099	$ 78,278
Restricted cash	9,054	5,271
Accounts receivable, net	9,534	9,981
Inventories	11,319	11,742
Prepaid income taxes	—	112
Prepaid expenses and other	11,956	10,795
Total current assets	85,962	116,179
INVESTMENT IN AND ADVANCES TO UNCONSOLIDATED AFFILIATES	1,286	1,286
PROPERTY AND EQUIPMENT, NET	618,121	625,416
GAMING LICENSES AND OTHER INTANGIBLES, NET	490,831	492,033
GOODWILL	66,826	66,826
NON-OPERATING REAL PROPERTY	16,259	16,314
OTHER ASSETS, net	6,783	6,954
Total assets	$ 1,286,068	$ 1,325,008
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Current portion of long-term debt	$ 4,527	$ 4,524
Accounts payable	20,691	17,005
Due to affiliates	43	129
Accrued property, gaming and other taxes	12,006	19,424
Accrued payroll and related	15,187	17,852
Accrued interest	7,720	14,978
Income taxes payable	130	—
Accrued other liabilities	35,549	31,798
Total current liabilities	95,853	105,710
LONG-TERM DEBT, LESS CURRENT PORTION	826,798	861,713
DEFERRED INCOME TAXES	80,392	78,797
OTHER LONG-TERM LIABILITIES	8,069	8,121
Total liabilities	1,011,112	1,054,341
COMMITMENTS AND CONTINGENCIES (Note 10)		
STOCKHOLDERS' EQUITY:		
Common stock, 100,000,000 shares authorized, 46,942,735 and 46,817,829 issued and outstanding, par value $0.00001 as of March 31, 2016 and December 31, 2015, respectively	—	—
Paid-in capital	171,816	170,897
Retained earnings	103,128	99,758
Accumulated other comprehensive income	12	12
Total stockholders' equity	274,956	270,667
Total liabilities and stockholders' equity	$ 1,286,068	$ 1,325,008

The accompanying condensed notes are an integral part of these consolidated financial statements.

ELDORADO RESORTS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(dollars in thousands, except per share data)
(unaudited)

	Three Months Ended March 31, 2016	Three Months Ended March 31, 2015
REVENUES:		
Casino	$ 169,078	$ 147,662
Pari-mutuel commissions	684	1,205
Food and beverage	33,739	22,182
Hotel	20,165	7,034
Other	10,885	4,726
	234,551	182,809
Less-promotional allowances	(20,985)	(15,358)
Net operating revenues	213,566	167,451
EXPENSES:		
Casino	96,262	86,818
Pari-mutuel commissions	1,324	1,696
Food and beverage	19,728	11,921
Hotel	7,129	2,190
Other	6,074	2,867
Marketing and promotions	9,574	7,101
General and administrative	31,655	23,544
Corporate	6,904	4,160
Depreciation and amortization	16,204	14,469
Total operating expenses	194,854	154,766
GAIN ON SALE OR DISPOSAL OF PROPERTY	71	1
ACQUISITION CHARGES	(520)	(84)
EQUITY IN LOSS OF UNCONSOLIDATED AFFILIATE	—	(518)
OPERATING INCOME	18,263	12,084
OTHER EXPENSE:		
Interest expense, net	(12,991)	(17,232)
Loss on early retirement of debt, net	(66)	—
Total other expense	(13,057)	(17,232)
NET INCOME (LOSS) BEFORE INCOME TAXES	5,206	(5,148)
PROVISION FOR INCOME TAXES	(1,836)	(1,016)
NET INCOME (LOSS)	$ 3,370	$ (6,164)
Net Income (Loss) per share of Common Stock:		
Basic	$ 0.07	$ (0.13)
Diluted	$ 0.07	$ (0.13)
Weighted Average Basic Shares Outstanding	46,933,094	46,494,638
Weighted Average Diluted Shares Outstanding	47,534,761	46,494,638

The accompanying condensed notes are an integral part of these consolidated financial statements.

ELDORADO RESORTS, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(dollars in thousands)

(unaudited)

	Three Months Ended March 31,	
	2016	2015
NET INCOME (LOSS)	$ 3,370	$ (6,164)
Other Comprehensive Income (Loss), net of tax:		
Other Comprehensive Income	—	—
Comprehensive Income (Loss), net of tax	$ 3,370	$ (6,164)

The accompanying condensed notes are an integral part of these consolidated financial statements.

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ELDORADO RESORTS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(dollars in thousands)

(unaudited)

	Three Months Ended March 31, 2016	Three Months Ended March 31, 2015
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	$ 3,370	$ (6,164)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	16,204	14,469
Amortization of debt issuance costs and (premium) discount	847	(2,523)
Equity in loss of unconsolidated affiliate	—	518
Loss on early retirement of debt, net	66	—
Change in fair value of acquisition related contingencies	1	16
Stock-based compensation expense	1,454	590
Gain on sale or disposal of property	(71)	(1)
Provision for bad debts	145	116
Provision for deferred income taxes	1,706	634
Change in operating assets and liabilities:		
Restricted cash	(3,783)	(2,623)
Accounts receivable	302	1,438
Inventories	423	85
Prepaid expenses and other	(1,162)	815
Accounts payable	3,591	(2,655)
Interest payable	(7,258)	(12,497)
Income taxes payable	130	286
Accrued and other liabilities and due to affiliates	(5,112)	(1,003)
Net cash provided by (used in) operating activities	10,853	(8,499)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures, net of payables	(10,624)	(7,495)
Proceeds from sale of property and equipment	88	2
Reimbursement of capital expenditures from West Virginia regulatory authorities	1,692	—
Decrease in other assets, net	171	304
Net cash used in investing activities	(8,673)	(7,189)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments under New Term Loan	(1,063)	—
Borrowings under New Revolving Credit Facility	14,000	—
Payments under New Revolving Credit Facility	(48,500)	—
Payments on capital leases	(68)	(3)
Debt issuance costs	(194)	—
Taxes paid related to net share settlement of equity awards	(534)	—
Net cash used in financing activities	(36,359)	(3)
DECREASE IN CASH AND CASH EQUIVALENTS	(34,179)	(15,691)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	78,278	87,604
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 44,099	$ 71,913
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest paid	$ 19,422	$ 32,238
Cash paid during period for income taxes	—	360
NON-CASH FINANCING ACTIVITIES		
Payables for capital expenditures	95	247

The accompanying condensed notes are an integral part of these consolidated financial statements.

ELDORADO RESORTS, INC.

CONDENSED NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Organization and Basis of Presentation

Organization

The accompanying unaudited consolidated financial statements include the accounts of Eldorado Resorts, Inc. (“ERI” or the “Company”), a Nevada corporation formed in September 2013, and its consolidated subsidiaries. ERI was formed in September 2013 to be the parent company following the merger of wholly owned subsidiaries of the Company into Eldorado HoldCo LLC (“HoldCo”), a Nevada limited liability company formed in 2009 that is the parent company of Eldorado Resorts LLC (“Resorts”), and MTR Gaming Group, Inc. (“MTR Gaming”), a Delaware corporation incorporated in 1988 (the “Merger”). Effective upon the consummation of the Merger on September 19, 2014 (the “Merger Date”), MTR Gaming and HoldCo each became a wholly owned subsidiary of ERI and, as a result of such transactions, Resorts became an indirect wholly owned subsidiary of ERI. The Merger has been accounted for as a reverse acquisition of MTR Gaming by HoldCo under accounting principles generally accepted in the United States (“US GAAP”). As a result, HoldCo is considered the acquirer of MTR Gaming for accounting purposes. Intercompany accounts and transactions have been eliminated in consolidation.

On November 24, 2015 (the “Acquisition Date”), Resorts consummated the acquisition of all of the assets and properties of Circus Circus Reno (“Circus Reno”) and the 50% membership interest in the joint venture (the “Silver Legacy Joint Venture”) owned by Galleon, Inc. (collectively, the “Circus Reno/Silver Legacy Purchase” or the “Acquisition”) pursuant to a Purchase and Sale Agreement, dated as of July 7, 2015 (the “Purchase Agreement”), entered into with Circus Circus Casinos, Inc. and Galleon, Inc., each an affiliate of MGM Resorts International, with respect to the acquisition. On the Acquisition Date, Eldorado Resorts LLC also exercised its right to acquire the 3.8% interest in Eldorado Limited Liability Company (“ELLC”) held by certain affiliates and shareholders of the Company. As a result of these transactions, ELLC and CC-Reno, LLC, a newly formed Nevada limited liability company, became wholly-owned subsidiaries of ERI, and Silver Legacy Joint Venture became an indirect wholly-owned subsidiary of ERI. The accompanying unaudited consolidated financial statements for periods prior to the Acquisition Date do not include the results of operations for Circus Reno and account the Silver Legacy Joint Venture as an investment in an unconsolidated affiliate.

Resorts owns and operates the Eldorado Resort Casino Reno, a premier hotel, casino and entertainment facility centrally located in downtown Reno, Nevada (the “Eldorado Reno”), which opened for business in 1973. Resorts also owns Eldorado Resort Casino Shreveport (“Eldorado Shreveport”), a 403-room all suite art deco-style hotel and a tri-level riverboat dockside casino complex situated on the Red River in Shreveport, Louisiana, which commenced operations under its previous owners in December 2000.

Prior to the Acquisition Date, Resorts owned a 48.1% interest in the Silver Legacy Joint Venture which owns the Silver Legacy Resort Casino (the “Silver Legacy”), a major themed hotel and casino situated between and seamlessly connected at the mezzanine level to the Eldorado Reno and Circus Reno. Resorts acquired the remaining interest in Silver Legacy in 2015 as well as acquiring Circus Reno.

MTR Gaming operates as a hospitality and gaming company with racetrack, gaming and hotel properties in West Virginia, Pennsylvania and Ohio. MTR Gaming, through its wholly owned subsidiaries, owns and operates Mountaineer Casino, Racetrack & Resort in Chester, West Virginia (“Mountaineer”), Presque Isle Downs & Casino in Erie, Pennsylvania (“Presque Isle Downs”), and Eldorado Gaming Scioto Downs (“Scioto Downs”) in Columbus, Ohio. Scioto Downs, through its subsidiary, RacelineBet, Inc., also operates Racelinebet.com, a national account wagering service that offers online and telephone wagering on horse races as a marketing affiliate of TwinSpires.com, an affiliate of Churchill Downs, Inc.

Basis of Presentation

The accompanying unaudited consolidated financial statements of the Company and its subsidiaries have been prepared in accordance under accounting principles generally accepted in the United States (“US GAAP”) for interim financial information with the instructions for Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and notes required by US GAAP for complete financial statements. In the opinion of management, the accompanying unaudited consolidated financial statements contain all adjustments, all of which are normal and recurring, considered necessary for a fair presentation and have been included herein. The results of operations for these interim periods are not necessarily indicative of the operating results for other quarters, for the full year or any future period.

The executive decision makers of our Company review operating results, assess performance and make decisions on a “significant market” basis. The Company’s management views each of its properties as an operating segment. Operating segments are aggregated based on their similar economic characteristics, types of customers, types of services and products provided, the regulatory environments in which they operate, and their management and reporting structure. The Company’s principal operating activities occur in three geographic regions: Nevada, Louisiana and parts of the eastern United States. The Company has aggregated its operations into three reportable segments based on the similar characteristics of the operating segments within the regions in which they operate. We, therefore, consider Eldorado Reno, Silver Legacy and Circus Reno as Nevada, Eldorado Shreveport as Louisiana, and Scioto Downs, Presque Isle Downs and Mountaineer as Eastern.

These unaudited consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2015.

Reclassifications

Certain reclassifications of prior year presentations have been made to conform to the current period presentation.

Recently Issued Accounting Pronouncements

In March 2016, The FASB issued Accounting Standard Update (ASU) 2016-09, “Compensation—Stock Compensation.” The ASU includes multiple provisions intended to simplify various aspects of the accounting for share-based payments. These areas include income tax consequences, classification of awards as either equity or a liability, and classification on the statement of cash flow. The effective date is for annual and interim periods beginning after December 15, 2016, with early adoption permitted. We elected to early adopt this ASU prospectively in the first quarter of 2016. Under the new guidance, we recognized a reduction in income tax expense of $0.4 million in the first quarter of 2016 as a result of excess tax benefits. There were no excess tax benefits in the first quarter of 2015.

In February 2016, the FASB issued an ASU which addresses the recognition and measurement of leases. Under the new guidance, for all leases (with the exception of short-term leases), at the commencement date, lessees will be required to recognize a lease liability, which is a lessee’s obligation to make lease payments arising from a lease, measured on a discounted basis, and a right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. Under the new guidance, lessor accounting is largely unchanged. Further, the new lease guidance simplifies the accounting for sale and leaseback transactions primarily because lessees must recognize lease assets and liabilities, which no longer provides a source for off balance sheet financing. The effective date for this update is for the annual and interim periods beginning after December 15, 2018 with early adoption permitted. Lessees and lessors must apply a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. We are currently evaluating the impact of adopting this accounting standard on our consolidated financial statements.

In September 2015, the FASB issued ASU 2015-16, Business Combinations (Topic 805): Simplifying the Accounting for Measurement-Period Adjustments. ASU 2015-16 eliminates the requirement that an acquirer in a business combination account for measurement-period adjustments retrospectively. Instead, an acquirer will recognize a measurement-period adjustment during the period in which it determines the amount of the adjustment. The guidance is effective for public business entities for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. For all other entities, it is effective for fiscal years beginning after December 15, 2016. We have adopted this guidance, and it had no impact on our consolidated financial statements for the three months ended March 31, 2016.

In July 2015, the FASB issued ASU 2015-11, “Simplifying the Measurement of Inventory”, which requires that inventory within the scope of ASU 2015-11 be measured at the lower of cost and net realizable value. Inventory measured using last-in, first-out (LIFO) and the retail inventory method are not impacted by the new guidance. ASU

2015-11 applies to all other inventory, which includes inventory that is measured using first-in, first-out (FIFO) or average cost. An entity should measure inventory within the scope of ASU 2015-11 at the lower of cost and net realizable value. Net realizable value is the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. ASU 2015-11 is effective for annual periods beginning after December 15, 2016. Early adoption is permitted. We are currently evaluating the impact on our financial statements and disclosures.

