CAESARS ENTERTAINMENT Corp
Form 10-K
March 16, 2015

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-K
(Mark One)

x	ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED December 31, 2014
OR

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

Commission File No. 1-10410

CAESARS ENTERTAINMENT CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	62-1411755
(State of incorporation)	(I.R.S. Employer Identification No.)
One Caesars Palace Drive, Las Vegas, Nevada	89109
(Address of principal executive offices)	(Zip code)

Registrant's telephone number, including area code:
(702) 407-6000
SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

Title of each class	Name of each exchange on which registered
Common stock, $0.01 par value	NASDAQ Global Select Market

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT:
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes o No x
Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes o No x
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 x No o
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 x No o
Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. x
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 definitions of "large accelerated filer," "accelerated filer" and "smaller reporting

company" in Rule 12b-2 of the Exchange Act. (Check one):

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

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

The aggregate market value of common stock held by non-affiliates of the registrant as of June 30, 2014 was $1,024 million.

As of March 1, 2015, the registrant had 144,677,371 shares of Common Stock outstanding.

CAESARS ENTERTAINMENT CORPORATION
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

We have proprietary rights to a number of trademarks used in this Annual Report on Form 10-K for the fiscal year ended December 31, 2014 (this “Form 10-K”), that are important to our business, including, without limitation, Caesars, Caesars Entertainment, Caesars Palace, Harrah’s, Total Rewards, Horseshoe, Paris Las Vegas, Flamingo, and Bally’s. In addition, Caesars Interactive Entertainment, Inc., which is a majority-owned subsidiary of Caesars Growth Partners, LLC, has proprietary rights to the World Series of Poker (“WSOP”), Slotomania, Bingo Blitz, and Playtika trademarks. We have omitted the registered trademark (®) and trademark (™) symbols for such trademarks named in this Form 10-K.

PART I

In order to make this report easier to read, we also refer throughout to (i) our Consolidated Financial Statements as our "Financial Statements," (ii) our Consolidated Statements of Operations as our "Statements of Operations," and (iii) our Consolidated Balance Sheets as our "Balance Sheets." References throughout to numbered "Notes" refer to the numbered Notes to our Financial Statements that we included in Item 8, "Financial Statements and Supplementary Data."

ITEM 1. Business

Overview

Caesars Entertainment Corporation (referred to in this discussion, together with its consolidated entities where appropriate, as "Caesars," "Caesars Entertainment," "CEC," the "Company," "we," "our," and "us"), a Delaware corporation, i casino-entertainment and hospitality services provider. We are the world's most diversified casino-entertainment company with entertainment facilities in more areas throughout the United States than any other participant in the gaming industry. We have established a rich history of industry-leading growth and expansion since we commenced operations in 1937. Our facilities typically include gaming offerings, food and beverage outlets, hotel and convention space, and non-gaming entertainment options. In addition to our brick and mortar assets, we operate an online gaming business that provides social and mobile offerings as well as real money games in certain jurisdictions.

As of December 31, 2014, through our consolidated entities we owned and operated or managed 49 casinos in 14 U.S. states and 5 countries. Our facilities had an aggregate of over three million square feet of gaming space and over 39,000 hotel rooms. Of the 49 casinos, 37 were in the United States and primarily consist of land-based and riverboat or dockside casinos. Our 12 international casinos were land-based casinos, most of which are located in England.

Caesars Entertainment is primarily a holding company with no independent operations of its own and, as of December 31, 2014, operated the business through the following consolidated entities (see Item 2, "Properties"):

- Caesars Entertainment Resort Properties, LLC. Operated six casinos in the United States along with The LINQ promenade and owned Octavius Tower at Caesars Palace Las Vegas ("Octavius Tower").
- Caesars Growth Partners, LLC. Operated six casinos in the United States and, through its subsidiary Caesars Interactive Entertainment, Inc., owned and operated (1) an online gaming business providing social and mobile games and regulated online real money gaming and (2) the World Series of Poker ("WSOP") tournaments and brand.
- Caesars Entertainment Operating Company, Inc. Owned and operated 19 casinos in the United States and 9 internationally, most of which are located in England. Managed 15 casinos, which includes the 6 Caesars Growth Partners, LLC casinos and 9 casinos for unrelated third parties. Effective October 2014, substantially all our properties are managed by Caesars Enterprise Services, LLC (and the remaining properties will be transitioned upon regulatory approval).
- Caesars Enterprise Services, LLC. A joint venture by and among certain of CEC's subsidiaries that manages certain enterprise assets and the other assets it owns, licenses or controls, and employs certain of the corresponding employees and other employees who provided services to CEC and our subsidiaries.

CEOC Financial Restructuring Plan

As a result of CEOC's highly-leveraged capital structure and the general decline in its gaming results since 2007, on January 15, 2015, CEOC and certain of its U.S. subsidiaries voluntarily filed for reorganization under Chapter 11 of the United States Bankruptcy Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the Northern District of Illinois in Chicago (the "Bankruptcy Court"). Because CEOC is under the control of the Bankruptcy Court, CEC deconsolidated this subsidiary effective January 15, 2015. As illustrated in Item 2, "Properties," CEOC's casinos account for approximately two million square feet of gaming space, 40,000 slot machines, and 15,000 hotel rooms (see Note 23, "Subsequent Events - CEOC Bankruptcy and Deconsolidation").

Caesars Entertainment Organizational Structure

The following diagram illustrates the key entities and subsidiaries in the Caesars Entertainment organizational structure. This diagram does not include all legal entities and subsidiaries.

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(1) On January 15, 2015, CEOC filed for bankruptcy protection under Chapter 11 of the US Bankruptcy Code. See Note 23, “Subsequent Events - CEOC Bankruptcy and Deconsolidation.”

(2) CAC is party to the series of transactions that formed CGP LLC, and owns 100% of the voting membership units in CGP LLC. CEC owns 100% of the non-voting membership units in CGP LLC and consolidates CGP LLC as a variable interest entity. See Note 2, “Basis of Presentation and Principles of Consolidation.” See information about CEC’s announced merger with CAC in Note 1, “Description of Business.”

(3) CES is a services joint venture formed by CEOC, CERP, and CGPH. See Note 2, “Basis of Presentation and Principles of Consolidation.”

(4) CGPH and CBIC and their subsidiaries together represent the primary operations of Caesars Growth Partners Casino Properties and Developments (“CGP LLC Casinos”).

Reportable Segments

We view each casino property and CIE as operating segments and aggregate all such casino properties and CIE into the following reportable segments as of December 31, 2014 based on management’s view of these properties, which aligns with their ownership and underlying credit structures:

- Caesars Entertainment Operating Company
- Caesars Entertainment Resort Properties
- Caesars Growth Partners Casino Properties and Developments
- Caesars Interactive Entertainment

CGP LLC Casinos is comprised of all subsidiaries of CGP LLC excluding CIE. CIE is comprised of the subsidiaries that operate CGP LLC’s social and mobile gaming operations and WSOP.

We revised our presentation from one reportable segment to the four listed above effective October 1, 2014, in conjunction with CES' commencing of operations, as the way in which CEC management assesses results and allocates resources was realigned in accordance with these segments.

Business Operations

All of our segments are generally composed of five distinct, but complementary businesses that reinforce, cross-promote, and build upon each other: casino entertainment, food and beverage, rooms and hotel, casino management, and other business operations.

Casino Entertainment Operations

Our casino entertainment operations include revenues from over 55,000 slot machines and 3,600 table games, as well as other games such as keno, poker, and race and sports books that comprised approximately 64% of our total net revenues in 2014. Slot revenues generate the majority of our gaming revenue and are a key driver of revenue, particularly in our properties located outside of the Las Vegas and Atlantic City markets. During 2014, we opened or redeveloped three casino properties:

The Cromwell. The Cromwell's gaming floor opened in April 2014, featuring 450 slot machines and 60 table games. Its 188 hotel rooms became available to guests starting in May 2014. It features luxurious accommodations in an intimate, Parisian-inspired atmosphere where each room gives guests a VIP experience. The hotel's blend of modern and vintage design is another unique element.

Horseshoe Baltimore. Horseshoe Baltimore's 122,000 square feet of casino space opened in August 2014, featuring over 2,500 slot machines, including 150 video poker machines; as well as a 25-table WSOP Poker Room; over 150 table games; and an exclusive high-limit gambling area.