In April 2015, the FASB issued an ASU which changes the presentation of debt issuance costs in financial statements. Under the new standard, an entity presents such costs in the balance sheet as a direct deduction from the related debt liability rather than as an asset. The amortization of the costs is reported as interest expense. In August 2015, the FASB issued an accounting standards update which clarifies that companies may continue to present unamortized debt issuance costs associated with line of credit arrangements as an asset. The new guidance should be applied on a retrospective basis, wherein the balance sheet of each individual period should be adjusted to reflect the period-specific effects of applying the new guidance. The effective dates for these updates were for the annual and interim periods beginning after December 15, 2015. We elected to early adopt this guidance during the third quarter of 2015.

In February 2015, the FASB issued ASU 2015-02, “Amendments to the Consolidation Analysis”, which amends: the assessment of whether a limited partnership is a variable interest entity; the effect that fees paid to a decision maker have on the consolidation analysis; how variable interests held by a reporting entity’s related parties or de facto agents affect its consolidation conclusion; and for entities other than limited partnerships, clarifies how to determine whether the equity holders as a group have power over an entity. The new guidance is effective for fiscal years, and interim periods within those years, beginning after December 15, 2015. We elected to early adopt this guidance during the fourth quarter of 2015.

In January 2015, the FASB issued ASU No. 2015-1, “Income Statement—Extraordinary and Unusual Items” (Subtopic 225-20) which eliminates the concept of accounting of Extraordinary Items, previously defined as items that are both unusual and infrequent, which were reported as a separate item on the income statement, net of tax, after income from continuing operations. The elimination of this concept is intended to simplify accounting for unusual items and more closely align with international accounting practices. This amendment is effective for annual periods ending after December 15, 2015 and for subsequent interim and annual periods thereafter. Early adoption is permitted. We believe that the effects, if any, of the adoption of this guidance will not have a material impact on our consolidated financial statements.

Note 2. Acquisition and Preliminary Purchase Accounting

On November 24, 2015, the Company acquired all of the assets and properties of Circus Reno and the 50% membership interest in the Silver Legacy Joint Venture owned by Galleon, Inc. The total estimated purchase consideration is $224.9 million. The purchase consideration and allocation are still considered preliminary pending the update of a final valuation report from third-party valuation specialists resulting from the final determination of the income tax implications of the Acquisition on the fair values, and the finalization and approval by all parties of the purchase price allocation including working capital adjustments required under the Purchase and Sale Agreement.

Purchase consideration calculation (dollars in thousands)	Silver Legacy	Circus Reno	Total
Cash consideration paid by ERI for MGM's 50% equity interest and MGM's member note	$ 56,500	$ 16,000	$ 72,500
Fair value of ERI's preexisting 50% equity interest	56,500	—	56,500
Settlement of Silver Legacy's long term debt (1)	87,854	—	87,854
Closing Silver Legacy and Circus Reno net working capital (2)	6,124	1,916	8,040
Purchase consideration	$ 206,978	$ 17,916	$ 224,894

(1) Represents $5.0 million of short-term debt, $75.5 million of long-term debt, the remaining 50% of the $11.5 million of member notes (net of discount), and accrued interest.

(2) Per the Purchase and Sale Agreement, the purchase price was $72.5 million plus the Final Closing Net Working Capital (as defined in the Purchase and Sale Agreement). The preliminary working capital adjustment was $8.0 million.

The transaction was accounted for using the acquisition method. Accordingly, goodwill if any, will be measured as the excess of the total consideration over the amounts assigned to the identifiable assets acquired and liabilities assumed.

Preliminary Purchase Price Allocation – Silver Legacy and Circus Reno

The following table summarizes the preliminary allocation of the estimated purchase consideration to the identifiable assets acquired and liabilities assumed in the Circus Reno/Silver Legacy Purchase. The fair values were based on management's analysis, including preliminary work performed by third-party valuation specialists. The following table summarizes the preliminary purchase price allocation of the acquired assets and assumed liabilities as of March 31, 2016 (dollars in thousands):

	Silver Legacy	Circus Reno	Total
Current and other assets, net	$ 21,625	$ 2,115	$ 23,740
Property and equipment	169,544	14,801	184,345
Intangible assets(1)	5,000	1,000	6,000
Other noncurrent assets	10,809	—	10,809
Net assets acquired	$ 206,978	$ 17,916	$ 224,894

(1) Intangible assets consist of trademarks which are non-amortizable and loyalty programs which are amortized over one year.

Fair valuation methods used for the identifiable net assets acquired in the Acquisition make use of quoted prices in active markets and discounted cash flows using current interest rates and are provisional pending development of a final valuation.

Trade receivables and payables, inventory and other current and noncurrent assets and liabilities were valued at the existing carrying values as they represented the fair value of those items at the Acquisition, based on management's judgments and estimates.

The fair value estimate of property and equipment utilized a combination of the cost and market approaches, depending on the characteristics of the asset classification. The fair value of land was determined using the market approach, which considers sales of comparable assets and applies compensating factors for any differences specific to the particular assets. With respect to personal property components of the assets (gaming equipment, furniture, fixtures and equipment, computers, and vehicles) the cost approach was used, which is based on replacement or reproduction costs of the asset. Building and site improvements were valued using the cost approach using a direct cost model built on estimates of replacement cost.

Trademarks were valued using the relief-from-royalty method. The loyalty program was valued using a comparative business valuation method. Management has assigned trademarks an indefinite useful life, in accordance with its review of applicable guidance of ASC Topic No. 350, *Intangibles—Goodwill and Other*. The standard required management to consider, among other things, the expected use of the asset, the expected useful life of other related asset or asset group, any legal, regulatory, or contractual provisions that may limit the useful life, the Company's own historical experience in renewing similar arrangements, the effects of obsolescence, demand and other economic factors, and the maintenance expenditures required to obtain the expected cash flows. In that analysis, management determined that no legal, regulatory, contractual, competitive, economic or other factors limit the useful lives of these intangible assets. The loyalty program is being amortized on a straight-line basis over a one year useful life.

Unaudited Pro Forma Information

The following unaudited pro forma information presents the results of operations of the Company for the period ended March 31, 2015, as if the Acquisition had occurred on January 1, 2015 (in thousands except per share data).

	For the Quarter Ended March 31, 2015
Net revenues	$ 211,793
Net loss	(5,543)
Net loss per common share:	
Basic	$ (0.12)
Diluted	$ (0.12)
Weighted shares outstanding:	
Basic	46,550,042
Diluted	46,550,042

These pro forma results do not necessarily represent the results of operations that would have been achieved if the Acquisition had taken place on January 1, 2015, nor are they indicative of the results of operations for future periods. The pro forma amounts include the historical operating results of the Company, the Silver Legacy and Circus Reno prior to the Acquisition, with adjustments directly attributable to the Acquisition.

Note 3. Investment in Unconsolidated Affiliates

Hotel Partnership. The Company holds a 42.1% variable interest in a partnership with other investors to develop a new 118-room Hampton Inn & Suites hotel to be developed at Scioto Downs. Pursuant to the terms of the partnership agreement, the Company contributed $1 million of cash and 2.4 acres of a leasehold immediately adjacent to *The Brew Brothers* microbrewery and restaurant at Scioto Downs. The partnership will be responsible for the construction of the hotel at an estimated cost of $15.0 million and other investor members have been identified to operate the hotel upon completion. The Company is not the primary beneficiary, and therefore, the entity is accounted for under the equity method of accounting. At March 31, 2016, the Company's investment in the partnership was $1.3 million, classified as "Investment in and advances to unconsolidated affiliates" in the consolidated balance sheets, representing the Company's maximum exposure to loss.

Silver Legacy Joint Venture. Effective March 1, 1994, ELLC and Galleon, (each a "Partner" and, together, the "Partners"), entered into the Silver Legacy Joint Venture pursuant to a joint venture agreement (the "Joint Venture Agreement") to develop the Silver Legacy. The Silver Legacy consists of a casino and hotel located in Reno, Nevada, which began operations on July 28, 1995. Prior to the Acquisition Date, each partner owned a 50% interest in the Silver Legacy Joint Venture. Prior to the Merger Date, the Company owned a 48.1% interest in the Silver Legacy Joint Venture by means of its 96.2% ownership of ELLC, which owned a 50% interest in the Silver Legacy Joint Venture.

On the Acquisition Date, Resorts consummated the Acquisition of the other 50% membership interest in the Silver Legacy Joint Venture owned by Galleon, Inc. pursuant to the Purchase Agreement and also exercised its right to acquire the 3.8% interest in ELLC held by certain affiliates of the Company. As a result of these transactions, ELLC became a wholly-owned subsidiary of ERI and Silver Legacy became an indirect wholly-owned subsidiary of ERI. In conjunction with the Acquisition, we recorded a $35.6 million gain related to the valuation of our pre-acquisition investment in the Silver Legacy Joint Venture.

As consideration for the noncontrolling interest, the Company issued 373,135 shares of common stock. Subsequent to this action, the Company owned 100% of ELLC. The Company valued the shares at the market price on the day the shares were issued to the noncontrolling interest holders. The value of the total consideration paid was $3.6 million.

On December 16, 2013, the Silver Legacy Joint Venture entered into a new senior secured term loan facility totaling $90.5 million (the "New Silver Legacy Credit Facility") to refinance its indebtedness under its then existing senior secured term loan and Silver Legacy Second Lien Notes. The New Silver Legacy Credit Facility was scheduled to mature on November 16, 2017, which was the maturity date of the original Silver Legacy credit facility. In connection with the Circus Reno/Silver Legacy Purchase, all amounts outstanding under the Silver Legacy Credit Facility were paid in full and the cash collateral securing such obligations were released.

Equity in loss related to the Silver Legacy Joint Venture for the three months ended March 31, 2015 was $0.5 million.

Summarized results of operations for the Silver Legacy Joint Venture in 2015 prior to the Acquisition are as follows (in thousands):

	Three Months Ended March 31, 2015
	(unaudited)
Net revenues	$ 27,651
Operating expenses	(25,989)
Operating income	1,662
Other expense	(2,738)
Net loss	$ (1,076)

Note 4. Stock-Based Compensation

The Company has authorized common stock of 100,000,000 shares, par value $0.00001 per share.

The Company accounts for stock-based compensation in accordance with ASC 718, Compensation—Stock Compensation. Total stock-based compensation expense recognized was $1.5 million and $0.6 million during the three months ended March 31, 2016 and 2015, respectively. These amounts are included in corporate expenses in the Company's consolidated statements of operations.

The Board of Directors ("BOD") adopted the Eldorado Resorts, Inc. 2015 Equity Incentive Plan ("2015 Plan") on January 23, 2015 and our shareholders subsequently approved the adoption of the 2015 Plan on June 23, 2015. The Plan permits the granting of stock options, including incentive stock options ("ERI Stock Options"), stock appreciation rights ("SARs"), restricted stock or restricted stock units ("RSUs"), performance awards, and other stock-based awards and dividend equivalents. ERI Stock Options primarily vest ratably over three years and RSUs granted to employees and executive officers primarily vest and become non-forfeitable upon the third anniversary of the date of grant. RSUs granted to non-employee directors vest immediately and are delivered upon the date that is the earlier of termination of service on the BOD or the consummation of a change of control of the Company. The performance awards relate to the achievement of defined levels of performance and are generally measured over a one or two-year performance period depending upon the award agreement. If the performance award levels are achieved, the awards earned will vest and become payable at the end of the vesting period, defined as either a one or two calendar year period following the performance period. Payout ranges are from 0% up to 200% of the award target.

On January 22, 2016, the Company granted 367,519 RSUs to executive officers and 34,920 RSUs to non-employee members of the BOD under the 2015 Plan. The RSUs had a fair value of $10.77 per unit which was the NASDAQ closing price on that date. An additional 4,147 of RSUs were subsequently granted to key employees during the three months ended March 31, 2016.

A summary of the RSU activity for the three months ended March 31, 2016 is as follows:

	Equity Awards	Weighted-Average Grant Date Fair Value	Weighted-Average Remaining Contractual Life (in years)	Aggregate Fair Value (in millions)
Unvested outstanding as of December 31, 2015	827,383 (1)	$ 4.09	2.12	3.4
Granted	406,586 (2)	10.77		
Vested	(202,431)	5.56		
Unvested outstanding as of March 31, 2016	1,031,538	$ 6.43	2.16	$ 6.6

(1) Includes 475,409 of performance awards awarded at 135% of target and time-based awards at 100% of target.
(2) Includes 178,172 of performance awards 100% of target and 228,414 time-based awards at 100% of target.

As of March 31, 2016, the Company had approximately $5.0 million of unrecognized compensation expense related to unvested RSUs that is expected to be recognized over a weighted-average period of approximately 2.16 years.

During the first quarter of 2016, the Company's chief operating officer terminated employment and the chief financial officer retired. In conjunction with the termination and retirement, unvested RSUs totaling 167,511, which were outstanding as of December 31, 2015, immediately vested representing an additional $0.5 million included in stock compensation expense during the first quarter of 2016. Additionally, severance costs totaling $1.4 million were recognized during the first quarter of 2016.

On September 19, 2014, as a result of the Merger, all outstanding MTR Gaming stock options ("MTR Stock Options") vested (to the extent not already vested) and converted into an option or right to purchase the same number of shares of ERI common stock (at the same exercise price per share as in effect prior to such conversion). All other terms, except vesting requirements, applicable to such stock options remain the same.

A summary of the ERI Stock Option activity for the years ended December 31, 2014 and 2015 and the three months ended March 31, 2016 is as follows:

	Options	Range of Exercise Prices	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Life (in years)	Aggregate Intrinsic Value (in millions)
Outstanding and Exercisable as of December 31, 2014	398,200	$2.44 - $16.27	$ 6.94		
Exercised					
Expired	(86,000)	$11.30	$ 11.30		
Outstanding and Exercisable as of December 31, 2015	312,200	$2.44 - $16.27	$ 6.94	3.47	$ 1.3
Exercised	(7,747)	$2.78	$ 2.78		
Outstanding and Exercisable as of March 31, 2016	304,453	$2.44 - $16.27	$ 7.04	3.22	$ 1.4

Note 5. Other and Intangible Assets, net

Other and intangible assets, net, consisted of the following amounts (in thousands):

	March 31, 2016	December 31, 2015
	(unaudited)	
Goodwill	$ 66,826	$ 66,826
Gaming license (indefinite-lived)	$ 482,074	$ 482,074
Trade names	9,800	9,800
Loyalty programs	7,700	7,700
Subtotal	499,574	499,574
Accumulated amortization trade names	(2,940)	(2,462)
Accumulated amortization loyalty programs	(5,803)	(5,079)
Total gaming licenses and other intangible assets	$ 490,831	$ 492,033
Land held for development	$ 906	$ 906
Other	5,877	6,048
Total other assets, net	$ 6,783	$ 6,954

Goodwill, the excess of the purchase price of acquiring MTR Gaming over the fair market value of the net assets acquired, in the amount of $66.8 million was recorded as of March 31, 2016. For financial reporting purposes, goodwill is not amortized, but is reviewed no less than annually or when events or circumstances indicate the carrying value might exceed the market value to determine if there has been an impairment in the recorded value.