The LINQ Hotel & Casino ("The LINQ Hotel"). The LINQ Hotel is a complete re-imagination of the former Quad Hotel & Casino featuring over 2,200 newly renovated rooms and suites and unique gambling experiences, including high-energy gaming pits; over 750 slot machines; and a sports book with stadium seating, more than 230 individual televisions, and 12 big screens.

Food and Beverage Operations

Our food and beverage operations generate revenues primarily from over 180 buffets, restaurants, bars, nightclubs, and lounges located throughout our casinos, as well as banquets and room service, and represented approximately 18% of our total net revenues in 2014. Many of our properties include several dining options, ranging from upscale dining experiences to moderately-priced restaurants and buffets. We recently opened a number of new food and beverage offerings, including:

Gordon Ramsay Steak. Set within the Paris Las Vegas, the high-energy restaurant offers guests a taste of the exclusive beef aging program created under the direction of Chef Ramsay and his culinary team. The menu selections range from traditional steakhouse fare to Ramsay's signature entrées.

Giada. In the first restaurant from celebrity chef, Giada De Laurentiis, Giada boasts al fresco dining and breathtaking views of the Las Vegas Strip. Located on the second level of The Cromwell, Giada's includes an open and airy kitchen that gives guests the opportunity to watch chefs prepare the specialty pasta of the day, create flatbreads and bake desserts.

Drai's. Operating as two venues in one, Drai's Beach Club - Nightclub offers panoramic partying on The Cromwell's rooftop in a combined space that features 65,000-square-feet and a view of the Las Vegas Strip from 11 stories high. For a daytime experience, the Las Vegas Strip's only rooftop pool deck includes multiple pool areas. After dark, the beach club turns into a lively nighttime destination, where guests can party throughout the entire indoor and outdoor space.

Rooms and Hotel Operations

Rooms and hotel operations revenue comprised approximately 14% of our total net revenues in 2014 and is primarily generated from hotel stays at one of our casino properties and our over 39,000 guest rooms and suites worldwide. Our properties operate at various price and service points allowing us to host a variety of casino guests, who are visiting our properties for gaming and other casino entertainment options, and non-casino guests, who are visiting our properties for other purposes, such as vacation travel or conventions.

Casino Management Operations

Our casino management operations represented approximately 1% of our consolidated net revenues in 2014. CEOC earns revenue from fees paid by unrelated third parties for the management of nine casinos and CGP LLC for its six casinos. However, the consolidated results for Caesars Entertainment eliminate all intercompany accounts and transactions, including the management fee revenues recognized by CEOC for the CGP LLC managed properties (see Note 2, “Basis of Presentation and Principles of Consolidation”).

Effective October 2014, a majority of our properties are managed by CES (with the remaining properties being transitioned in the future). However, the related management fee revenues pass through CES and are ultimately paid to CEOC. Therefore, following the deconsolidation of CEOC described above, we will no longer recognize management fee revenues paid by unrelated third parties, but we will recognize management fee expense incurred for the CGP LLC managed properties.

Other Business Operations

Our other operations include retail and entertainment options within our casino facilities; The LINQ promenade, including the High Roller; social and mobile gaming offerings and WSOP from CIE; and third-party leasing.

We provide a variety of retail and entertainment offerings in our casinos and The LINQ promenade. Our retail stores offer guests a wide range of options from high-end brands and accessories to souvenirs and decorative items. The LINQ promenade is an open-air dining, entertainment, and retail development located between The LINQ Hotel & Casino and the Flamingo Las Vegas. Our entertainment options are diverse and include concerts, comedy shows, and variety acts featuring many well-known artists and entertainers, as well as The High Roller, our 550-foot observation wheel at The LINQ promenade.

CIE owns the WSOP tournaments and brand, and we license trademarks for a variety of products and businesses related to this brand. CIE also operates an online gaming business providing social games on Facebook and other social media websites and mobile application platforms and certain real money games in Nevada and New Jersey; and "play for fun" offerings in other jurisdictions.

Third party lease revenue is derived from retail, dining, and entertainment outlets featured in our casinos and along The LINQ promenade that complement the company-owned operations.

Sales and Marketing

We believe that our North American distribution system of casino entertainment enables us to capture a disproportionate share of our customers’ entertainment spending when they travel among markets, which is core to our cross-market strategy. In addition, where we have multiple properties in markets or regions, we believe that we are able to capture more of our customers’ gaming dollars than in markets where we have single properties competing individually against outside competition. For instance, in Las Vegas, we believe a high concentration of properties in the center of the Las Vegas Strip generates increased revenues.

We believe our industry-leading customer loyalty program, Total Rewards, in conjunction with this distribution system, allows us to capture a growing share of our customers’ entertainment spending and compete more effectively. Total Rewards is structured in tiers, providing customers an incentive to consolidate their entertainment spending at our casinos. We use the Total Rewards system to market promotions and to generate customer play across our network of properties. We believe our collection of distinctly branded properties tied together through Total Rewards enables us to capture a greater share of customer spending than we would otherwise achieve, particularly in Las Vegas.

Total Rewards has over 45 million members. Members earn Reward Credits at all of our casino entertainment facilities located in the United States and Canada for on-property entertainment expenses, including gaming, hotel, dining, and retail shopping. Total Rewards members can redeem Reward Credits for on-property amenities or other off-property items such as merchandise, gift cards, and travel. Members earn status within the Total Rewards program based on their level of engagement with us in a calendar year. Total Rewards tiers are designated as Gold, Platinum, Diamond, or Seven Stars, each with increasing member benefits and privileges.

Separately, members are provided promotional offers and rewards based on their engagement with us, aspects of their casino gaming play, and their preferred spending choices outside of gaming. We also use this information for marketing promotions, including direct mail campaigns, the use of electronic mail, our website, mobile devices, social media, and interactive slot machines. These benefits and communications encourage new customers to join Total Rewards and provide existing customers with incentives to consolidate their entertainment spend at our casinos. Additionally, members can earn Reward Credits through the Total Rewards Visa credit card and can redeem Reward

Credits with our many partners, including Starwood Hotels and Resorts and Norwegian Cruise Line.

Intellectual Property

The development of intellectual property is part of our overall business strategy. We regard our intellectual property to be an important element of our success. While our business as a whole is not substantially dependent on any one patent, trademark, copyright or combination of several of our intellectual property rights, we seek to establish and maintain our proprietary rights in our business operations and technology through the use of patents, trademarks, copyrights, and trade secret laws. We file applications for and obtain patents, trademarks, and copyrights in the United States and foreign countries where we believe filing for such protection is appropriate, including U.S. and foreign patent applications covering certain proprietary technology of CEOC and CIE. We also seek to maintain our trade secrets and confidential information by nondisclosure policies and through the use of appropriate confidentiality agreements. CEOC's U.S. patents have varying expiration dates, the last of which is 2031.

We have not applied for the registration of all of our patents, trademarks, copyrights, proprietary technology or other intellectual property rights, as the case may be, and may not be successful in obtaining all intellectual property rights for which we have applied. Despite our efforts to protect our proprietary rights, parties may infringe upon our intellectual property and use information that we regard as proprietary and our rights may be invalidated or unenforceable. The laws of some foreign countries do not protect proprietary rights or intellectual property to as great an extent as do the laws of the United States. In addition, others may independently develop substantially equivalent intellectual property.

We own proprietary rights to a number of trademarks that we consider, along with the associated name recognition, to be valuable to our business, including the following:

- CEOC's marks include Caesars, Harrah's, Horseshoe and Total Rewards;
- CERP's marks include Rio, Flamingo and Paris;
- CIE's marks include World Series of Poker, Playtika, Slotomania and Bingo Blitz; and
- CGP LLC holds a license for the Planet Hollywood mark used in connection with the Planet Hollywood resort and casino in Las Vegas.

Under the terms of the CES joint venture and the Omnibus License and Enterprise Services Agreement described below, we believe that CEC and its other operating subsidiaries will continue to have access to the services historically provided to us by CEOC and its employees, trademarks, and programs despite the CEOC bankruptcy filing.

Omnibus License and Enterprise Services Agreement

As described in more detail in Note 2, "Basis of Presentation and Principles of Consolidation," CEOC, CERP, and CGPH (collectively, the "Members" and each a "Member") entered into an Omnibus License and Enterprise Services Agreement (the "Omnibus Agreement") in May 2014, which granted various licenses to the Members and certain of their affiliates in connection with the implementation of CES. Under the Omnibus Agreement, CEOC, Caesars License Company, LLC ("CLC"), Caesars World, Inc. ("CWI") and certain of our subsidiaries that are the owners of our properties granted CES a non-exclusive, irrevocable, world-wide, royalty-free license in and to all intellectual property owned or used by such licensors, including all intellectual property (a) currently used, or contemplated to be used, in connection with the properties owned by the Members and their respective affiliates, including any and all intellectual property related to the Total Rewards program, and (b) necessary for the provision of services contemplated by the Omnibus Agreement and by the applicable management agreement for any such property (collectively, the "Enterprise Assets"). CERP also granted CES non-exclusive licenses to certain other intellectual property, including intellectual property that is specific to properties controlled by CERP or its subsidiaries.

Competition

Casinos

The casino entertainment business is highly competitive. The industry is comprised of a diverse group of competitors that vary considerably in size and geographic diversity, quality of facilities and amenities available, marketing and growth strategies, and financial condition. In most markets, including Las Vegas and Atlantic City, we compete directly with other casino facilities operating in the immediate and surrounding market areas, while in other markets we face additional competition from nearby markets. Our Las Vegas Strip hotels and casinos also compete, in part, with each other. We also compete with other non-gaming resorts and vacation areas, various other entertainment businesses, and other forms of gaming, such as state lotteries, on-and off-track wagering, and card parlors. Our non-gaming offerings also compete with other retail facilities, amusement attractions, and food and beverage offerings.

In recent years, many casino operators, including us, have been reinvesting in existing markets to attract new customers or to gain market share. In addition, there has been a concerted effort to expand existing facilities, develop new facilities, and acquire established facilities in existing markets. These reinvestment and expansion efforts combined with aggressive marketing strategies by us and many of our competitors have resulted in increased competition in many markets in which we compete.

The expansion of casino entertainment into new markets also presents competitive issues for us that have had a negative impact on our financial results. The Atlantic City gaming market, in particular, has seen a decline of nearly 50% compared with 2006 levels, primarily due to the addition of gaming and room capacity associated with the expansion of gaming in Maryland, New York, and Pennsylvania. This has resulted in several casino closings in recent years, including our Showboat Atlantic City casino and three competitor casinos in 2014.

Interactive Entertainment

The social and mobile games industry is intensely competitive and rapidly evolving. Moreover, the casino-themed game segment has become one of the most competitive social and mobile games sectors due to the attractive underlying qualities of the segment, including, among others, high average revenue per user, familiar game mechanics, and longer than average game life spans. CIE faces significant competition in all aspects of this business. Specifically, CIE competes for the leisure time, attention, and discretionary spending of its players with other social and mobile games developers on the basis of a number of factors, including, among others, the quality of player experience, brand awareness, reputation, and access to distribution channels. However, other developers of social and mobile casino-themed games could develop more compelling content that competes with CIE's games and adversely affect CIE's ability to attract and retain players and their entertainment time. These competitors, including companies about whom CIE may not be currently aware, may take advantage of social networks, access to a large user base and their network effects to grow rapidly.

See Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” See also Exhibit 99.1, “Gaming Overview,” to this Form 10-K. In addition, for a summary of key developments in 2014, see “Summary of 2014 Events” in Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

Governmental Regulation

The gaming industry is highly regulated, and we must maintain our licenses and pay gaming taxes to continue our operations. Each of our casinos is subject to extensive regulation under the laws, rules, and regulations of the jurisdiction in which it is located. These laws, rules, and regulations generally concern the responsibility, financial stability, and character of the owners, managers, and persons with financial interests in the gaming operations. Violations of laws in one jurisdiction could result in disciplinary action in other jurisdictions. A more detailed description of the regulations to which we are subject is contained in Exhibit 99.1, “Gaming Overview,” to this Form 10-K.

Our businesses are subject to various foreign, federal, state, and local laws and regulations, in addition to gaming regulations. These laws and regulations include, but are not limited to, restrictions and conditions concerning alcoholic beverages, smoking, environmental matters, employees, currency transactions, taxation, zoning and building codes, construction, land use, and marketing and advertising. We also deal with significant amounts of cash in our operations and are subject to various reporting and anti-money laundering regulations. Such laws and regulations could change or could be interpreted differently in the future, or new laws and regulations could be enacted. Material changes, new laws or regulations, or material differences in interpretations by courts or governmental authorities could adversely affect our operating results. See Item 1A, “Risk Factors” for additional discussion.

Employee Relations

We have approximately 68,000 employees throughout our organization, of which approximately 34,000 are employees of CEOC. There is a clear relationship between employee engagement and customer service. The more engaged our employees, the more our guests benefit from memorable experiences. Engaging employees is therefore a backbone and a driver of our success. We engage our employees in many ways, including fostering open and constructive dialogue, investing in policies and programs that make us a great, diverse and inclusive place to work, caring for our employees’ safety, health and wellness, and providing opportunities for personal growth and development.

Approximately 28,000 of our employees are covered by collective bargaining agreements with certain of our subsidiaries, relating to certain casino, hotel, and restaurant employees, of which approximately 12,000 are employees of CEOC. Most of our employees covered by collective bargaining agreements are employed at properties in Las Vegas and Atlantic City. Our collective bargaining agreements covering most of our unionized work force in Atlantic City expire in 2015. We reached new collective bargaining agreements covering most of our Las Vegas employees in January 2014. In February 2014, we reached agreement with Transport Workers Union Local 721, the union which represents approximately 1,200 employees at the following properties: Paris

Las Vegas, Bally's Las Vegas, and Harrah's Las Vegas. The new agreement expires in five years. See Item 1A, "Risk Factors" for additional discussion.

Corporate Citizenship

Our Board of Directors and senior executives are committed to maintaining Caesars' position as an industry leader in the area of corporate social responsibility and sustainability. We maintain an Environmental, Social, and Governance Council to guide our activities and allocate the necessary resources. We establish long-term and annual targets in key areas and, by engaging employees throughout our entire organization, we drive the Company's performance accordingly.

Code of Commitment

Our Code of Commitment is a guiding framework for our approach to responsible and ethical business. First published in 2000, our Code of Commitment is a public pledge to our employees, guests and communities that we will honor the trust they have placed in us. Our Code of Commitment is deeply embedded in our organization's communications and culture and widely displayed in all our properties for our guests and all who visit. We create a dynamic and innovative working culture where individual growth is rewarded, recognized, and celebrated. We also use training events to reinforce our expectations of all employees with regard to ethics, diversity, compliance, and anti-corruption at all levels of the business.

Environmental Stewardship

As part of our Code of Commitment, we accept our duty to help preserve the planet for current and future generations. For the past six years, we have been advancing a strategy to reduce our effect on the environment in our main areas of impact. Our multi-year strategy, CodeGreen, is a structured, data-driven and disciplined program that leverages the passion of our employees and engages our guests and suppliers. Since our baseline year of 2007 through the end of 2013, we reduced our energy consumption by 20%, and greenhouse gas emissions by 24%. We reduced water consumption by 18% between 2008 and 2013, and 35% of our total waste was recycled in 2013. Additionally, all 31 of our properties with hotels in North America have received Green Key certifications with most of these at the four key level.

Caesars Foundation and Community Support

Established in 2002, the Caesars Foundation (the "Foundation") is a private charitable foundation funded by a portion of operating income from resorts owned and operated or managed by Caesars. The Foundation's objective is to strengthen organizations and programs in the communities where our employees and their families live and work, and include our employees in volunteer efforts associated with the causes we support. We have maintained our Foundation commitment each year and since its inception, the Foundation has gifted more than $66 million to help support our local communities. For more information, visit www.caesarsfoundation.com. We encourage our employees to take part in community engagement and in 2013, our volunteers contributed over 164,000 hours in more than 600 volunteering events to support a wide range of social and environmental causes.

Available Information

Our Internet address is www.caesars.com. We make available free of charge, on or through our website, our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as soon as reasonably practicable after we electronically file such material with, or furnish it to, the Securities and Exchange Commission (the "SEC"). We also make available through our website all filings of our executive officers and directors on Forms 3, 4, and 5 under Section 16 of the Exchange Act. These filings are also available on the SEC's website at www.sec.gov. Our Code of Business Conduct and Ethics is available on our website under the "Investor Relations" link. We will provide a copy of these documents without charge to any person upon receipt of a written request addressed to Caesars Entertainment Corporation, Attn: Corporate Secretary, One Caesars Palace Drive, Las Vegas, Nevada 89109. Reference in this document to our website address does not constitute incorporation by reference of the information contained on the website.