Included in gaming licenses is the Eldorado Shreveport gaming license recorded at $20.6 million at both March 31, 2016 and December 31, 2015. The license represents an intangible asset acquired from the purchase of a gaming entity located in a gaming jurisdiction where competition is limited, such as when only a limited number of gaming operators are allowed to operate. Also included in gaming licenses are the gaming and racing licenses of Mountaineer, Presque Isle Downs and Scioto Downs totaling $482.1 million, which reflects the fair value of the licenses calculated as of March 31, 2016 and December 31, 2015. Gaming license rights are not subject to amortization as the Company has determined that they have an indefinite useful life.

Trade names are amortized on a straight-line basis over a 3.5 year useful life and the loyalty program is amortized on a straight-line basis over a one year useful life. Amortization expense with respect to trade names and the loyalty program amounted to $1.2 million and $1.9 million, respectively, for the three months ended March 31, 2016 and 2015, which is included in depreciation and amortization in the consolidated statements of operations. Such amortization expense is expected to be $3.3 million during the remainder of 2016, $1.9 million for the year ended December 31, 2017, and $0.4 million for the year ended December 31, 2018.

Note 6. Income Taxes

Prior to the Merger Date, HoldCo was taxed as a partnership under the Internal Revenue Code pursuant to which income taxes were primarily the responsibility of the partners. On September 19, 2014, in connection with the Merger, the Company became a C corporation subject to federal and state corporate-level income taxes at prevailing corporate tax rates. The Company and its subsidiaries file US federal tax returns and various state and local income tax returns. With few exceptions, the Company is no longer subject to US federal or state and local tax examinations by tax authorities for years before 2012.

The Company estimates an annual effective income tax rate based on projected results for the year and applies this rate to income before taxes to calculate income tax expense. Any refinements made due to subsequent information that affects the estimated annual effective income tax rate are reflected as adjustments in the current period. For years prior to 2016, the income tax provision resulted in an effective tax rate that had an unusual relation to pretax income (loss). This was due to the federal and state valuation allowances on deferred tax assets as discussed below.

For the three months ended March 31, 2016, the difference between the effective rate and the statutory rate is attributed primarily to state and local income taxes less the benefit of the early adoption of ASU 2016-09 (Stock Compensation).

For the three months ended March 31, 2015, the difference between the effective rate and the statutory rate is attributed primarily to the federal and state valuation allowances on deferred tax assets. As a result of net operating losses and the net deferred tax asset position (after exclusion of certain deferred tax liabilities that generally cannot be offset against deferred tax assets, known as "Naked Credits"), the Company provided for a full valuation allowance against substantially all of the net federal and state deferred tax assets.

For income tax purposes the Company amortizes or depreciates certain assets that have been assigned an indefinite life for book purposes. The incremental amortization or depreciation deductions for income tax purposes result in an increase in certain deferred tax liabilities that cannot be used as a source of future taxable income for purposes of measuring the Company's need for a valuation allowance against the net deferred tax assets. Therefore, we expect to record non cash deferred tax expense as we amortize these assets for tax purposes.

During the three months ended March 31, 2016 and 2015, the Company's tax expense was $1.8 million and $1.0 million, respectively. As of March 31, 2016 and 2015, there were no unrecognized tax benefits and the Company does not expect a significant increase or decrease to the total amounts of unrecognized tax benefits within the next twelve months.

Note 7. Long-Term Debt

Long-term debt consisted of the following (in thousands):

	March 31, 2016	December 31, 2015
	(unaudited)	
Senior Notes	$ 375,000	$ 375,000
Less: Unamortized debt issuance costs	(8,799)	(8,957)
Net	366,201	366,043
New Term Loan	421,813	422,875
Less: Unamortized discount and debt issuance costs	(14,020)	(14,465)
Net	407,793	408,410
New Revolving Credit Facility	59,000	93,500
Less: Unamortized debt issuance costs	(2,416)	(2,533)
Net	56,584	90,967
Capital leases	747	817
Less: Current portion	(4,527)	(4,524)
Total long-term debt	$ 826,798	$ 861,713

Scheduled maturities of long-term debt are $59.0 million in 2020, $395.3 million in 2022 and $375.0 million in 2023. Debt issuance costs and the discount associated with the issuance of the Senior Notes, New Term Loan and New Revolving Credit Facility (as such terms are defined below) in July 2015 totaled $26.0 million. Amortization of debt issuance costs is computed using the effective interest method and is included in interest expense. Amortization of the debt issuance costs and the discount associated with the Senior Notes and New Credit Facility (as defined below) totaled $0.8 million for the three months ended March 31, 2016.

In 2015, amortization of Resorts' bond costs was computed using the straight-line method, which approximated the effective interest method, over the term of the bonds, and was included in interest expense. Amortization expense with respect to deferred financing costs on Resorts senior secured notes amounted to $0.2 million for three months ended March 31, 2015.

Refinancing Transaction and Senior Notes

On July 23, 2015, the Company issued $375 million in aggregate principal amount of 7.0% senior notes due 2023 (“Senior Notes”) pursuant to the indenture, dated as of July 23, 2015 (the “Indenture”), at an issue price equal to 100.0% of the aggregate principal amount of the Senior Notes. The Senior Notes are guaranteed by all of the Company’s direct and indirect restricted subsidiaries other than immaterial subsidiaries, CC-Reno and the Silver Legacy Joint Venture. CC-Reno, LLC and the Silver Legacy Joint Venture will become guarantors upon receipt of the requisite gaming approvals expected to occur in May 2016. The Senior Notes will mature on August 1, 2023, with interest payable semi-annually in arrears on February 1 and August 1 of each year.

The Company used the net proceeds from the Senior Notes offering together with borrowings under the New Term Loan and the New Revolving Credit Facility (as defined below) to (i) purchase or otherwise redeem (a) all of the outstanding Resorts senior secured notes and (b) all of the outstanding MTR second lien notes, (ii) pay a portion of the purchase price for the Circus Reno/Silver Legacy Purchase and repay all amounts outstanding under the Silver Legacy Joint Venture credit facility, and (iii) pay fees and costs associated with such transactions. Net proceeds from the Senior Notes offering totaling $50.0 million were used for the Circus Reno/Silver Legacy Purchase on the Acquisition Date. As a result of the July 2015 refinancing, we recognized a $2.0 million net loss on the early retirement of debt.

On or after August 1, 2018, the Company may redeem all or a portion of the Senior Notes upon not less than 30 nor more than 60 days’ notice, at the redemption prices (expressed as percentages of the principal amount) set forth below plus accrued and unpaid interest and additional interest, if any, on the Senior Notes redeemed, to the applicable redemption date, if redeemed during the twelve month period beginning on August 1 of the years indicated below:

Year	Percentage
2018	105.250 %
2019	103.500 %
2020	101.750 %
2021 and thereafter	100.000 %

Prior to August 1, 2018, the Company may redeem all or a portion of the Senior Notes at a price equal to 100% of the Senior Notes redeemed plus accrued and unpaid interest to the redemption date, plus a make-whole premium. At any time prior to August 1, 2018, the Company is also entitled to redeem up to 35% of the original aggregate principal amount of the Senior Notes with proceeds of certain equity financings at a redemption price equal to 107% of the principal amount of the Senior Notes redeemed, plus accrued and unpaid interest. If the Company experiences certain change of control events (as defined in the Indenture), it must offer to repurchase the Senior Notes at 101% of their principal amount, plus accrued and unpaid interest to the applicable repurchase date. If the Company sells assets under certain circumstances and does not use the proceeds for specified purposes, the Company must offer to repurchase the Senior Notes at 100% of their principal amount, plus accrued and unpaid interest to the applicable repurchase date.

The Senior Notes are subject to redemption imposed by gaming laws and regulations of applicable gaming regulatory authorities.

The Indenture contains certain covenants limiting, among other things, the Company’s ability and the ability of its subsidiaries (other than its unrestricted subsidiaries) to:

- pay dividends or distributions or make certain other restricted payments or investments;
- incur or guarantee additional indebtedness or issue disqualified stock or create subordinated indebtedness that is not subordinated to the Senior Notes or the guarantees of the Senior Notes;
- create liens;
- transfer and sell assets;
- merge, consolidate, or sell, trainer or otherwise dispose of all or substantially all of the Company’s assets;
- enter into certain transactions with affiliates;
- engage in lines of business other than the Company’s core business and related businesses; and
- create restrictions on dividends or other payments by restricted subsidiaries.

These covenants are subject to a number of exceptions and qualifications as set forth in the Indenture. The Indenture also provides for customary events of default which, if any of them occurs, would permit or require the principal of and accrued interest on such Senior Notes to be declared due and payable. As of March 31, 2016, the Company was in compliance with all of the covenants under the Indenture relating to the Senior Notes.

New Credit Facility

On July 23, 2015, the Company entered into a new $425.0 million seven year term loan (the "New Term Loan") and a new $150.0 million five year revolving credit facility (the "New Revolving Credit Facility" and, together with the New Term Loan, the "New Credit Facility").

As of March 31, 2016, the Company had $421.8 million outstanding on the New Term Loan and $59.0 million in borrowings outstanding under the New Revolving Credit Facility. The Company had $91.0 million of available borrowing capacity under its New Revolving Credit Facility as of March 31, 2016. At March 31, 2016, the interest rate on the New Term Loan was 4.25%, and the interest rate on the New Revolving Credit Facility was 3.95%.

The New Term Loan bears interest at a rate per annum of, at the Company's option, either (x) LIBOR plus 3.25%, with a LIBOR floor of 1.0%, or (y) a base rate plus 2.25%. Borrowings under the New Revolving Credit Facility bear interest at a rate per annum of, at the Company's option, either (x) LIBOR plus a spread ranging from 2.5% to 3.25% or (y) a base rate plus a spread ranging from 1.5% to 2.25%, in each case with the spread determined based on the Company's total leverage ratio. Additionally, the Company pays a commitment fee on the unused portion of the New Revolving Credit Facility not being utilized in the amount of 0.50% per annum.

The New Credit Facility is secured by substantially all of the Company's personal property assets and substantially all personal property assets of each subsidiary that guaranties the New Credit Facility (other than certain subsidiary guarantors designated as immaterial or restricted subsidiaries) (the "New Credit Facility Guarantors"), whether owned on the closing date of the New Credit Facility or thereafter acquired, and mortgages on the real property and improvements owned or leased us or the New Credit Facility Guarantors. The New Credit Facility is also secured by a pledge of all of the equity owned by us and the New Credit Facility Guarantors (subject to certain gaming law restrictions). The credit agreement governing the New Credit Facility contains a number of customary covenants that, among other things, restrict, subject to certain exceptions, the Company's ability and the ability of the New Credit Facility Guarantors to incur additional indebtedness, create liens on collateral, engage in mergers, consolidations or asset dispositions, make distributions, make investments, loans or advances, engage in certain transactions with affiliates or subsidiaries or make capital expenditures.

The credit agreement governing the New Credit Facility also includes requirements the Company maintains a maximum total leverage ratio and a minimum interest coverage ratio (adjusting over time). The Company is required to maintain a maximum total leverage ratio of 6.00 to 1.00 from January 1, 2016 to December 31, 2017 and 5.00 to 1.00 thereafter. In addition, the Company is required to maintain a minimum interest coverage ratio of 2.75 to 1.00 from January 1, 2016 through December 31, 2016 and 3.00 to 1.00 thereafter. A default of the financial ratio covenants shall only become an event of default under the New Term Loan if the lenders providing the New Revolving Credit Facility take certain affirmative actions after the occurrence of a default of such financial ratio covenants.

The credit agreement governing the New Credit Facility contains a number of customary events of default, including, among others, for the non-payment of principal, interest or other amounts, the inaccuracy of certain representations and warranties, the failure to perform or observe certain covenants, a cross default to other indebtedness including the Senior Notes, certain events of bankruptcy or insolvency; certain ERISA events, the invalidity of certain loan documents, certain changes of control and the loss of certain classes of licenses to conduct gaming. If any event of default occurs, the lenders under the New Credit Facility would be entitled to take various actions, including accelerating amounts due thereunder and taking all actions permitted to be taken by a secured creditor. As of March 31, 2016, the Company was in compliance with the covenants under the New Credit Facility.

Note 8. Fair Value of Financial Instruments

Fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Accordingly, fair value is a market based measurement that is determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, there is a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair values as follows:

· *Level 1*: Quoted market prices in active markets for identical assets or liabilities.

· *Level 2*: Observable market-based inputs or unobservable inputs that are corroborated by market data.

· *Level 3*: Unobservable inputs that are not corroborated by market data.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments for which it is practical to estimate fair value:

Cash and Cash Equivalents: Cash equivalents include investments in money market funds. Investments in this category can be redeemed immediately at the current net asset value per share. A money market fund is a mutual fund whose investments are primarily in short-term debt securities designed to maximize current income with liquidity and capital preservation, usually maintaining per share net asset value at a constant amount, such as one dollar. The carrying amounts approximate the fair value because of the short maturity of those instruments.

Restricted Cash: Restricted cash includes unredeemed winning tickets from the Company's racing operations, funds related to horsemen's fines and certain simulcasting funds that are restricted to payments for improving horsemen's facilities and racing purses at Scioto Downs, cash deposits that serve as collateral for letters of credit surety bonds and short-term certificates of deposit that serve as collateral for certain bonding requirements. Restricted cash is classified as Level 1 as its carrying value approximates market prices.

Long-term Debt: The Senior Notes are classified as Level 2 based upon market inputs. The New Term Loan under the credit facility is classified as Level 2 as it is tied to market rates of interest and its carrying value approximates market value. The fair value of the Senior Notes was based on quoted market prices at March 31, 2016.