ITEM 1A. Risk Factors

Risk Related to the CEC's Ability to Continue as a Going Concern

Due to uncertainties relating to the Noteholder Disputes, there is substantial doubt regarding CEC's ability to continue as a going concern.

As described more fully in Item 3, "Legal Proceedings" under the heading "Noteholder Disputes," and in Note 22, "Subsequent Events - Other," under the heading "Demands for Payment," we are subject to currently pending or threatened litigation (the "Litigation") and demands for payment by certain creditors asserting CEC is obligated under the former parent guarantee of certain CEOC defaulted debt (the "Demands" and, together with the Litigation, the "Noteholder Disputes"). The Litigation pending against CEOC, and in certain cases against CEC and its other subsidiaries, have been stayed due to the Chapter 11 bankruptcy process, however, certain Litigation and the Demands against CEC are continuing outside of the Chapter 11 bankruptcy process. We believe that the Litigation claims and Demands against CEC are without merit and intend to defend ourselves vigorously. At the present time, we believe it is not probable that a material loss will result from the outcome of these matters. The Noteholder Disputes are in their very preliminary stages and discovery has begun on the Unsecured Note Lawsuits (as defined in Note 15, "Litigation, Contractual Commitments, and Contingent Liabilities"). We cannot provide assurance as to the outcome of the Noteholder Disputes or of the range of potential losses should the Noteholder Disputes ultimately be resolved against us, due to the inherent uncertainty of litigation and the stage of the related litigation. Should these matters ultimately be resolved through litigation outside of the CEOC Financial Restructuring, and were a court to find in favor of the claimants in any of these Noteholder Disputes, such determination could have a material adverse effect on our business, financial condition, results of operations, and cash flows. Accordingly, we have concluded that the material uncertainty related to certain of the Litigation proceeding against CEC raises substantial doubt about the Company's ability to continue as a going concern.

Risks Related to the Bankruptcy Proceedings

CEOC and a substantial majority of its wholly owned subsidiaries filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code, and are subject to the risks and uncertainties associated with bankruptcy proceedings.

As a result of CEOC's highly-leveraged capital structure and the general decline in its gaming results since 2007, on January 15, 2015, CEOC and certain of its U.S. subsidiaries (collectively, the "Debtors") voluntarily filed for reorganization under Chapter 11 of the Bankruptcy Code in the Bankruptcy Court. Because CEOC is under the control of the Bankruptcy Court, CEC deconsolidated this subsidiary effective January 15, 2015 (see Note 23, "Subsequent Events - CEOC Bankruptcy and Deconsolidation").

We are subject to a number of risks and uncertainties associated with the Chapter 11 proceedings, which may lead to potential adverse effects on our liquidity, results of operations, or business prospects. We cannot assure you of the outcome of the Chapter 11 proceedings. Risks associated with the Chapter 11 proceedings include the following:

- the ability of the Debtors to continue as a going concern;
- the ability of the Debtors to obtain bankruptcy court approval with respect to motions in the Chapter 11 proceedings and the outcomes of bankruptcy court rulings of the proceedings in general;
- risks associated with involuntary bankruptcy proceedings filed in the United States Bankruptcy Court for the District of Delaware and now pending in the Bankruptcy Court;
- the ability of the Debtors to comply with and to operate under the cash collateral order and any cash management orders entered by the Bankruptcy Court from time to time;
- the length of time the Debtors will operate under the Chapter 11 proceedings and their ability to successfully emerge, including with respect to obtaining any necessary regulatory approvals;
- the ability of the Debtors to negotiate, confirm and consummate a plan of reorganization with respect to the Chapter 11 proceedings;
- the likelihood of Caesars Entertainment losing control over the operation of the Debtors as a result of the restructuring process;
- risks associated with third party motions, proceedings and litigation in the Chapter 11 proceedings, which may interfere with the Debtors' plan of reorganization;

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- the ability to maintain sufficient liquidity throughout the Chapter 11 proceedings;
- increased costs related to the bankruptcy filing and other litigation;
- our ability to manage contracts that are critical to our operation, and to obtain and maintain appropriate credit and other terms with customers, suppliers and service providers;
- our ability to attract, retain and motivate key employees;
- our ability to fund and execute our business plan;
- whether our non-Debtor subsidiaries continue to operate their business in the normal course;
- the disposition or resolution of all pre-petition claims against us and the Debtors; and
- our ability to maintain existing customers and vendor relationships and expand sales to new customers.

The Chapter 11 proceedings may disrupt our business and may materially and adversely affect our operations.

We have attempted to minimize the adverse effect of the Debtors' Chapter 11 proceedings on our relationships with our employees, suppliers, customers and other parties. Nonetheless, our relationships with our customers, suppliers, and employees may be adversely impacted by negative publicity or otherwise and our operations could be materially and adversely affected. In addition, the Chapter 11 proceedings could negatively affect our ability to attract new employees and retain existing high performing employees or executives, which could materially and adversely affect our operations.

The Chapter 11 proceedings limit the flexibility of our management team in running the Debtors' business.

While the Debtors' operate their businesses as debtors-in-possession under supervision by the Bankruptcy Court, the Bankruptcy Court approval is required with respect to the Debtors' business, and in some cases certain holders of claims in respect of claims under CEOC's first lien notes and other indebtedness ("Consenting Creditors") who have entered into a Third Amended and Restated Restructuring Support and Forbearance Agreement, dated as of January 14, 2015 (the "RSA") with us and CEOC, prior to engaging in activities or transactions outside the ordinary course of business. Bankruptcy Court approval of non-ordinary course activities entails preparation and filing of appropriate motions with the Bankruptcy Court, negotiation with various parties-in-interest, including any statutory committees appointed in the Chapter 11 proceedings, and one or more hearings. Such committees and parties-in-interest may be heard at any Bankruptcy Court hearing and may raise objections with respect to these motions. This process could delay major transactions and limit the Debtors ability to respond quickly to opportunities and events in the marketplace. Furthermore, in the event the Bankruptcy Court does not approve a proposed activity or transaction, the Debtors could be prevented from engaging in activities and transactions that they believe are beneficial to them. Additionally, the terms of the interim cash collateral order entered by the Bankruptcy Court will limit the Debtors' ability to undertake certain business initiatives. These limitations may include, among other things, the Debtors' ability to:

- sell assets outside the normal course of business;
- consolidate, merge, sell or otherwise dispose of all or substantially all of the Debtors' assets;
- grant liens;
- incur debt for borrowed money outside the ordinary course of business;
- prepay prepetition obligations; and
- finance the Debtors' operations, investments or other capital needs or to engage in other business activities that would be in the Debtors' interests.

The RSA is subject to significant conditions and milestones which may be difficult for us to satisfy.
We, CEOC and the Consenting Creditors entered into the RSA, pursuant to which, among other things, CEOC agreed to file a plan of reorganization in accordance with the terms of the RSA (the "Plan"). While the Consenting Creditors have agreed to vote in favor of the Plan when properly solicited to do so, there are certain material conditions CEOC must satisfy under the RSA, including the timely satisfaction of milestones in the Chapter 11 proceedings such as obtaining orders from the Bankruptcy Court with respect to the use of cash collateral, approval of the disclosure statement and confirmation of the Plan. The Debtors' ability to timely complete such milestones is subject to risks and uncertainties that may be beyond our control. If the Consenting Creditors are not required to vote for the Plan, the Plan may not be confirmed, in which case the Debtors would need to develop an alternative plan of reorganization. The Debtors may not be able to obtain Bankruptcy Court confirmation of the Plan or may have to modify the terms of the Plan.
Even if approved by each class of holders of claims and interests entitled to vote (a "Voting Class"), the Bankruptcy Court may, as a court of equity, exercise substantial discretion and could choose not to confirm the Plan. Bankruptcy Code Section 1129 requires, among other things, a showing that confirmation of the Plan will not be followed by liquidation or the need for further financial reorganization for the Debtors, and that the value of distributions to dissenting holders of claims and interests will not be less than the value such holders would receive if the Debtors liquidated under Chapter 7 of the Bankruptcy Code. Although we believe that the Plan will satisfy such tests, there can be no assurance that the Bankruptcy Court will reach the same conclusion.
Confirmation of the Plan will also be subject to certain conditions. These conditions may not be met, and there can be no assurance that we and a requisite amount of the Consenting Creditors under the RSA will agree to modify or waive such conditions. Further, changed circumstances may necessitate changes to the Plan. Any such modifications could result in less favorable treatment of any non-accepting class, as well as any classes junior to such non-accepting class, than the treatment that will currently be provided in the Plan in accordance with the RSA. Such less favorable treatment could include a distribution of property (including new securities) to the class affected by the modification of a lesser value than what the RSA contemplates will be provided in the Plan or no distribution of property whatsoever under the Plan. In addition, any changes to the Plan, including any changes that would result in Caesars Entertainment no longer controlling the operations of CEOC, could have an adverse effect on Caesars Entertainment and its remaining operations. Changes to the Plan may also delay the confirmation of the Plan and the Debtors' emergence from bankruptcy.
If the Plan is confirmed, Caesars Entertainment will be required to invest and pay significant amounts of cash in connection with the restructuring of CEOC, which may have a negative impact on Caesars Entertainment's business and operating condition.
If the Bankruptcy Court approves the Plan, in connection with the Debtors' emergence from Chapter 11, Caesars Entertainment will be required to (i) contribute over $400 million to pay a forbearance fee, for general corporate purposes and to fund sources and uses and (ii) purchase up to approximately $1.0 billion of new equity in the restructured Debtors. As a result of these payments and investments, Caesars Entertainment may have less cash available in future periods for investments and operating expenses and, as a result, the confirmation of the Plan and emergence of the Debtors may have a negative impact on Caesars Entertainment's business and operating conditions.
If the Plan is confirmed, Caesars Entertainment will be required to guarantee the lease payments owed by the restructured operating company to the restructured property companies and, if the restructured operating company is unable to or does not pay amounts due under the leases, Caesars Entertainment will be obligated to pay the full amount.
If the Bankruptcy Court approves the Plan, in connection with the Debtors' emergence from Chapter 11, Caesars Entertainment will guarantee the two leases between the restructured operating company ("OpCo") and the restructured property companies ("CPLV PropCo" and "Non-CPLV PropCo", collectively "PropCo"), under which CPLV PropCo and Non-CPLV PropCo will lease properties to OpCo: (1) for the Caesars Palace Las Vegas ("CPLV") property (the "CPLV Lease") and (2) for certain properties currently owned by CEOC other than CPLV (the "Non-CPLV PropCo Lease" and, together with the CPLV Lease, the "Leases"). Under the terms of a proposed management lease support agreement, Caesars Entertainment will guarantee the payment and performance of all monetary obligations of OpCo

under the Leases. If OpCo is unable to meet its monetary obligations under the Leases, Caesars Entertainment may be subject to significant obligations, which would have a negative impact on Caesars Entertainment’s business and operating conditions.

The merger with CAC is subject to various closing conditions, including governmental approvals, and other uncertainties and there can be no assurances as to whether and when it may be completed.
On December 21, 2014, Caesars Entertainment entered into the Merger Agreement with CAC, under which CAC will merge with and into Caesars Entertainment, with Caesars Entertainment continuing as the surviving corporation. The consummation of the merger is subject to a number of closing conditions, many of which are not within Caesars Entertainment’s control, and failure to satisfy such conditions may prevent, delay or otherwise materially adversely affect the completion of the transaction. These conditions include, among other things, (a) obtaining any necessary licenses, consents or other approvals, including from gaming authorities, to effect the merger, (b) the Plan having been confirmed by the Bankruptcy Court, (c) minimum cash conditions for each of (i) CGP LLC and its subsidiaries and (ii) Caesars Entertainment and CERP, (d) receipt of certain tax opinions or rulings regarding certain tax aspects of the restructuring of CEOC and (e) a threshold amount of tax costs to Caesars Entertainment related to certain aspects of the restructuring of CEOC. It also is possible that a change, event, fact, effect or circumstance that could lead to a material adverse effect on Caesars Entertainment may occur, which may result in CAC not being obligated to complete the merger. We cannot predict with certainty whether and when any of the required closing conditions will be satisfied or if an uncertainty resulting in a material adverse effect on Caesars Entertainment may arise. If the merger does not receive, or timely receive, the required regulatory approvals and clearances, or if another event occurs delaying or preventing the merger, such delay or failure to complete the merger may cause uncertainty or other negative consequences that may materially and adversely affect Caesars Entertainment’s business, financial performance and operating results and the price per share for Caesar Entertainment’s common stock.
In the event that the pending merger with CAC is not completed, the trading price of our common stock and our future business and financial results may be negatively impacted.
As noted above, the conditions to the completion of the merger with CAC may not be satisfied, and even if the Plan is confirmed, under certain circumstances the exchange ratio between shares of CAC Class A common stock and CEC common stock may be adjusted or the merger agreement may be terminated. If the merger with CAC is not completed for any reason, we would still be liable for significant transaction costs and the focus of our management would have been diverted from seeking other potential opportunities without realizing any benefits of the completed merger. If we do not complete the merger, certain litigation against us will remain outstanding and not be released. If we do not complete the merger, the price of our common stock may decline significantly from the current market price, which may reflect a market assumption that the merger will be completed.
CEOC may have insufficient liquidity for its business operations during the Chapter 11 proceedings.
Although we believe that CEOC will have sufficient liquidity to operate its businesses during the pendency of the Chapter 11 proceedings, there can be no assurance that the revenue generated by CEOC’s business operations and cash made available to CEOC under the cash collateral order or otherwise in its restructuring process will be sufficient to fund its operations, especially as we expect CEOC to incur substantial professional and other fees related to its restructuring. CEOC has not made arrangements for financing in the form of a debtor-in-possession credit facility, or DIP facility. In the event that revenue flows and other available cash are not sufficient to meet CEOC’s liquidity requirements, CEOC may be required to seek additional financing. There can be no assurance that such additional financing would be available or, if available, offered on terms that are acceptable. If, for one or more reasons, CEOC is unable to obtain such additional financing, CEOC could be required to seek a sale of the company or certain of its material assets or its businesses and assets may be subject to liquidation under chapter 7 of the Bankruptcy Code, and CEOC may cease to continue as a going concern.
Any plan of reorganization that the Debtors may implement will be based in large part upon assumptions and analyses developed by CEOC. If these assumptions and analyses prove to be incorrect, the Debtors’ plan may be unsuccessful in its execution.
Any plan of reorganization that the Debtors may implement could affect both the Debtors’ capital structure and the ownership, structure and operation of the Debtors’ businesses and will reflect assumptions and analyses based on CEOC’s experience and perception of historical trends, current conditions and expected future developments, as well as other factors that CEOC considers appropriate under the circumstances. Whether actual future results and developments will be consistent with CEOC’s expectations and assumptions depends on a number of factors, including

but not limited to (i) CEOC's ability to substantially change the Debtors' capital structure; (ii) CEOC's ability to restructure the Debtors as a separate operating company and property company, with a real estate investment trust directly or indirectly owning and controlling the property company, (iii) the ability of the Debtors to obtain adequate liquidity and financing sources; (iv) our ability to maintain customers' confidence in our viability as a continuing entity and to attract and retain sufficient business from them; (v) the Debtors' ability to retain key employees; and (vi) the overall strength and stability of general economic conditions in the U.S. and in global markets. The failure of any of these factors could materially adversely affect the successful reorganization of the Debtors' businesses.

In addition, any plan of reorganization will rely upon financial projections, including with respect to revenues; earnings before interest, taxes, depreciation and amortization ("EBITDA"), capital expenditures, debt service, and cash flow. Financial forecasts are necessarily speculative, and it is likely that one or more of the assumptions and estimates that are the basis of these financial forecasts will not be accurate. The forecasts for the Debtors will be even more speculative than normal, because they may involve fundamental changes in the nature of the Debtors' capital structure and corporate structure. Accordingly, CEOC expects that its actual financial condition and results of operations will differ, perhaps materially, from what CEOC has anticipated. Consequently, there can be no assurance that the results or developments contemplated by any plan of reorganization implemented by the Debtors will occur or, even if they do occur, that they will have the anticipated effects on the Debtors and their subsidiaries or businesses or operations. The failure of any such results or developments to materialize as anticipated could materially adversely affect the successful execution of any plan of reorganization.