Acquisition-Related Contingent Considerations: Contingent consideration related to the July 2003 acquisition of Scioto Downs represents the estimate of amounts to be paid to former stockholders of Scioto Downs under certain earn-out provisions. The Company considers the acquisition related contingency's fair value measurement, which includes forecast assumptions, to be Level 3 within the fair value hierarchy.

The estimated fair values of the Company's financial instruments are as follows (amounts in thousands):

	March 31, 2016		December 31, 2015	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets:				
Cash and cash equivalents	$ 44,099	$ 44,099	$ 78,278	$ 78,278
Restricted cash	9,054	9,054	5,271	5,271
Financial liabilities:				
7.0% Senior Notes	$ 366,201	$ 387,188	$ 366,043	$ 367,500
New Term Loan	407,793	424,470	408,410	419,796
New Revolving Credit Facility	56,584	59,000	90,967	93,500
Acquisition-related contingent considerations	530	530	529	529

The following table represents the change in acquisition-related contingent consideration liabilities for the period December 31, 2015 to March 31, 2016:

Balance as of December 31, 2015	$ 529
Amortization of present value discount[(1)]	1
Balance as of March 31, 2016	$ 530

(1) Changes in present value are included as a component of interest expense in the consolidated statements of operations.

Note 9. Earnings per Share

The following table illustrates the reconciliation of the numerators and denominators of the basic and diluted net income (loss) per share computations during the three months ended March 31, 2016 and 2015 (dollars in thousands, except per share amounts):

	Quarter Ended March 31, 2016	Quarter Ended March 31, 2015
	(unaudited)	
Net income (loss) available to common stockholders	$ 3,370	$ (6,164)
Shares outstanding:		
Weighted average shares outstanding - basic	46,933,094	46,494,638
Effect of dilutive securities:		
Stock options	148,758	—
RSU's	452,909	—
Weighted average shares outstanding - diluted	47,534,761	46,494,638
Basic net income (loss) per common share	$ 0.07	$ (0.13)
Diluted net income (loss) per common share	$ 0.07	$ (0.13)

Note 10. Commitments and Contingencies

Litigation. The Company is a party to various lawsuits, which have arisen in the normal course of business. Estimated losses are accrued for these lawsuits and claims when the loss is probable and can be estimated. The current liability for the estimated losses associated with those lawsuits is not material to the consolidated financial condition and those estimated losses are not expected to have a material impact on the results of operations.

Ohio Gaming Referendum Challenge. On October 21, 2011, the Ohio Roundtable filed a complaint in the Court of Common Pleas in Franklin County, Ohio against a number of defendants, including the Governor, the Ohio Lottery Commission and the Ohio Casino Control Commission. The complaint alleges a variety of substantive and procedural defects relative to the approval and implementation of video lottery terminals as well as several counts dealing with the taxation of standalone casinos. As interveners, we, along with four of the other racinos in Ohio, filed motions for judgment on the pleadings to supplement the position of the Racing Commission. In May 2012, the Court of Common Pleas dismissed the case; however, the plaintiffs filed an appeal and oral arguments were held on January 17, 2013 in the 10th District Court of Appeals. In March 2013, the Court of Appeals upheld the ruling. The decision of the Appeals Court was appealed to the Ohio Supreme Court by the plaintiffs on April 30, 2013 and the Ohio Supreme Court has elected to accept the appeal. The Ohio Supreme Court temporarily stayed the appeal until it first ruled on a matter with similar procedural issues. A decision was issued on that case on June 10, 2014. In response to a *motion to dismiss as improvidently granted* which was filed jointly by Appellees, the remaining propositions of law were briefed by the parties and oral argument before the Ohio Supreme Court was held on June 23, 2015. A decision on this case was issued by the Ohio Supreme Court on March 24, 2016 finding that the parties did not meet the threshold for standing to challenge the installation of video lottery terminals, but a single plaintiff was permitted to proceed with his challenge against the casinos under an equal protection claim. Accordingly, this case has been concluded as it relates to the race track defendants.

Environmental Remediation. In October 2004, the Company acquired 229 acres of real property, known as the International Paper site, as an alternative site to build Presque Isle Downs. In connection with the acquisition of the International Paper site, the Company entered into a consent order and decree (the “Consent Order”) with the PaDEP and International Paper insulating us from liability for certain pre-existing contamination, subject to compliance with the Consent Order, which included a proposed environmental remediation plan for the site, which was tied specifically to the use of the property as a racetrack. The proposed environmental remediation plan in the Consent Order was based upon a “baseline environmental report” and management estimated that such remediation would be subsumed within the cost of developing the property as a racetrack. The racetrack was never developed at this site. In October 2005, the Company sold 205 acres to GEIDC who assumed primary responsibility for the remediation obligations under the Consent Order relating to the property they acquired. However, the Company was advised by the PaDEP that it was not released from its liability and responsibility under the Consent Order. The Company also purchased an Environmental Risk Insurance

Policy in the amount of $10.0 million with respect to the property, which was renewed in October 2015 for a period of one year. The Company believes that the insurance coverage is in excess of any exposure that we may have in this matter.

Regulatory Gaming Assessments. The Pennsylvania Gaming Control Board (the "PGCB"), the Pennsylvania Department of Revenue and the Pennsylvania State Police (collectively "the Borrowers"), were required to fund the costs they incurred in connection with the initial development of the infrastructure to support gaming operations in Pennsylvania as well as the initial ongoing costs of the Borrowers. The initial funding of these costs was provided from a loan from the Pennsylvania General Fund in the amount of $36.1 million, and further funding was provided from additional loans from the Pennsylvania Property Tax Reserve Fund in the aggregate amount of $63.8 million.

The Pennsylvania Department of Revenue will assess all licensees, including Presque Isle Downs, their proportionate share of amounts represented by the borrowings, which are in the aggregate amount of $99.9 million, once the designated number of Pennsylvania's slot machine licensees is operational. On July 11, 2011, the PGCB issued an administrative order which established that payments associated with the $63.8 million that was borrowed from the Property Tax Reserve Fund would commence on January 1, 2012. The repayment allocation between all current licensees is based upon equal weighting of (1) cumulative gross slot revenue since inception in relation to the combined cumulative gross slot revenue for all licensees and (2) single year gross slot revenue (during the state's fiscal year ending June 30) in relation to the combined single year gross slot revenue for all licensees; and amounts paid each year will be adjusted annually based upon changes in the licensee's proportionate share of gross slot revenue. We have estimated that our total proportionate share of the aggregate $63.8 million to be assessed to the gaming facilities will be $4.1 million and will be paid quarterly over a ten-year period, which began effective January 1, 2012. For the $36.1 million that was borrowed from the General Fund, payment is scheduled to begin after all fourteen licensees are operational. Although we cannot determine when payment will begin, it has considered a similar repayment model for the General Fund borrowings and estimated that its total proportionate share of the aggregate $36.1 million to all fourteen gaming facilities will approximate between $2.0 million and $2.1 million, which has been accrued in the accompanying consolidated balance sheet at March 31, 2016 and December 31, 2015.

The recorded estimate relative to the Property Tax Reserve Fund is subject to revision based upon future changes in the revenue assumptions utilized to develop the estimate. The estimated total obligation at March 31, 2016 and December 31, 2015, was $4.1 million and $4.3 million, respectively, of which the residual total amount, both current and long-term, of $2.1 million and $2.2 million at March 31, 2016 and December 31, 2015, respectively, are appropriately accrued in the accompanying consolidated balance sheet. The Company paid $0.1 million for the three months ended March 31, 2016.

Agreements with Horsemen and Pari-mutuel Clerks. The Federal Interstate Horse Racing Act and the state racing laws in West Virginia, Ohio and Pennsylvania require that, in order to simulcast races, we have written agreements with the horse owners and trainers at those racetracks. In addition, in order to operate slot machines in West Virginia, we are required to enter into written agreements regarding the proceeds of the slot machines (a "proceeds agreement") with a representative of a majority of the horse owners and trainers and with a representative of a majority of the pari-mutuel clerks. In Pennsylvania and Ohio, we must have an agreement with the representative of the horse owners. We have the requisite agreements in place with the horsemen at Mountaineer until December 31, 2018. With respect to the Mountaineer pari-mutuel clerks, we have a labor agreement in force until November 30, 2016 and a proceeds agreement until April 14, 2018. We are required to have a proceeds agreement in effect on July 1 of each year with the horsemen and the pari-mutuel clerks as a condition to renewal of our video lottery license for such year. If the requisite proceeds agreement is not in place as of July 1 of a particular year, Mountaineer's application for renewal of its video lottery license could be denied, in which case Mountaineer would not be permitted to operate either its slot machines or table games. Scioto Downs has the requisite agreement in place with the OHHA until December 31, 2023, with automatic two-year renewals unless either party requests re-negotiation pursuant to its terms. Presque Isle Downs has the requisite agreement in place with the Pennsylvania Horsemen's Benevolent and Protective Association until May 1, 2019. With the exception of the respective Mountaineer, Presque Isle Downs and Scioto Downs horsemen's agreements and the agreement between Mountaineer and the pari-mutuel clerks' union described above, each of the agreements referred to in this paragraph may be terminated upon written notice by either party.

Note 11. Related Parties

The Company owns the entire parcel on which Eldorado Reno is located, except for approximately 30,000 square feet which is leased from C. S. & Y. Associates, a general partnership of which Donald L. Carano is a general partner. As of March 31, 2016, the Company's payable to C. S. & Y. Associates amounted to $0.2 million. There were no payables to related parties as of December 31, 2015.

Note 12. Segment Information

The following table sets forth, for the periods indicated, certain operating data for our reportable segments. Management views each of our properties as an operating segment. Operating segments are aggregated based on their similar economic characteristics, types of customers, types of services and products provided, and their management and reporting structure. The Company's principal operating activities occur in three geographic regions: Nevada, Louisiana and parts of the eastern United States. The Company has aggregated its operating segments into three reportable segments: Eldorado Reno, Silver Legacy and Circus Reno as Nevada, Eldorado Shreveport as Louisiana, and Scioto Downs, Presque Isle and Mountaineer as Eastern.

	Three months ended March 31,	
	2016	2015
	(in thousands, unaudited)	
Revenues and expenses		
Nevada:		
Net operating revenues	$ 72,771	$ 23,753
Expenses, excluding depreciation and corporate	(61,777)	(21,322)
Gain on sale or disposal of property	34	—
Equity in loss of unconsolidated affiliate	—	(518)
Other	—	1
Depreciation	(5,463)	(1,933)
Operating income (loss)—Nevada	$ 5,565	$ (19)
Louisiana:		
Net operating revenues	$ 34,442	$ 34,634
Expenses, excluding depreciation and amortization	(25,995)	(27,516)
Gain on sale or disposal of property	1	—
Depreciation and amortization	(1,946)	(1,919)
Operating income—Louisiana	$ 6,502	$ 5,199
Eastern:		
Net operating revenues	$ 106,353	$ 109,064
Expenses, excluding depreciation, amortization and corporate	(83,974)	(87,299)
Gain on sale or disposal of property	36	1
Depreciation and amortization	(8,684)	(10,525)
Operating income—Eastern	$ 13,731	$ 11,241
Corporate:		
Corporate expenses	$ (6,904)	$ (4,160)
Acquisition charges	(520)	(84)
Other	—	(1)
Depreciation and amortization	(111)	(92)
Operating loss—Corporate	$ (7,535)	$ (4,337)
Total Reportable Segments		
Net operating revenues	$ 213,566	$ 167,451
Expenses, excluding depreciation and amortization	(178,650)	(140,297)
Gain on sale or disposal of property	71	1
Equity in loss of unconsolidated affiliate	—	(518)
Acquisition charges	(520)	(84)
Depreciation and amortization	(16,204)	(14,469)
Operating income—Total Reportable Segments	$ 18,263	$ 12,084
Reconciliations to Consolidated Net Income (Loss):		
Operating Income — Total Reportable Segments	$ 18,263	$ 12,084
Unallocated income and expenses:		
Interest expense	(12,991)	(17,232)
Loss on early retirement of debt	(66)	—
Provision for income taxes	(1,836)	(1,016)
Net income (loss)	$ 3,370	$ (6,164)

	March 31, 2016	March 31, 2015
	(in thousands, unaudited)	
Capital Expenditures		
Nevada	$ 2,842	$ 1,389
Louisiana	1,350	620
Eastern [(1)]	5,103	5,486
Corporate	1,329	—
Total	$ 10,624	$ 7,495

(1) Gross of West Virginia reimbursements

	As of March 31, 2016 (unaudited)	As of December 31, 2015
	(in thousands)	
Total Assets		
Nevada	$ 358,406	$ 376,760
Louisiana	131,514	135,403
Eastern	859,318	883,344
Corporate	450,819	495,202
Eliminating entries [(1)]	(513,989)	(565,701)
Total	$ 1,286,068	$ 1,325,008

(1) Reflects the following eliminations for the periods indicated:

Reclass deferred tax assets against deferred tax liabilities	$ —	$ 1,080
Accrued interest on the senior notes	4,375	11,521
Net investment in MTR	5,000	5,000
Net investment in Silver Legacy/Circus Circus	88,314	88,314
Intercompany receivables/payables	351,318	394,804
Net investment in and advances to Silver Legacy	56,500	56,500
Net investment in and advances to Eldorado Shreveport	8,482	8,482
	$ 513,989	$ 565,701

Note 13. Employee Benefit Plans

In August 2015, the Company's Compensation Committee and Board of Directors approved the termination of then existing Resorts and MTR Gaming 401(k) plans and the establishment of a new consolidated ERI 401(k) plan which was effective in January 2016. The plan covering the Company's employees allows for an employer contribution up to 50 percent of the first four percent of each participating employee's contribution, up to a maximum of $1,000, subject to statutory and certain other limits.

Note 14. Consolidating Condensed Financial Information

All of our wholly owned subsidiaries, except for the subsidiaries acquired in the Acquisition, have fully and conditionally guaranteed on a joint and several basis, the payments of all obligations under our Senior Notes and New Credit Facility as of March 31, 2016. Silver Legacy Joint Venture, LLC and CC-Reno, LLC were not guarantors as of March 31, 2016, but will become guarantors upon receipt of the required regulatory approval which is expected to be received in May 2016.