As a result of the Chapter 11 proceedings, our historical financial information will not be indicative of our future financial performance.

Our capital structure and our corporate structure will likely be significantly altered under any plan of reorganization ultimately confirmed by the Bankruptcy Court. As of the Petition Date, CEOC was deconsolidated from our financial statements. Consequently, our results of operations following the deconsolidation will not be comparable to the financial condition and results of operations reflected in our historical financial statements.

Risks Related to our Business

Our substantial indebtedness and the fact that a significant portion of our cash flow is used to make interest payments could adversely affect our ability to raise additional capital to fund our operations, limit our ability to react to changes in the economy or our industry and prevent us from making debt service payments.

We are a highly-leveraged company, primarily resulting from the leverage of CEOC. We had $25.6 billion in consolidated face value of debt outstanding as of December 31, 2014, including $18.4 billion outstanding at CEOC, $4.8 billion outstanding at CERP, and $2.4 billion outstanding at CGP LLC. As of December 31, 2014, our consolidated estimated debt service obligation for 2015 is $18.8 billion, consisting of $18.0 billion in principal maturities and $764 million in required interest payments. Of those totals, CEOC's estimated debt service obligation for 2015 is $18.2 billion, consisting of $18.0 billion in principal maturities and $184 million in required interest payments.

Our substantial indebtedness and the restrictive covenants under the agreements governing such indebtedness could:

- limit our ability to borrow money for our working capital, capital expenditures, development projects, debt service requirements, strategic initiatives or other purposes;
- make it more difficult for us to satisfy our obligations with respect to our indebtedness, and any failure to comply with the obligations of any of our debt instruments, including restrictive covenants and borrowing conditions, could result in an event of default under the agreements governing our indebtedness;
- require us to dedicate a substantial portion of our cash flow from operations to the payment of interest and repayment of our indebtedness thereby reducing funds available to us for other purposes;
- limit our flexibility in planning for, or reacting to, changes in our operations or business;
- make us more highly-leveraged than some of our competitors, which may place us at a competitive disadvantage;
- make us more vulnerable to downturns in our business or the economy;
- restrict us from making strategic acquisitions, developing new gaming facilities, introducing new technologies or exploiting business opportunities;
- affect our ability to renew gaming and other licenses;
- limit, along with the financial and other restrictive covenants in our indebtedness, among other things, our ability to borrow additional funds or dispose of assets; and
- expose us to the risk of increased interest rates as certain of our borrowings are at variable rates of interest.

Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations, prospects and ability to satisfy our outstanding debt obligations.

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There is substantial doubt regarding CEOC’s ability to continue as a going concern.
We do not currently expect that CEOC’s cash flows from operations will be sufficient to repay its indebtedness and, accordingly, CEOC has sought a reorganization under Chapter 11 of the Bankruptcy Code. CEOC’s ability to continue as a going concern is contingent upon, among other things, its ability to: (i) develop and successfully implement a restructuring plan within the timeframe of the RSA, (ii) comply with the covenants contained in the cash collateral order, including compliance with the approved budget, and in any post-restructuring financing, (iii) reduce debt and other liabilities through the restructuring process, (iv) return to profitability, (v) generate sufficient cash flow from operations, and (vi) obtain financing sources to meet its future obligations. CEOC’s restructuring plan could result in the separation of its business into a separate operating company and a REIT, with the REIT owning substantially all of its real estate assets. We believe the consummation of a successful restructuring is critical to CEOC’s continued viability and long-term liquidity. While CEOC is working towards achieving these objectives, there can be no certainty that it will be successful in doing so, and we cannot guarantee that its success or failure will not have an impact on our business.
We may be unable to generate sufficient cash to service all of our indebtedness, and may be forced to take other actions to satisfy our obligations under our indebtedness that may not be successful.
We may be unable to generate sufficient cash flow from operations, or unable to draw under our senior secured credit facilities or otherwise, in an amount sufficient to fund our liquidity needs. Our operating cash inflows are typically used for operating expenses, debt service costs, working capital needs, and capital expenditures in the normal course of business. Our operating cash flows are consumed by our cash interest payments, which totaled $2.1 billion in 2014. We experienced negative operating cash flows of $735 million in 2014, and we also expect to experience negative operating cash flows in 2015.
We may incur significantly more debt, which could adversely affect our ability to pursue certain opportunities.
We and our subsidiaries may be able to incur substantial indebtedness at any time, and from time to time, including in the near future. Although the terms of the agreements governing our indebtedness contain restrictions on our ability to incur additional indebtedness, these restrictions are subject to a number of important qualifications and exceptions, and the indebtedness incurred in compliance with these restrictions could be substantial.
For example, as of December 31, 2014, CERP had $90 million of additional borrowing capacity available under its revolving credit facility. CGP LLC had $150 million of additional borrowing capacity available under its revolving credit facility. None of our existing indebtedness limits the amount of debt that may be incurred by Caesars Entertainment.
Our subsidiary debt agreements allow for one or more future issuances of additional secured notes or loans, which may include, in each case, indebtedness secured on a pari passu basis with the obligations under CGP LLC or CERP's credit facilities and first lien notes. This indebtedness could be used for a variety of purposes, including financing capital expenditures, refinancing or repurchasing our outstanding indebtedness, including existing unsecured indebtedness, or for general corporate purposes. We have raised and expect to continue to raise debt, including secured debt, to directly or indirectly refinance our outstanding unsecured debt on an opportunistic basis, as well as development and acquisition opportunities.
Our debt agreements contain restrictions that limit our flexibility in operating our business.
Our debt agreements contain, and any future indebtedness of ours would likely contain, a number of covenants that impose significant operating and financial restrictions, including restrictions on the issuer of the debt’s ability to, among other things:

- incur additional debt or issue certain preferred shares;
- pay dividends on or make distributions in respect of our capital stock or make other restricted payments;
- make certain investments;
- sell certain assets;
- create liens on certain assets;
- consolidate, merge, sell or otherwise dispose of all or substantially all of our assets;
- enter into certain transactions with our affiliates; and
- designate our subsidiaries as unrestricted subsidiaries.

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As a result of these covenants, we are limited in the manner in which we conduct our business, and we may be unable to engage in favorable business activities or finance future operations or capital needs.
We have pledged and will pledge a significant portion of our assets as collateral under our subsidiaries' debt agreements. If any of our lenders accelerate the repayment of borrowings, there can be no assurance that we will have sufficient assets to repay our indebtedness.
We are required to satisfy and maintain specified financial ratios under our debt agreements. See Note 10, "Debt," for further information. Our ability to meet the financial ratios under our debt agreements can be affected by events beyond our control, and there can be no assurance that we will be able to continue to meet those ratios.
A failure to comply with the covenants contained in our indebtedness could result in an event of default under the facilities or the existing agreements, which, if not cured or waived, could have a material adverse effect on our business, financial condition and results of operations. In the event of any default under the indebtedness of CERP or CGP LLC, the lenders thereunder:

- will not be required to lend any additional amounts to such borrowers;
- could elect to declare all borrowings outstanding, together with accrued and unpaid interest and fees, to be due and payable and terminate all commitments to extend further credit; or
- require such borrowers to apply all of our available cash to repay these borrowings.