The consolidating condensed balance sheet as of March 31, 2016 is as follows:

Balance Sheet

	Eldorado Resorts, Inc. (Parent Obligor)	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating and Eliminating Entries	Eldorado Resorts, Inc. Consolidated
Current assets	$ 6,370	$ 60,323	$ 20,955	$ (1,686)	$ 85,962
Intercompany receivables	341,649	34,317	22,313	(398,279)	—
Investment in and advances to unconsolidated affiliates	—	62,786	—	(61,500)	1,286
Investments in subsidiaries	88,314	—	—	(88,314)	—
Property and equipment, net	3,778	432,246	182,097	—	618,121
Other assets	52,658	574,998	5,794	(52,751)	580,699
Total assets	$ 492,769	$ 1,164,670	$ 231,159	$ (602,530)	$ 1,286,068
Current liabilities	$ 19,590	$ 63,328	$ 31,054	$ (18,119)	$ 95,853
Intercompany payables	—	381,846	—	(381,846)	—
Long-term debt, less current maturities	451,327	325,471	50,000	—	826,798
Other accrued liabilities	—	138,659	2,553	(52,751)	88,461
Stockholders’ equity	21,852	255,366	147,552	(149,814)	274,956
Total liabilities and stockholders’ equity	$ 492,769	$ 1,164,670	$ 231,159	$ (602,530)	$ 1,286,068

The consolidating condensed balance sheet as of December 31, 2015 is as follows:

	Eldorado Resorts, Inc. (Parent Obligor)	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating and Eliminating Entries	Eldorado Resorts, Inc. Consolidated
Current assets	$ 2,248	$ 87,976	$ 31,102	$ (5,147)	$ 116,179
Intercompany receivables	401,998	—	—	(401,998)	—
Investment in and advances to unconsolidated affiliates	—	62,786	—	(61,500)	1,286
Investments in subsidiaries	88,314	—	—	(88,314)	—
Property and equipment, net	2,553	439,640	183,223	—	625,416
Other assets	89	575,466	6,572	—	582,127
Total assets	$ 495,202	$ 1,165,868	$ 220,897	$ (556,959)	$ 1,325,008
Current liabilities	$ 24,238	$ 78,508	$ 30,616	$ (27,652)	$ 105,710
Intercompany payables	—	389,272	(8,149)	(381,123)	—
Long-term debt, less current maturities	486,171	325,542	50,000	—	861,713
Other accrued liabilities	4,905	151,910	2,525	(72,422)	86,918
Stockholders’ equity	(20,112)	220,636	145,905	(75,762)	270,667
Total liabilities and stockholders’ equity	$ 495,202	$ 1,165,868	$ 220,897	$ (556,959)	$ 1,325,008

The consolidating condensed statement of operations for the three months ended March 31, 2016 is as follows:

Statement of Operations

	Eldorado Resorts, Inc. (Parent Obligor)	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating and Eliminating Entries	Eldorado Resorts, Inc. Consolidated
Revenues:					
Gaming and pari-mutuel commissions	$ —	$ 145,460	$ 24,302	$ —	$ 169,762
Non-gaming	—	35,391	29,398	—	64,789
Gross revenues	—	180,851	53,700	—	234,551
Less: promotional allowances	—	(14,794)	(6,191)	—	(20,985)
Net revenues	—	166,057	47,509	—	213,566
Operating expenses:					
Gaming and pari-mutuel commissions	—	85,419	12,167	—	97,586
Non-gaming	—	17,121	15,810	—	32,931
Marketing and promotions	—	6,957	2,617	—	9,574
General and administrative	6,729	27,822	10,409	(6,401)	38,559
Depreciation and amortization	104	12,496	3,604	—	16,204
Total operating expenses	6,833	149,815	44,607	(6,401)	194,854
Gain on disposal of assets	—	70	1	—	71
Acquisition charges	(520)	—	—	—	(520)
Operating (loss) income	(7,353)	16,312	2,903	6,401	18,263
Interest expense, net	(6,416)	(5,700)	(875)	—	(12,991)
Loss on early retirement of debt	(66)	—	—	—	(66)
Net (loss) income before income taxes	(13,835)	10,612	2,028	6,401	5,206
Income tax provision	(1,836)	—	—	—	(1,836)
Net (loss) income	$ (15,671)	$ 10,612	$ 2,028	$ 6,401	$ 3,370

The consolidating condensed statement of operations for the three months ended March 31, 2015 is as follows:

	Eldorado Resorts, Inc. (Parent Obligor)	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating and Eliminating Entries	Eldorado Resorts, Inc. Consolidated
Revenues:					
Gaming and pari-mutuel commissions	$ —	$ 148,867	$ —	$ —	$ 148,867
Non-gaming	—	33,942	—	—	33,942
Gross revenues	—	182,809	—	—	182,809
Less: promotional allowances	—	(15,358)	—	—	(15,358)
Net revenues	—	167,451	—	—	167,451
Operating expenses:					
Gaming and pari-mutuel commissions	—	88,514	—	—	88,514
Non-gaming	—	16,978	—	—	16,978
Marketing and promotions	—	7,101	—	—	7,101
General and administrative	627	27,077	—	—	27,704
Depreciation and amortization	79	14,390	—	—	14,469
Total operating expenses	706	154,060	—	—	154,766
Gain on disposal of assets	—	1	—	—	1
Acquisition charges	—	(84)	—	—	(84)
Equity in loss of unconsolidated affiliate	—	(518)	—	—	(518)
Operating (loss) income	(706)	12,790	—	—	12,084
Interest expense, net	—	(17,232)	—	—	(17,232)
Net (loss) income before income taxes	(706)	(4,442)	—	—	(5,148)
Income tax benefit (provision)	1,369	(2,385)	—	—	(1,016)
Net income (loss)	$ 663	$ (6,827)	$ —	$ —	$ (6,164)

The consolidating condensed statement of cash flows for the three months ended March 31, 2016 is as follows:

Statement of Cash Flows

	Eldorado Resorts, Inc. (Parent Obligor)	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating and Eliminating Entries	Eldorado Resorts, Inc. Consolidated
Net cash (used in) provided by operating activities	$ (12,580)	$ 14,173	$ 7,014	$ 2,246	$ 10,853
INVESTING ACTIVITIES:					
Capital expenditures, net of payables	(1,329)	(7,934)	(1,361)	—	(10,624)
Proceeds from sale of property and equipment	—	88	—	—	88
Reimbursement of capital expenditures from West Virginia regulatory authorities	—	1,692	—	—	1,692
(Increase) decrease in other assets, net	(43)	159	55	—	171
Advances from (to) subsidiaries	50,659	—	—	(50,659)	—
Net cash provided by (used in)investing activities	49,287	(5,995)	(1,306)	(50,659)	(8,673)
FINANCING ACTIVITIES:					
Payments under Term Loan	(1,063)	—	—	—	(1,063)
Borrowings under New Revolving Credit Facility	(34,500)	—	—	—	(34,500)
Payments on capital leases	—	(68)	—	—	(68)
Debt issuance costs	(194)	—	—	—	(194)
Taxes paid related to net share settlement of equity awards	(534)	—	—	—	(534)
Net payments to related parties	—	(32,453)	(15,960)	48,413	—
Net cash (used in) provided by financing activities	(36,291)	(32,521)	(15,960)	48,413	(36,359)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	416	(24,343)	(10,252)	—	(34,179)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	657	60,102	17,519	—	78,278
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 1,073	$ 35,759	$ 7,267	$ —	$ 44,099

The consolidating condensed statement of cash flows for the three months ended March 31, 2015 is as follows:

	Eldorado Resorts, Inc. (Parent Obligor)	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating and Eliminating Entries	Eldorado Resorts, Inc. Consolidated
Net cash provided by (used in) operating activities	$ 1,097	$ (9,596)	$ —	$ —	$ (8,499)
INVESTING ACTIVITIES:					
Capital expenditures, net of payables	—	(7,495)	—	—	(7,495)
Proceeds from sale of property and equipment	—	2	—	—	2
Reimbursement of capital expenditures from West Virginia regulatory authorities	—	—	—	—	—
Decrease in other assets, net	—	304	—	—	304
Advances from (to) subsidiaries	1,491	—	—	(1,491)	—
Net cash provided by (used in) investing activities	1,491	(7,189)	—	(1,491)	(7,189)
FINANCING ACTIVITIES:					
Payments on capital leases	—	(3)	—	—	(3)
Net payments to related parties	—	(1,491)	—	1,491	—
Net cash (used in) provided by financing activities	—	(1,494)	—	1,491	(3)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,588	(18,279)	—	—	(15,691)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	—	87,604	—	—	87,604
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 2,588	$ 69,325	$ —	$ —	$ 71,913

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

General

Eldorado Resorts, Inc. ("ERI" or the "Company"), a Nevada corporation, was formed in September 2013 to be the parent company following the merger of wholly owned subsidiaries of the Company into Eldorado HoldCo LLC ("HoldCo"), a Nevada limited liability company formed in 2009 that is the parent company of Eldorado Resorts LLC ("Resorts"), and MTR Gaming Group, Inc. ("MTR Gaming"), a Delaware corporation incorporated in 1988 (the "Merger"). Effective upon the consummation of the Merger on September 19, 2014 (the "Merger Date"), MTR Gaming and HoldCo each became a wholly owned subsidiary of ERI and, as a result of such transactions, Resorts became an indirect wholly owned subsidiary of ERI.

Resorts owns and operates the Eldorado Resort Casino Reno, a premier hotel, casino and entertainment facility centrally located in downtown Reno, Nevada (the "Eldorado Reno"), which opened for business in 1973. Resorts also owns Eldorado Resort Casino Shreveport ("Eldorado Shreveport"), a 403-room all suite art deco-style hotel and a tri-level riverboat dockside casino complex situated on the Red River in Shreveport, Louisiana, which commenced operations under its previous owners in December 2000.

Prior to the Acquisition Date, Resorts owned a 48.1% interest in the joint venture (the "Silver Legacy Joint Venture") which owns the Silver Legacy Resort Casino (the "Silver Legacy"), a major themed hotel and casino situated between and seamlessly connected at the mezzanine level to the Eldorado Reno and Circus Reno, (collectively the "Reno Tri-Properties"), a hotel and casino previously owned and operated by Galleon, Inc., an indirect, wholly owned subsidiary of MGM Resorts International.

On November 24, 2015 (the "Acquisition Date"), Resorts consummated the acquisition of all of the assets and properties of Circus Circus Reno ("Circus Reno") and the 50% membership interest in the joint venture (the "Silver Legacy Joint Venture") owned by Galleon, Inc. (collectively, the "Circus Reno/Silver Legacy Purchase" or the "Acquisition") pursuant to a Purchase and Sale Agreement, dated as of July 7, 2015 (the "Purchase Agreement"), entered into by certain of our subsidiaries with Circus Circus Casinos, Inc. and Galleon, Inc., each an affiliate of MGM Resorts International, with respect to the acquisition. On the Acquisition Date, Eldorado Resorts LLC also exercised its right to acquire the 3.8% interest in Eldorado Limited Liability Company ("ELLC") held by certain affiliates and shareholders of the Company. As a result of these transactions, ELLC and CC-Reno, LLC, a newly formed Nevada limited liability company, became wholly-owned subsidiaries of ERI, and Silver Legacy became an indirect wholly-owned subsidiary of ERI.

MTR Gaming operates as a hospitality and gaming company with racetrack, gaming and hotel properties in West Virginia, Pennsylvania and Ohio. MTR Gaming, through its wholly owned subsidiaries, owns and operates Mountaineer Casino, Racetrack & Resort in Chester, West Virginia ("Mountaineer"), Presque Isle Downs & Casino in Erie, Pennsylvania ("Presque Isle Downs"), and Eldorado Gaming Scioto Downs ("Scioto Downs") in Columbus, Ohio. Scioto Downs, through its subsidiary, RacelineBet, Inc., also operates Racelinebet.com, a national account wagering service that offers online and telephone wagering on horse races as a marketing affiliate of TwinSpires.com, an affiliate of Churchill Downs, Inc.

Presentation of Financial Information

ERI, HoldCo and MTR Gaming are collectively referred to as "we," "us," "our" or the "Company." The financial information included in this Item 2 for periods prior to the Acquisition Date are those of the Company and its subsidiaries including Eldorado Reno, Eldorado Shreveport, MTR Gaming and its interest in the Silver Legacy Joint Venture.

The presentation of information herein for the period after the Acquisition Date is not fully comparable because the results of operations for Circus Reno are not included for the period prior to the Acquisition Date and the results of operations of the Silver Legacy Joint Venture were not consolidated prior to the Acquisition Date.

Reportable Segments

The Company has aggregated its operating segments into three reportable segments: Eldorado Reno, Silver Legacy and Circus Reno as Nevada, Eldorado Shreveport as Louisiana, and Scioto Downs, Presque Isle Downs and Mountaineer as Eastern.

Significant Factors Impacting Financial Results

The following summary highlights the significant factors impacting our financial results during the three months ended March 31, 2016 and 2015.

- *Circus Reno/Silver Legacy Purchase* - Pursuant to the Purchase Agreement in November 2015, ERI paid $80.2 million in cash, comprised of the $72.5 million purchase price plus $7.7 million in working capital adjustments and the assumption of the amounts outstanding under Silver Legacy's senior secured term loan facility. An additional $0.3 million was accrued as of Acquisition Date representing the final working capital adjustment. ERI funded the purchase price for the Acquisition and repaid the borrowings outstanding under the Silver Legacy credit facility using a portion of the proceeds from the sale of its Senior Notes, borrowings under its revolving credit facility and cash on hand. Information presented prior to the Acquisition Date does not reflect the results of operations for Circus Reno, and only includes our interest in the Silver Legacy Joint Venture prior to the Acquisition as an investment in an unconsolidated affiliate. As a result, incremental increases in revenues and expenses attributable to the addition of Circus Reno and Silver Legacy are reflected in our results of operations for the three months ended March 31, 2016.

- *Execution of Cost Savings Program* – We identified several areas to improve property level and consolidated margins through operating and cost efficiencies and exercising financial discipline throughout the Company without impacting the player experience. In addition to cost savings relating to duplicative executive compensation, legal and accounting fees and other corporate expenses that we have eliminated as a result of the Merger, we have achieved savings in marketing, food and beverage costs, selling, general and administrative expenses and other operating departments as a result of operating efficiencies and purchasing power of the combined MTR and Eldorado organization. These cost savings were reflected in our operating results for the three months ended March 31, 2016. Moreover, in addition to generating incremental revenues, we have realized and expect future savings resulting from cost synergies across the Reno Tri-Properties in 2016 as a result of the recent Acquisition.

- *Refinancing and Reduction in Interest Expense* – In July 2015, we successfully refinanced all of our indebtedness, including the debt we assumed in the Merger in 2014. We issued $375.0 million in Senior Notes and entered into a new $425.0 million term loan and a new $150.0 million revolving credit facility and applied the net proceeds to, among other things, purchase our Resorts senior secured notes and MTR second lien notes. The refinancing reduced our annualized cash interest payments by approximately $35.0 million. See "Liquidity and Capital Resources" for more information related to our 2015 refinancing.

- *West Virginia Smoking Ban* – On August 26, 2014, the Board of Health of Hancock County, West Virginia adopted and approved the Clean Air Regulation Act of 2014 ("Regulation"), which became effective July 1, 2015. The Regulation bans smoking in public places in Hancock County including Mountaineer. To comply with the Regulation upon its effective date, Mountaineer built a 9,300 square foot smoking pavilion which opened on July 1, 2015 and currently houses 305 slot machines and four table games. Notwithstanding our efforts to mitigate the impact of the smoking ban, the Regulation has had a negative impact on our business and results of operations at Mountaineer. We expect that it will continue to negatively impact our business and results of operations during the first half of 2016 and that such impact may be material.

- *Property Enhancement Capital Expenditures* - We began to realize the benefits of our property enhancement initiatives that targeted product and service offering upgrades across our entire portfolio during the fourth quarter of 2015 as all of them were completed by year-end and helped drive increased volume to our properties. Most notably, the opening of *The Brew Brothers*, a restaurant and microbrewery at Scioto Downs, provided a meaningful increase in traffic and slot revenues in 2015. Additionally, we completed a $5.0 million five-phase design and facility enhancement program at Presque Isle Downs that added a new casino center bar, an improved high limit gaming area and new slot product. In 2015, over 200 rooms were remodeled at Eldorado Reno and we completely refurbished the exterior of the Eldorado Shreveport.

  In 2016, we have continued our property enhancement initiatives and plan to open a third *The Brew Brothers* venue with the addition of an escalator to facilitate access to the restaurant at Presque Isle Downs. This new restaurant is expected to open during the second quarter of 2016. Across our Nevada properties, we are reviewing food and beverage offerings and hotel room upgrades, and adding new amenities to enhance our player experience. We also broke ground on a second smoking patio at Scioto Downs which will feature a casino bar and 120 new video lottery terminals (VLTs) and is expected to open late in the second quarter of 2016 while construction continues on the 118-room Hampton Inn Hotel which is expected to open in the fourth quarter of 2016. In Shreveport, we are remodeling the second floor of the casino and adding 180 new slot machines.

- *New Regulation* – Effective January 1, 2016, the Ohio Lottery Commission enacted new regulation which resulted in the establishment of a $1.0 million progressive slot liability and a corresponding decrease in net slot win for the three months ended March 31, 2016. The changes are non-cash and related primarily to prior years. The net non-cash impact to Scioto Down’s operating income was $0.6 million for the three months ended March 31, 2016.

- *Competition* - Our results of operations have been adversely impacted by the expansion of Native American gaming and the expansion of gaming in our regional markets.

  Nevada. A significant portion of our revenues and operating income are generated from patrons who are residents of northern California, and as such, our operations have been adversely impacted by the growth in Native American gaming in northern California. Many existing Native American gaming facilities in northern California are modest compared to the Reno Tri-Properties. However, a number of Native American tribes have established large-scale gaming facilities in California and some Native American tribes have announced that they are in the process of expanding, developing, or are considering establishing, large-scale hotel and gaming facilities in northern California. As northern California Native American gaming operations have expanded, we believe the increasing competition generated by these gaming operations has had a negative impact, principally on drive-in, day-trip visitor traffic from our main feeder markets in northern California.

  Louisiana. Casino gaming is currently prohibited in several jurisdictions from which the Shreveport/Bossier City market draws customers, primarily Texas. Although casino gaming is currently not permitted in Texas, the Texas legislature has from time to time considered proposals to authorize casino gaming and there can be no assurance that casino gaming will not be approved in Texas in the future, which would have a material adverse effect on our business. Eldorado Shreveport competes with several Native American casinos located in Oklahoma, certain of which are located near our core Texas markets. Because we draw a significant amount of our customers from the Dallas/Fort Worth area, but are located approximately 190 miles from that area, we believe we will continue to face increased competition from gaming operations in Oklahoma, including the WinStar and Choctaw casinos, and would face significant competition that may have a material adverse effect on our business and results of operations if casino gaming is approved in Texas.

  Eastern. The MTR Gaming properties experience varying competitive pressures, from casinos in western Pennsylvania, western New York, northern West Virginia and Ohio. We believe the expansion of gaming in Ohio, as well as the installation of video lottery terminals at existing horse race tracks near Cleveland, and the relocation of a racetrack to Austintown, Ohio, which opened in September 2014, has had and will continue to have a negative impact on our results of operations at all our properties and such impact may be material. In order to sustain our market share in the increased competitive environment, we continuously reevaluate our advertising strategies and promotional offers to our guests to ensure our reinvestment levels reflect the appropriate level of offerings to sustain our margins. Additionally, since the Merger, we have invested significant capital funds to upgrade and enhance our products and service offerings at the Eastern properties.

Results of Operations

The following table highlights the results of our operations (dollars in thousands):

	Three Months Ended March 31, 2016	Three Months Ended March 31, 2015	Change % 2016 vs 2015
Net revenues	$ 213,566	$ 167,451	27.5 %
Operating income	18,263	12,084	51.1 %
Net income (loss) attributable to ERI	3,370	(6,164)	154.7 %

Operating Results. Net revenues increased 27.5% for the three months ended March 31, 2016 over the same prior year period primarily due to incremental revenues attributable to the aforementioned Acquisition combined with higher revenues at Scioto Downs and Presque Isle Downs. This increase in net revenues was partially offset by a decrease in net revenues at Mountaineer and, to a lesser extent, a slight decline in net revenues in Louisiana. Operating income increased 51.1% in the 2016 period compared to the same period in 2015 due to higher revenues combined with improved operating margins associated with company-wide cost savings initiatives.

Net income increased 154.7% for the three months ended March 31, 2016 compared to the same prior year period as a result of the same factors impacting operating income. Net income in the 2016 period was also positively impacted by a $4.3 million decrease in interest expense resulting from our refinancing in July 2015. Additionally, net income decreased $0.5 million in the 2016 period due to costs incurred in conjunction with the Acquisition along with incremental depreciation associated with the acquired assets. This decline was offset by a $0.5 million equity in net loss of unconsolidated affiliate in the 2015 period attributable to our 50% interest in the Silver Legacy Joint Venture.

Net Revenues and Operating Income (Loss)

The following table highlights our net revenues and operating income (loss) by reportable segment (dollars in thousands):

	Net Revenues for the Quarter Ended March 31,		Operating Income (Loss) for the Quarter Ended March 31,	
	2016	2015	2016	2015
Nevada	$ 72,771	$ 23,753	$ 5,565	$ (19)
Louisiana	34,442	34,634	6,502	5,199
Eastern	106,353	109,064	13,731	11,241
Corporate	—	—	(7,535)	(4,337)
Total	$ 213,566	$ 167,451	$ 18,263	$ 12,084

Three Months Ended March 31, 2016 Compared to the Three Months Ended March 31, 2015

Net revenues and operating expenses were as follows (dollars in thousands):

	Three Months Ended March 31, 2016	Three Months Ended March 31, 2015	Variance	Percent
Revenues:				
Gaming and Pari-Mutuel Commissions:				
Nevada	$ 38,902	$ 14,429	$ 24,473	169.6 %
Louisiana	31,647	31,924	(277)	(0.9)%
Eastern	99,213	102,514	(3,301)	(3.2)%
Total Gaming and Pari-Mutuel Commissions	169,762	148,867	20,895	14.0 %
Non-gaming:				
Nevada	43,920	12,947	30,973	239.2 %
Louisiana	9,393	9,666	(273)	(2.8)%
Eastern	11,476	11,329	147	1.3 %
Total Non-gaming	64,789	33,942	30,847	90.9 %
Total Gross Revenues	234,551	182,809	51,742	28.3 %
Promotional allowances:				
Nevada	(10,051)	(3,623)	6,428	177.4 %
Louisiana	(6,598)	(6,956)	(358)	(5.1)%
Eastern	(4,336)	(4,779)	(443)	(9.3)%
Total Promotional Allowances	(20,985)	(15,358)	5,627	36.6 %
Total Net Revenues	213,566	167,451	46,115	27.5 %
Expenses:				
Gaming and Pari-Mutuel Commissions:				
Nevada	18,918	6,586	12,332	187.2 %
Louisiana	17,129	17,999	(870)	(4.8)%
Eastern	61,539	63,929	(2,390)	(3.7)%
Total Gaming and Pari-Mutuel Commissions	97,586	88,514	9,072	10.2 %
Non-gaming				
Nevada	24,241	8,186	16,055	196.1 %
Louisiana	1,933	1,972	(39)	(2.0)%
Eastern	6,757	6,820	(63)	(0.9)%
Total Non-gaming	32,931	16,978	15,953	94.0 %
Marketing and promotions	9,574	7,101	2,473	34.8 %
General and administrative	31,655	23,544	8,111	34.5 %
Corporate	6,904	4,160	2,744	66.0 %
Depreciation and amortization	16,204	14,469	1,735	12.0 %
Total Operating Expenses	$ 194,854	$ 154,766	$ 40,088	25.9 %

Gaming Revenues and Pari-Mutuel Commissions. Nevada gaming revenues increased $24.5 million for the three months ended March 31, 2016 compared to the same 2015 period due to incremental gaming revenues attributable to Circus Reno and Silver Legacy. Gaming revenues in Louisiana decreased $0.3 million for the three months ended March 31, 2016 compared to the same 2015 period due to a modest decline in slot revenues. The Eastern segment recorded $99.2 million of gaming revenues and pari-mutuel commissions in first quarter of 2016 resulting in a 3.2% decrease compared to the same period in 2015. This decrease was mainly due to declines in gaming revenues at Mountaineer associated with the aforementioned smoking ban that has had a negative impact on the property's operations along with a decline in pari-mutuel commissions attributable to no live racing during the current quarter. These decreases were partially offset by improvements in gaming revenues at both Scioto Downs, despite the $1.0 million impact of the progressive liability change, and Presque Isle Downs. As a result, total gaming revenues and pari-mutuel commissions increased 14.0% for the three months ended March 31, 2016 compared to the same 2015 period.

Non-gaming Revenues. Non-gaming revenues increased $30.8 million in first quarter of 2016 compared to the same period in 2015 and was driven by incremental non-gaming revenues consisting of food, beverage, hotel, entertainment, retail and other primarily as a result of the Acquisition combined with an increase in non-gaming revenues at Eldorado Reno in the Nevada segment. The Louisiana segment reported a 2.8% decrease in non-gaming revenues in first quarter of 2016 compared to the same period in 2015. The Eastern segment posted a 1.3% increase primarily due to incremental non-gaming revenues at Scioto Downs attributable to the opening of *The Brew Brothers* in October 2015. This growth was partially offset by declines at Mountaineer and Presque Isle Downs due to strategic changes in our promotional offers along with additional volume declines at Mountaineer associated with the smoking ban impact.

Promotional Allowances. Promotional allowances, expressed as a percentage of gaming revenues and pari-mutuel commissions, increased to 12.4% for the three months ended March 31, 2016 compared to 10.3% for the three months ended March 31, 2015. Nevada promotional allowances, as a percentage of gaming revenues, were 25.8% for the three months ended March 31, 2016 compared to 25.1% in the same 2015 period. Louisiana promotional allowances, as a percentage of gaming revenues, decreased to 20.8% for the three months ended March 31, 2016 from 21.8% in the same 2015 period, and Eastern promotional allowances for the three months ended March 31, 2016 declined to 4.4% as a percentage of the segment's gaming revenues and pari-mutuel commissions compared to 4.7% for the three months ended March 31, 2015. Reductions in promotional allowances, as a percentage of gaming revenues and pari-mutuel commissions in the Louisiana and Eastern segments were due to continued strategic revisions to our casino marketing programs in an effort to increase margins and maximize profitability.

Gaming Expenses and Pari-Mutuel Commissions. Nevada gaming expenses increased $12.3 million for the three months ended March 31, 2016 compared to the same period in 2015 primarily due to incremental gaming expenses generated as a result of the Acquisition along with an increase in gaming expenses at Eldorado Reno. Louisiana gaming expenses decreased 4.8% in the first quarter of 2016 compared to the same period in 2015 despite a slight decline in gaming revenues due to efforts to reduce variable operating costs including payroll expenditures and slot participation fees. The Eastern segment recorded $61.5 million of gaming expenses and pari-mutuel commissions for the three months ended March 31, 2016 compared to $63.9 million in same 2015 period primarily due lower gaming taxes at Mountaineer in conjunction with decreased gaming revenues. Total gaming expenses and pari-mutuel commissions increased 10.2% for the three months ended March 31, 2016 compared to the same period in 2015 mainly due to incremental gaming expenses associated with the Acquisition offset by the aforementioned declines in the Louisiana and Eastern segments.

Non-gaming Expenses. Non-gaming expenses increased $16.0 million for the three months ended March 31, 2016 compared to the same period in 2015. This growth was driven by higher Nevada non-gaming expenses which increased $16.1 million due to incremental expenses resulting from the Acquisition and, to a lesser extent, an increase in food expenses at Eldorado Reno associated with the property's increase in food revenues. Efforts to control costs resulted in improved food departmental profit margins at Eldorado Reno for the three months ended March 31, 2016 compared to the same period in 2015. Non-gaming expenses in the Louisiana and Eastern segments remained relatively flat for the three months ended March 31, 2016 compared to the same period in 2015.

Marketing and Promotions Expenses. Consolidated marketing and promotions expense increased 34.8% for the three months ended March 31, 2016 compared to the same period in 2015. This increase was primarily attributable to incremental expenses associated with the Acquisition offset by a decline in the Louisiana segment due to efforts to reduce advertising and promotional costs to maximize profitability while the Eastern segment remained relatively flat.