Such actions by the lenders under CERP's or CGP LLC's indebtedness could cause cross defaults under the other indebtedness of CERP and CGP LLC, respectively. For instance, if CERP were unable to repay those amounts, the lenders under CERP's credit facilities and the holders of CERP's secured notes could proceed against the collateral granted to them to secure that indebtedness.
If the indebtedness under CERP's or CGP LLC's credit facilities, or other indebtedness were to be accelerated, there can be no assurance that their assets would be sufficient to repay such indebtedness in full.
Repayment of our subsidiaries' debt is dependent on cash flow generated by our subsidiaries.
Our subsidiaries currently own a significant portion of our assets and conduct a significant portion of our operations. Accordingly, repayment of our subsidiaries' indebtedness is dependent, to a significant extent, on the generation of cash flow by our subsidiaries and their ability to make such cash available by dividend, debt repayment or otherwise. Our subsidiaries do not have any obligation to pay amounts due on our other subsidiaries' indebtedness or to make funds available for that purpose. Our subsidiaries may not be able to, or may not be permitted to, make distributions to enable us to make payments in respect of our other subsidiaries' indebtedness. Each subsidiary is a distinct legal entity and, under certain circumstances, legal and contractual restrictions may limit our ability to obtain cash from our subsidiaries.
We are or may become involved in legal proceedings that, if adversely adjudicated or settled, could have a material adverse effect on our business, financial condition, results of operations, and prospects.
During the second half of 2014, CAC, CGP LLC, Caesars Entertainment, CEOC and CERP received letters from unnamed parties who purport to hold debt issued by CEOC objecting to various transactions undertaken by CEOC and its affiliated entities in 2013 and 2014. In addition, as described in Item 3, "Legal Proceedings," Caesars Entertainment and CEOC were served with the Second Lien Lawsuit, the Unsecured Note Lawsuits, and the First Lien Lawsuit; Caesars Entertainment and CAC were served with the Merger Lawsuit; and Caesars Entertainment was sued in the BOKF Lawsuit. CEOC has also received purported notices of default with respect to certain of its outstanding indebtedness. Although these proceedings pending against CEOC, and in certain cases against CEC and its subsidiaries, have been stayed due to the Chapter 11 bankruptcy process, certain litigation and demands against CEC are continuing outside the Chapter 11 bankruptcy process. If a court were to find in favor of the claimants in any of these disputes, such determination could have a material adverse effect on our business, financial condition, results of operations, and prospects and on the ability of lenders and noteholders to recover on claims under our indebtedness.
As well, from time to time, we are defendants in various lawsuits or other legal proceedings relating to matters incidental to our business. The nature of our business subjects us to the risk of lawsuits filed by customers, past and present employees, competitors, business partners, Indian tribes and others in the ordinary course of business. As with all legal proceedings, no assurance can be provided as to the outcome of these matters and in general, legal proceedings can be expensive and time consuming. For example, we may have potential liability arising from a class

action lawsuit against Hilton Hotels Corporation relating to employee benefit obligations. We may not be successful in the defense or prosecution of these lawsuits, which could result in settlements or damages that could significantly impact our business, financial condition and results of operations.

The loss of the services of key personnel could have a material adverse effect on our business.
The leadership of our chief executive officer and other executive officers has been a critical element of our success. Our chief executive officer is in the process of transitioning his role to a new chief executive officer. Any unforeseen loss of a chief executive officer's services, or any negative market or industry perception with respect to him or arising from his loss, could have a material adverse effect on our businesses. Our other executive officers and other members of senior management have substantial experience and expertise in our businesses that we believe will make significant contributions to our growth and success. The unexpected loss of services of one or more of these individuals could also adversely affect us. We do not have key man or similar life insurance policies covering members of our senior management. We have employment agreements with our executive officers, but these agreements do not guarantee that any given executive will remain with us, and there can be no assurance that any such officers will remain with us.
If we cannot attract, retain and motivate employees, we may be unable to compete effectively, and lose the ability to improve and expand our businesses.
Our success and ability to grow depend, in part, on our ability to hire, retain, and motivate sufficient numbers of talented people with the increasingly diverse skills needed to serve clients and expand our business, in many locations around the world. We face intense competition for highly qualified, specialized technical, managerial, and consulting personnel. Recruiting, training, retention and benefit costs place significant demands on our resources. Additionally, our substantial indebtedness and the recent downturn in the gaming, travel and leisure sectors have made recruiting executives to our businesses more difficult, which may become even more difficult as a result of the Debtors' Chapter 11 proceedings. The inability to attract qualified employees in sufficient numbers to meet particular demands or the loss of a significant number of our employees could have an adverse effect on us.
We may sell or divest different properties or assets as a result of our evaluation of our portfolio of businesses. Such sales or divestitures could affect our costs, revenues, profitability and financial position.
From time to time, we evaluate our properties and our portfolio of businesses and may, as a result, sell or attempt to sell, divest or spin-off different properties or assets. For example, in June 2014 and August 2014, we closed Harrah's Tunica and Showboat Atlantic City, respectively. In addition, in May 2014, CGP LLC (or one or more of its designated direct or indirect subsidiaries) acquired from CEOC (or one or more of its affiliates) The Cromwell (f/k/a Bill's Gamblin' Hall & Saloon), The LINQ Hotel & Casino (f/k/a The Quad Resort & Casino), Bally's Las Vegas and Harrah's New Orleans as well as a financial stake in the management fee stream for all of those properties.
These sales or divestitures affect our costs, revenues, profitability, financial position, liquidity and our ability to comply with our debt covenants. Divestitures have inherent risks, including possible delays in closing transactions (including potential difficulties in obtaining regulatory approvals), the risk of lower-than-expected sales proceeds for the divested businesses, and potential post-closing claims for indemnification. In addition, current economic conditions and relatively illiquid real estate markets may result in fewer potential bidders and unsuccessful sales efforts. Expected costs savings, which are offset by revenue losses from divested properties, may also be difficult to achieve or maximize due to our fixed cost structure.

Reduction in discretionary consumer spending resulting from the downturn in the national economy over the past few years, the volatility and disruption of the capital and credit markets, adverse changes in the global economy and other factors could negatively impact our financial performance and our ability to access financing.
Changes in discretionary consumer spending or consumer preferences are driven by factors beyond our control, such as perceived or actual general economic conditions; high energy, fuel and other commodity costs; the cost of travel; the potential for bank failures; a soft job market; an actual or perceived decrease in disposable consumer income and wealth; the recent increase in payroll taxes; increases in gaming taxes or fees; fears of recession and changes in consumer confidence in the economy; and terrorist attacks or other global events. Our business is particularly susceptible to any such changes because our casino properties offer a highly discretionary set of entertainment and leisure activities and amenities. Gaming and other leisure activities we offer represent discretionary expenditures and participation in such activities may decline if discretionary consumer spending declines, including during economic downturns, during which consumers generally earn less disposable income. The economic downturn that began in 2008 and adverse conditions in the local, regional, national and global markets have negatively affected our business and results of operations and may continue to negatively affect our operations in the future. In addition, the Atlantic City gaming market in particular has seen a massive decline. For example, according to the UNLV Center for Gaming Research, reported gaming revenues for Atlantic City properties have declined from $5.2 billion in 2006 to $2.7 billion in 2014. During periods of economic contraction, our revenues may decrease while most of our costs remain fixed and some costs even increase, resulting in decreased earnings. While economic conditions have improved, our revenues may continue to decrease. For example, while the gaming industry has partially recovered from 2006, there are no assurances that the gaming industry will continue to grow as a result of economic downturn or other factors. Any decrease in the gaming industry could adversely affect consumer spending and adversely affect our operations. Additionally, key determinants of our revenues and operating performance include hotel average daily rate ("ADR"), number of gaming trips and average spend per trip by our customers. Given that 2007 was the peak year for our financial performance and the gaming industry in the United States in general, we may not attain those financial levels in the near term, or at all. If we fail to increase ADR or any other similar metric in the near term, our revenues may not increase and, as a result, we may not be able to pay down our existing debt, fund our operations, fund planned capital expenditures or achieve expected growth rates, all of which could have a material adverse effect on our business, financial condition, results of operations and cash flow. Even an uncertain economic outlook may adversely affect consumer spending in our gaming operations and related facilities, as consumers spend less in anticipation of a potential economic downturn. Furthermore, other uncertainties, including national and global economic conditions, terrorist attacks or other global events, could adversely affect consumer spending and adversely affect our operations.
Growth in consumer demand for non-gaming offerings could negatively impact our gaming revenue.
Although recent trends have indicated a growing shift in customer demand for gambling over non-gaming offerings when visiting Las Vegas, there are no assurances that this trend will continue and that demand for non-gaming offerings will not increase. According to Las Vegas Convention and Visitors Authority, 41% of Las Vegas visitors in 2013 indicated that their primary reason to visit was for vacation or pleasure as opposed to solely for gambling as the main attraction, up from 39% of visitors in 2008 but down from 51% of visitors in 2010. To the extent the demand for non-gaming offerings replaces demand for gambling, our gaming revenues will decrease, which could have an adverse impact on our business and results of operations.
We may not realize any or all of our projected cost savings, which would have a negative effect on our financial performance and negatively impact our covenant calculation and could have a negative effect on our stock price.
We have undertaken comprehensive cost-reduction efforts to manage expenses with current business levels. While these and other identified new cost saving programs have allowed us and we expect will allow us to realize substantial savings, our continued reduction efforts may fail to achieve similar or continued savings. Although we believe, as of December 31, 2014, once fully implemented, these cost savings programs will produce additional estimated annual cost savings of $220 million (of which $180 million relates to CEOC), we may not realize some or all of these projected savings without impacting our revenues. Our cost savings plans are intended to increase our effectiveness and efficiency in our operations without impacting our revenues and margins and we from time to time implement cost savings plans to help us meet the requirements of our debt agreements. Our cost savings plan is subject to

numerous risks and uncertainties that may change at any time, and, therefore, our actual savings may differ materially from what we anticipate. For example, cutting advertising or marketing expenses may have an unintended negative affect on our revenues. In addition, our expected savings from procurement of goods may be affected by unexpected increases in the cost of raw materials.