General and Administrative Expenses. Total general and administrative expenses increased 34.5% for the three months ended March 31, 2016 compared to the same period in 2015 primarily due to incremental expenses resulting from the Acquisition offset by declines in the Louisiana and Eastern segments as they continued to decrease variable expenses via cost savings initiatives.

Corporate Expenses. Corporate expenses totaled $6.9 million for the three months ended March 31, 2016 compared to $4.2 million for the same period in 2015. This increase was partially due to higher payroll related expenditures at the corporate level subsequent to the Acquisition in addition to the recent executive team restructuring which reallocated property executive management to corporate in order to more fully utilize their skills across defined regions. This increase was partially offset by declines in general and administrative costs at the property level for the three months ended March 31, 2016 compared to the same period in 2015. Moreover, $1.4 million of severance costs were recorded during the three months ended March 31, 2016 along with $0.5 million of additional stock-based compensation expense as a result of severance related restricted stock units becoming fully vested during the current period.

Depreciation and Amortization Expense. Total depreciation and amortization expense increased 12.0% for the three months ended March 31, 2016 compared to the 2015 period mainly due to additional depreciation expense associated with acquired assets in conjunction with the Acquisition. The Nevada and Eastern segments contributed $5.5 and $8.7 million, respectively, of depreciation and amortization expense in the first quarter of 2016 compared to $1.9 million and $10.5 million in the same 2015 period, respectively.

Supplemental Unaudited Presentation of Consolidated Earnings before Interest, Taxes, Depreciation and Amortization ("EBITDA") and Adjusted EBITDA for the Three Months Ended March 31, 2016 and 2015

Adjusted EBITDA (defined below), a non GAAP financial measure, has been presented as a supplemental disclosure because it is a widely used measure of performance and basis for valuation of companies in our industry and we believe that this non GAAP supplemental information will be helpful in understanding the Company's ongoing operating results. Adjusted EBITDA represents operating income (loss) before depreciation and amortization, stock based compensation, (gain) loss on the sale or disposal of property, severance expenses, equity in loss of unconsolidated affiliate, acquisition charges, S-1 expenses and other regulatory gaming assessments, including the impact of the change in regulatory reporting requirements, to the extent that such items existed in the periods presented. Adjusted EBITDA is not a measure of performance or liquidity calculated in accordance with U.S. GAAP, is unaudited and should not be considered an alternative to, or more meaningful than, net income (loss) as an indicator of our operating performance. Uses of cash flows that are not reflected in Adjusted EBITDA include capital expenditures, interest payments, income taxes, debt principal repayments and certain regulatory gaming assessments, which can be significant. As a result, Adjusted EBITDA should not be considered as a measure of our liquidity. Other companies that provide EBITDA information may calculate EBITDA differently than we do. The definition of Adjusted EBITDA may not be the same as the definitions used in any of our debt agreements.

The following table summarizes our net revenues and Adjusted EBITDA for our operating segments for the three months ended March 31, 2016 and 2015, in addition to reconciling Adjusted EBITDA to net income (loss) in accordance with U.S. GAAP (unaudited, in thousands):

Quarter Ended March 31, 2016

	Operating Income (Loss)	Depreciation and Amortization	Stock-Based Compensation[2]	Transaction Expenses	Severance Expense	Other	Adjusted EBITDA
Nevada	$ 5,565	$ 5,463	$ —	$ —	$ —	$ (34)	$ 10,994
Louisiana	6,502	1,946	—	—	—	(1)	8,447
Eastern [1]	13,731	8,684	—	—	—	491	22,906
Corporate	(7,535)	111	1,454	518	1,445	—	(4,007)
Total	**$ 18,263**	**$ 16,204**	**$ 1,454**	**$ 518**	**$ 1,445**	**$ 456**	**$ 38,340**

Quarter Ended March 31, 2015

	Operating Income (Loss)	Depreciation and Amortization	Stock-Based Compensation	Transaction Expenses	Severance Expense	Other	Adjusted EBITDA
Nevada	$ 1,184	$ 5,668	$ —	$ —	$ —	$ 518	$ 7,370
Louisiana	5,199	1,919	—	—	—	—	7,118
Eastern	11,241	10,525	—	—	—	(21)	21,745
Corporate	(4,337)	92	590	84	11	—	(3,560)
Total [3]	**$ 13,287**	**$ 18,204**	**$ 590**	**$ 84**	**$ 11**	**$ 497**	**$ 32,673**

(1) Effective January 1, 2016, the Ohio Lottery Commission enacted a regulatory change which resulted in the establishment of a $1.0 million progressive slot liability and a corresponding decrease in net slot win in Q1 2016. The changes are non-cash and related primarily to prior years. The net non-cash impact to Adjusted EBITDA was $0.6 million.

(2) Included in stock-based compensation expense for the three months ended March 31, 2016 is $0.5 million of additional stock-based compensation expense as a result of severance related restricted stock units becoming fully vested during the current period.

(3) Nevada results of operations for the three months ended March 31, 2015 include the operations of Silver Legacy and Circus Reno, which were acquired by ERI on November 24, 2015, as if the acquisition occurred on January 1, 2015. Such presentation does not conform with GAAP or the Securities and Exchange Commission rules for pro forma presentation; however, we have included the combined information because we believe it provides a meaningful comparison for the periods presented.

Liquidity and Capital Resources

The primary sources of liquidity and capital resources have been existing cash, cash flow from operations and proceeds from the issuance of debt securities.

We expect that our primary capital requirements going forward will relate to the operation and maintenance of our properties and servicing our outstanding indebtedness. During the remainder of 2016, we plan to spend $39.4 million, net of reimbursements from West Virginia, on qualified capital expenditures, $27.4 million to pay interest on our outstanding indebtedness and $3.2 million for principal payments on our term loan. We expect that cash generated from operations will be sufficient to fund our operations and capital requirements and service our outstanding indebtedness for the foreseeable future; however, we cannot provide assurance that operating cash flows will be sufficient to do so.

ERI is a holding company and its only significant assets are ownership interests in its subsidiaries. ERI’s ability to fund its obligations depends on the cash flow of its subsidiaries and the ability of its subsidiaries to distribute or otherwise make funds available to ERI.

At March 31, 2016, we had consolidated cash and cash equivalents of $53.2 million, including restricted cash of $9.1 million.

Operating Cash Flow. For the three months ended March 31, 2016, cash flows provided by operating activities totaled $10.9 million compared to $8.5 million used in operating activities during the same prior year period. The increase in operating cash was primarily due to the increase in net income, including incremental net income associated with the Acquisition, the refinancing of our debt resulting in lower interest expense and changes in the balance sheet accounts in the normal course of business.

Investing Cash Flow. Net cash flows used in investing activities totaled $8.7 million for the three months ended March 31, 2016 compared to $7.2 million for the same prior year period. Net cash flows used in investing activities for the three months ended March 31, 2016 primarily consisted of $10.6 million in capital expenditures for various renovation projects and equipment purchases partially offset by West Virginia reimbursement of capital expenditures totaling $1.7 million.

Financing Cash Flow. Net cash flows used in financing activities for the three months ended March 31, 2016 totaled $36.4 million and mainly consisted of net payments totaling $34.5 million on the New Revolving Credit Facility and a $1.1 million payment on the New Term Loan.

Capital Expenditures

For the three months ended March 31, 2016, additions to property and equipment aggregated $10.6 million, which included $2.8 million in Nevada, $1.4 million in Louisiana, $5.1 million attributable to the Eastern properties and $1.3 million at corporate.

Under legislation approved by West Virginia in July 2011, Mountaineer participates in a modernization fund which provides for reimbursement from amounts paid to the West Virginia Lottery Commission in an amount equal to $1 for each $2 expended for certain qualifying capital expenditures having a useful life of more than three years and placed into service after July 1, 2011. Qualifying capital expenditures include the purchase of slot machines and related equipment to the extent such slot machines are retained by Mountaineer at its West Virginia location for not less than five years. Any unexpended balance from a given fiscal year will be available for one additional fiscal year, after which time the remaining unused balance carried forward will be forfeited. As of March 31, 2016, Mountaineer remains eligible for $3.0 million under annual modernization fund grants that expire in varying dates through June 30, 2017. We can make no assurances Mountaineer will be able to make qualifying capital expenditure purchases sufficient to receive reimbursement of the available funds prior to their expiration nor that the modernization funds will continue to be available.

We anticipate spending on capital expenditures during the remainder of 2016 to be approximately $40.5 million, or $39.4 million after anticipated reimbursements from West Virginia on qualified capital expenditures.

Silver Legacy Joint Venture Loan and Credit Support

ELLC and Galleon were each required to provide credit support by depositing $5.0 million of cash into bank accounts that were subject to a security interest in favor of the lender under the Silver Legacy credit agreement. In November 2015 in conjunction with the Acquisition, the indebtedness under the Silver Legacy credit agreement was paid in full by ERI and the credit support obligation was eliminated.

Debt Obligations

Refinancing Transaction and Senior Notes

On July 23, 2015, the Company issued $375.0 million in aggregate principal amount of 7.0% senior notes due 2023 (the “Senior Notes”) pursuant to the indenture, dated as of July 23, 2015 (the “Indenture”), at an issue price equal to 100.0% of the aggregate principal amount of the Senior Notes. The Senior Notes are guaranteed by all of the Company’s direct and indirect restricted subsidiaries other than immaterial subsidiaries, CC-Reno, LLC and the Silver Legacy Joint Venture. CC-Reno, LLC and the Silver Legacy Joint Venture will become guarantors upon receipt of the requisite gaming approvals expected to occur in May 2016. The Senior Notes will mature on August 1, 2023, with interest payable semi-annually in arrears on February 1 and August 1 of each year.

The Company used the net proceeds from the Senior Notes offering together with borrowings under the New Term Loan and the New Revolving Credit Facility (as defined below) to (i) purchase or otherwise redeem (a) all of the outstanding Resorts senior secured notes and (b) all of the outstanding MTR second lien notes, (ii) pay a portion of the purchase price for the Circus Reno/Silver Legacy Purchase and repay all amounts outstanding under the Silver Legacy Joint Venture credit facility, and (iii) pay fees and costs associated with such transactions. Net proceeds from the Senior Notes offering totaling $50.0 million were used for the Circus Reno/Silver Legacy Purchase on the Acquisition Date. As a result of the July 2015 refinancing, we recognized a $2.0 million net loss on the early retirement of debt.

On or after August 1, 2018, the Company may redeem all or a portion of the Senior Notes upon not less than 30 nor more than 60 days’ notice, at the redemption prices (expressed as percentages of the principal amount) set forth below plus accrued and unpaid interest and additional interest, if any, on the Senior Notes redeemed, to the applicable redemption date, if redeemed during the twelve month period beginning on August 1 of the years indicated below:

Year	Percentage
2018	105.250%
2019	103.500%
2020	101.750%
2021 and thereafter	100.000%

Prior to August 1, 2018, the Company may redeem all or a portion of the Senior Notes at a price equal to 100% of the Senior Notes redeemed plus accrued and unpaid interest to the redemption date, plus a make-whole premium. At any time prior to August 1, 2018, the Company is also entitled to redeem up to 35% of the original aggregate principal amount of the Senior Notes with proceeds of certain equity financings at a redemption price equal to 107% of the principal amount of the Senior Notes redeemed, plus accrued and unpaid interest. If the Company experiences certain change of control events (as defined in the Indenture), it must offer to repurchase the Senior Notes at 101% of their principal amount, plus accrued and unpaid interest to the applicable repurchase date. If the Company sells assets under certain circumstances and does not use the proceeds for specified purposes, the Company must offer to repurchase the Senior Notes at 100% of their principal amount, plus accrued and unpaid interest to the applicable repurchase date. The Senior Notes are subject to redemption imposed by gaming laws and regulations of applicable gaming regulatory authorities.

The Indenture contains certain covenants limiting, among other things, the Company’s ability and the ability of its subsidiaries (other than its unrestricted subsidiaries) to:

- pay dividends or distributions or make certain other restricted payments or investments;
- incur or guarantee additional indebtedness or issue disqualified stock or create subordinated indebtedness that is not subordinated to the Senior Notes or the guarantees of the Senior Notes;
- create liens;

- transfer and sell assets;
- merge, consolidate, or sell, transfer or otherwise dispose of all or substantially all of the Company's assets;
- enter into certain transactions with affiliates;
- engage in lines of business other than the Company's core business and related businesses; and
- create restrictions on dividends or other payments by restricted subsidiaries.

These covenants are subject to a number of exceptions and qualifications as set forth in the Indenture. The Indenture also provides for customary events of default which, if any of them occurs, would permit or require the principal of and accrued interest on such Senior Notes to be declared due and payable. As of March 31, 2016, the Company was in compliance with all of the covenants under the Indenture relating to the Senior Notes.

New Credit Facility

On July 23, 2015, the Company entered into a new $425.0 million seven year term loan (the "New Term Loan") and a new $150.0 million five year revolving credit facility (the "New Revolving Credit Facility" and, together with the New Term Loan, the "New Credit Facility").

As of March 31, 2016, the Company had $421.8 million outstanding on the New Term Loan and $59.0 million in borrowings outstanding under the New Revolving Credit Facility. The Company had $91.0 million of available borrowing capacity under its New Revolving Credit Facility as of March 31, 2016. At March 31, 2016, the interest rate on the New Term Loan was 4.25% and the average interest rate on the New Revolving Credit Facility was 3.95%.

The New Term Loan bears interest at a rate per annum of, at the Company's option, either (x) LIBOR plus 3.25%, with a LIBOR floor of 1.0%, or (y) a base rate plus 2.25%. Borrowings under the New Revolving Credit Facility bear interest at a rate per annum of, at the Company's option, either (x) LIBOR plus a spread ranging from 2.5% to 3.25% or (y) a base rate plus a spread ranging from 1.5% to 2.25%, in each case with the spread determined based on the Company's total leverage ratio. Additionally, the Company pays a commitment fee on the unused portion of the New Revolving Credit Facility not being utilized in the amount of 0.50% per annum.

The New Credit Facility is secured by substantially all of the Company's personal property assets and substantially all personal property assets of each subsidiary that guaranties the New Credit Facility (other than certain subsidiary guarantors designated as immaterial or restricted subsidiaries) (the ''New Credit Facility Guarantors''), whether owned on the closing date of the New Credit Facility or thereafter acquired, and mortgages on the real property and improvements owned or leased us or the New Credit Facility Guarantors. The New Credit Facility is also secured by a pledge of all of the equity owned by us and the New Credit Facility Guarantors (subject to certain gaming law restrictions). The credit agreement governing the New Credit Facility contains a number of customary covenants that, among other things, restrict, subject to certain exceptions, the Company's ability and the ability of the New Credit Facility Guarantors to incur additional indebtedness, create liens on collateral, engage in mergers, consolidations or asset dispositions, make distributions, make investments, loans or advances, engage in certain transactions with affiliates or subsidiaries or make capital expenditures.

The credit agreement governing the New Credit Facility also includes requirements that the Company maintain a maximum total leverage ratio and a minimum interest coverage ratio (adjusting over time). The Company is required to maintain a maximum total leverage ratio of 6.00 to 1.00 from January 1, 2016 to December 31, 2017 and 5.00 to 1.00 thereafter. In addition, the Company is required to maintain a minimum interest coverage ratio of 2.75 to 1.00 from January 1, 2016 through December 31, 2016 and 3.00 to 1.00 thereafter. A default of the financial ratio covenants shall only become an event of default under the New Term Loan if the lenders providing the New Revolving Credit Facility take certain affirmative actions after the occurrence of a default of such financial ratio covenants.

The credit agreement governing the New Credit Facility contains a number of customary events of default, including, among others, for the non-payment of principal, interest or other amounts, the inaccuracy of certain representations and warranties, the failure to perform or observe certain covenants, a cross default to other indebtedness including the Senior Notes, certain events of bankruptcy or insolvency; certain ERISA events, the invalidity of certain loan documents, certain changes of control and the loss of certain classes of licenses to conduct gaming. If any event of default occurs, the lenders under the New Credit Facility would be entitled to take various actions, including accelerating amounts due thereunder and taking all actions permitted to be taken by a secured creditor. As of March 31, 2016, the Company was in compliance with the covenants under the New Credit Facility.

Contractual Obligations

There have been no material changes during the three months ended March 31, 2016 to our contractual obligations as disclosed in our Annual Report on Form 10-K for the year ended December 31, 2015.

Other Liquidity Matters

The Pennsylvania Gaming Control Board (the "PGCB"), the Pennsylvania Department of Revenue and the Pennsylvania State Police (collectively "the Borrowers"), were required to fund the costs they incurred in connection with the initial development of the infrastructure to support gaming operations in Pennsylvania as well as the initial ongoing costs of the Borrowers. The initial funding of these costs was provided from a loan from the Pennsylvania General Fund in the amount of $36.1 million, and further funding was provided from additional loans from the Pennsylvania Property Tax Reserve Fund in the aggregate amount of $63.8 million.

The Pennsylvania Department of Revenue will assess all licensees, including Presque Isle Downs, their proportionate share of amounts represented by the borrowings, which are in the aggregate amount of $99.9 million, once the designated number of Pennsylvania's slot machine licensees is operational. On July 11, 2011, the PGCB issued an administrative order which established that payments associated with the $63.8 million that was borrowed from the Property Tax Reserve Fund would commence on January 1, 2012. The repayment allocation between all current licensees is based upon equal weighting of (i) cumulative gross slot revenue since inception in relation to the combined cumulative gross slot revenue for all licensees and (ii) single year gross slot revenue (during the state's fiscal year ending June 30) in relation to the combined single year gross slot revenue for all licensees; and amounts paid each year will be adjusted annually based upon changes in the licensee's proportionate share of gross slot revenue. We have estimated that our total proportionate share of the aggregate $63.8 million to be assessed to the gaming facilities will be $4.1 million and will be paid quarterly over a ten-year period, which began effective January 1, 2012. For the $36.1 million that was borrowed from the General Fund, payment is scheduled to begin after all fourteen licensees are operational. Although we cannot determine when payment will begin, we have considered a similar repayment model for the General Fund borrowings and estimated that our total proportionate share of the aggregate $36.1 million to all fourteen gaming facilities will approximate between $2.0 million and $2.1 million.

The recorded estimate relative to the Property Tax Reserve Fund is subject to revision based upon future changes in the revenue assumptions utilized to develop the estimate. Our estimated total obligation at March 31, 2016 was $4.1 million. The Company paid $0.1 million for the three months ended March 31, 2016.

We are faced with certain contingencies involving litigation and environmental remediation and compliance. These commitments and contingencies are discussed in "Part II, Item 1. Legal Proceedings" and Note 10 to our unaudited consolidated financial statements, both of which are included elsewhere in this report. In addition, new competition may have a material adverse effect on our revenues, and could have a similar adverse effect on our liquidity. See "Part I, Item 1A. Risk Factors—Risks Related to Our Business" which is included in our Annual Report on Form 10-K for the year ended December 31, 2015.

Critical Accounting Policies

Our critical accounting policies disclosures are included in our Annual Report on Form 10-K for the year ended December 31, 2015. Management believes there have been no material changes since December 31, 2015. We have not substantively changed the application of our policies and there have been no material changes in assumptions or estimation techniques used as compared to prior periods.

Off-Balance Sheet Arrangements

We are not party to any off-balance sheet arrangements.

Cautionary Statement Regarding Forward-Looking Information

This report includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements include statements regarding our strategies, objectives and plans for future development or acquisitions of properties or operations, as well as expectations, future operating results and other information that is not historical information. When used in this report, the terms or phrases such as "anticipates," "believes," "projects," "plans," "intends," "expects," "might," "may," "estimates," "could," "should," "would," "will likely continue," and variations of such words or similar expressions are intended to identify forward-looking statements. Forward-looking statements in this report include, among other things, statements concerning:

- projections of future results of operations or financial condition;
- expectations regarding our business and results of operations of our existing casino properties and prospects for future development;
- expenses and our ability to operate efficiently;
- expectations regarding trends that will affect our market and the gaming industry generally and the impact of those trends on our business and results of operations;
- our ability to comply with the covenants in the agreements governing our outstanding indebtedness;
- our ability to meet our projected debt service obligations, operating expenses, and maintenance capital expenditures;
- expectations regarding availability of capital resources;
- our intention to pursue development opportunities and acquisitions and obtain financing for such development and acquisitions; and
- the impact of regulation on our business and our ability to receive and maintain necessary approvals for our existing properties and future projects.

Any forward-looking statement is based upon a number of estimates and assumptions that, while considered reasonable by us, is inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond our control, and are subject to change. Actual results of operations may vary materially from any forward-looking statement made herein. Forward-looking statements should not be regarded as a representation by us or any other person that the forward-looking statements will be achieved. Undue reliance should not be placed on any forward-looking statements. Some of the contingencies and uncertainties to which any forward-looking statement contained herein is subject include, but are not limited to, the following:

- our substantial indebtedness and significant financial commitments could adversely affect our results of operations and our ability to service such obligations;
- restrictions and limitations in agreements governing our debt could significantly affect our ability to operate our business and our liquidity;
- our facilities operate in very competitive environments and we face increasing competition;
- our dependence on our Nevada, Louisiana, West Virginia, Pennsylvania and Ohio casinos for substantially all of our revenues and cash flows;
- our ability to integrate the operations of Circus Reno and the Silver Legacy and realize the benefits of the Circus Reno/Silver Legacy Purchase and other future acquisitions;
- our operations are particularly sensitive to reductions in discretionary consumer spending and are affected by changes in general economic and market conditions;
- our gaming operations are highly regulated by governmental authorities and the cost of complying or the impact of failing to comply with such regulations;

- changes in gaming taxes and fees in jurisdictions in which we operate;
- risks relating to pending claims or future claims that may be brought against us;
- changes in interest rates and capital and credit markets;
- our ability to comply with certain covenants in our debt documents;
- the effect of disruptions to our information technology and other systems and infrastructure;
- construction factors relating to maintenance and expansion of operations;
- our ability to attract and retain customers;
- weather or road conditions limiting access to our properties;
- the effect of war, terrorist activity, natural disasters and other catastrophic events;
- the intense competition to attract and retain management and key employees in the gaming industry; and
- the other factors set forth in Part I, Item 1A. "Risk Factors" included in our Annual Report on Form 10-K for the year ended December 31, 2015.

In light of these and other risks, uncertainties and assumptions, the forward-looking events discussed in this report might not occur. Any forward-looking statement speaks only as of the date on which that statement is made. We do not intend to update publicly any forward-looking statement to reflect events or circumstances that occur after the date on which the statement is made, except as may be required by law.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Market risk is the risk of loss arising from adverse changes in market rates and prices, such as interest rates, foreign currency exchange rates and commodity prices. We do not hold any market risk sensitive instruments for trading purposes. Our primary exposure to market risk is interest rate risk, specifically long-term U.S. treasury rates and the applicable spreads in the high-yield investment risk, short-term and long-term LIBOR rates, and short-term Eurodollar rates, and their potential impact on our long-term debt. We attempt to limit our exposure to interest rate risk by managing the mix of our long-term fixed-rate borrowings and short-term borrowings under the New Credit Facility. We do not currently utilize derivative financial instruments for trading or speculative purposes. (See also "Liquidity and Capital Resources" above for additional information related to the recent refinancing of our long-term debt.)

As of March 31, 2016, our long-term variable-rate borrowings totaled $480.8 million comprised of $421.8 million under the New Term Loan and $59.0 million under the New Revolving Credit Facility and represented approximately 56% of our long-term debt.

There was no material change in interest rate risk during the quarter ended March 31, 2016.

ITEM 4. CONTROLS AND PROCEDURES.

(a) Evaluation of Disclosure Controls and Procedures

We have established and maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports that we file under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), is recorded, processed, summarized, evaluated and reported within the time periods specified in the rules and forms of the SEC, and that such information is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management necessarily is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Our Chief Executive Officer and Chief Financial Officer evaluated the effectiveness of our disclosure controls and procedures (as defined in Exchange Act Rules 13a- 15(e) and 15d-15(e)) as of the end of the period covered by this Form 10-Q Quarterly Report. They have concluded that our disclosure controls and procedures are effective to ensure that the information required to be disclosed by us in the reports that we file under the Exchange Act is recorded, processed, summarized, evaluated and reported within the time periods specified in SEC rules and forms.

(b) Changes in Internal Controls

There were no significant changes in our internal control over financial reporting identified in connection with the above evaluation that occurred during the period covered by this Form 10-Q Quarterly Report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II
OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are a party to various lawsuits, which have arisen in the normal course of our business. Estimated losses are accrued for these lawsuits and claims when the loss is probable and can be estimated. The current liability for the estimated losses associated with those lawsuits is not material to our consolidated financial condition and those estimated losses are not expected to have a material impact on our results of operations.

Legal matters are discussed in greater detail in “Part I, Item 3. Legal Proceedings” and Note 16 to our Consolidated Financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2015.

ITEM 1A. RISK FACTORS

A description of our risk factors can be found in “Part I, Item 1A. Risk Factors” included in our Annual Report on Form 10-K for the year ended December 31, 2015. There have been no material changes to those risk factors during the three months ended March 31, 2016.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

ITEM 5. OTHER INFORMATION.

None.

ITEM 6. EXHIBITS.

Exhibit Number	Description of Exhibit	Method of Filing
31.1	Certification of Gary L. Carano pursuant to Rule 13a-14a and Rule 15d-14(a)	Filed herewith.
31.2	Certification of Thomas R. Reeg pursuant to Rule 13a-14a and Rule 15d-14(a)	Filed herewith.
32.1	Certification of Gary L. Carano in accordance with 18 U.S.C. Section 1350	Filed herewith.
32.2	Certification of Thomas R. Reeg in accordance with 18 U.S.C. Section 1350	Filed herewith.
101.1	XBRL Instance Document	Filed herewith.
101.2	XBRL Taxonomy Extension Schema Document	Filed herewith.
101.3	XBRL Taxonomy Extension Calculation Linkbase Document	Filed herewith.
101.4	XBRL Taxonomy Extension Definition Linkbase Document	Filed herewith.
101.5	XBRL Taxonomy Extension Label Linkbase Document	Filed herewith.
101.6	XBRL Taxonomy Extension Presentation Linkbase Document	Filed herewith.

SIGNATURES

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

ELDORADO RESORTS, INC.

Date: May 10, 2016	/s/ Gary L. Carano Gary L. Carano *Chief Executive Officer and Chairman of the Board*
Date: May 10, 2016	/s/ Thomas R. Reeg Thomas R. Reeg *President and Chief Financial Officer* *(Principal Financial and Accounting Officer)*

Exhibit 31.1

**CERTIFICATION PURSUANT TO RULE 13a-14(a) AND 15d-14(a)
OF THE SECURITIES EXCHANGE ACT OF 1934**

I, Gary L. Carano, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Eldorado Resorts, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and

   (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 10, 2016

/s/ GARY L. CARANO
Gary L. Carano
Chief Executive Officer and Chairman of the Board

Exhibit 31.2

**CERTIFICATION PURSUANT TO RULE 13a-14(a) AND 15d-14(a)
OF THE SECURITIES EXCHANGE ACT OF 1934**

I, Thomas R. Reeg, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Eldorado Resorts, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and

   (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 10, 2016

/s/ THOMAS R. REEG

Thomas R. Reeg
President and Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 32.1

CERTIFICATION
of
Gary L. Carano
Chief Executive Officer and Chairman of the Board

I, Gary L. Carano, Chief Executive Officer and Chairman of the Board of Eldorado Resorts, Inc. (the "Company"), do hereby certify in accordance with 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Quarterly Report on Form 10-Q of the Company for the period ended March 31, 2016 (the "Periodic Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

2. The information contained in the Periodic Report fairly represents, in all material respects, the financial condition and results of operations of the Company.

Date: May 10, 2016

/s/ GARY L. CARANO
Gary L. Carano
Chief Executive Officer and Chairman of the Board

Exhibit 32.2

CERTIFICATION
of
Thomas R. Reeg
Executive Vice President and Chief Financial Officer

I, Thomas R. Reeg, President and Chief Financial Officer of Eldorado Resorts, Inc. (the “Company”), do hereby certify in accordance with 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Quarterly Report on Form 10-Q of the Company for the period ended March 31, 2016 (the “Periodic Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

2. The information contained in the Periodic Report fairly represents, in all material respects, the financial condition and results of operations of the Company.

Date: May 10, 2016

/s/ THOMAS R. REEG
Thomas R. Reeg
President and Chief Financial Officer