We are subject to extensive governmental regulation and taxation policies, the enforcement of which could adversely impact our business, financial condition, and results of operations.
We are subject to extensive gaming regulations and political and regulatory uncertainty. Regulatory authorities in the jurisdictions where we operate have broad powers with respect to the licensing of casino operations and may revoke, suspend, condition or limit our gaming or other licenses, impose substantial fines and take other actions, any one of which could adversely impact our business, financial condition and results of operations. For example, revenues and income from operations were negatively impacted during July 2006 in Atlantic City by a three-day government-imposed casino shutdown. Furthermore, in many jurisdictions where we operate, licenses are granted for limited durations and require renewal from time to time. For example, in Iowa, our ability to continue our gaming operations is subject to a referendum every eight years or at any time upon petition of the voters in the county in which we operate; the most recent referendum which approved our ability to continue to operate our casinos occurred in November 2010. In Maryland, we will have to reapply for our license in July 2017. There can be no assurance that continued gaming activity will be approved in any referendum in the future. If we do not obtain the requisite approval in any future referendum, we will not be able to operate our gaming operations in Iowa, which would negatively impact our future performance.
From time to time, individual jurisdictions have also considered legislation or referendums, such as bans on smoking in casinos and other entertainment and dining facilities, which could adversely impact our operations. For example, the City Council of Atlantic City passed an ordinance in 2007 requiring that we segregate at least 75% of the casino gaming floor as a nonsmoking area, leaving no more than 25% of the casino gaming floor as a smoking area. Illinois also passed the Smoke Free Illinois Act which became effective January 1, 2008, and bans smoking in nearly all public places, including bars, restaurants, work places, schools and casinos. The Smoke Free Illinois Act also bans smoking within 15 feet of any entrance, window or air intake area of these public places. In January 2015, the City of New Orleans passed a ban on indoor smoking and use of electronic cigarettes, which will become effective on May 1, 2015. These smoking bans have adversely affected revenues and operating results at our properties. The likelihood or outcome of similar legislation in other jurisdictions and referendums in the future cannot be predicted, though any smoking ban would be expected to negatively impact our financial performance.
Furthermore, because we are subject to regulation in each jurisdiction in which we operate, and because regulatory agencies within each jurisdiction review our compliance with gaming laws in other jurisdictions, it is possible that gaming compliance issues in one jurisdiction may lead to reviews and compliance issues in other jurisdictions. We cannot assure you that existing or future jurisdictions would not raise similar questions with respect to our suitability arising out of the Bureau’s report, or with respect to matters that may arise in the future, and we cannot assure you that such issues will not adversely affect us or our financial condition.
Our stockholders are subject to extensive governmental regulation and if a stockholder is found unsuitable by the gaming authority, that stockholder would not be able to beneficially own our common stock directly or indirectly.
In many jurisdictions, gaming laws can require any of our stockholders to file an application, be investigated, and qualify or have his, her or its suitability determined by gaming authorities. Gaming authorities have very broad discretion in determining whether an applicant should be deemed suitable. Subject to certain administrative proceeding requirements, the gaming regulators have the authority to deny any application or limit, condition, restrict, revoke or suspend any license, registration, finding of suitability or approval, or fine any person licensed, registered or found suitable or approved, for any cause deemed reasonable by the gaming authorities. For additional information on the criteria used in making determinations regarding suitability, see "Governmental Regulation."
For example, under Nevada gaming laws, each person who acquires, directly or indirectly, beneficial ownership of any voting security, or beneficial or record ownership of any non-voting security or any debt security, in a public corporation which is registered with the Nevada Gaming Commission, or the Gaming Commission, may be required to be found suitable if the Gaming Commission has reason to believe that his or her acquisition of that ownership, or his or her continued ownership in general, would be inconsistent with the declared public policy of Nevada, in the sole discretion of the Gaming Commission. Any person required by the Gaming Commission to be found suitable shall apply for a finding of suitability within 30 days after the Gaming Commission's request that he or she should do so and, together with his or her application for suitability, deposit with the Nevada Gaming Control Board, or the Control

Board, a sum of money which, in the sole discretion of the Control Board, will be adequate to pay the anticipated costs and charges incurred in the investigation and processing of that application for suitability, and deposit such additional sums as are required by the Control Board to pay final costs and charges. Additionally, under Ohio law, an institutional investor, which is broadly defined and includes any corporation that holds any amount of our stock, will be required to apply for and obtain a waiver of suitability determination.

Furthermore, any person required by a gaming authority to be found suitable, who is found unsuitable by the gaming authority, may not hold directly or indirectly the beneficial ownership of any voting security or the beneficial or record ownership of any nonvoting security or any debt security of any public corporation which is registered with the gaming authority beyond the time prescribed by the gaming authority. A violation of the foregoing may constitute a criminal offense. A finding of unsuitability by a particular gaming authority impacts that person's ability to associate or affiliate with gaming licensees in that particular jurisdiction and could impact the person's ability to associate or affiliate with gaming licensees in other jurisdictions.

Many jurisdictions also require any person who acquires beneficial ownership of more than a certain percentage of voting securities of a gaming company and, in some jurisdictions, non-voting securities, typically 5%, to report the acquisition to gaming authorities, and gaming authorities may require such holders to apply for qualification or a finding of suitability, subject to limited exceptions for "institutional investors" that hold a company's voting securities for investment purposes only. Under Maryland gaming laws, we may not sell or otherwise transfer more than 5% of the legal or beneficial interest in Horseshoe Baltimore without the approval of the Maryland Lottery and Gaming Control Commission, or the Maryland Commission, after the Maryland Commission determines that the transferee is qualified or grants the transferee an institutional investor waiver.

Some jurisdictions may also limit the number of gaming licenses in which a person may hold an ownership or a controlling interest. In Indiana, for example, a person may not have an ownership interest in more than two Indiana riverboat owner's licenses, and in Maryland an individual or business entity may not own an interest in more than one video lottery facility.

If we are unable to effectively compete against our competitors, our profits will decline.

The gaming industry is highly competitive and our competitors vary considerably in size, quality of facilities, number of operations, brand identities, marketing and growth strategies, financial strength and capabilities, and geographic diversity. We also compete with other non-gaming resorts and vacation areas, and with various other entertainment businesses. Our competitors in each market that we participate may have greater financial, marketing, or other resources than we do, and there can be no assurance that they will not engage in aggressive pricing action to compete with us. Although we believe we are currently able to compete effectively in each of the various markets in which we participate, we cannot ensure that we will be able to continue to do so or that we will be capable of maintaining or further increasing our current market share. Our failure to compete successfully in our various markets could adversely affect our business, financial condition, results of operations, and cash flow.

In recent years, many casino operators, including us, have been reinvesting in existing markets to attract new customers or to gain market share, thereby increasing competition in those markets. As companies have completed new expansion projects, supply has typically grown at a faster pace than demand in some markets, including Las Vegas, our largest market, and competition has increased significantly. For example, CityCenter, a large development of resorts and residences, opened in December 2009, SLS Las Vegas opened in August 2014, and the Genting Group has announced plans to develop a casino called Resorts World Las Vegas, which is expected to open in 2017. Also, in response to changing trends, Las Vegas operators have been focused on expanding their non-gaming offerings, including upgrades to hotel rooms, new food and beverage offerings, and new entertainment offerings. MGM has announced plans for The Park, which includes a new retail and dining development on the land between New York-New York and Monte Carlo, a renovation of the Strip-front facades of both resorts and a new 20,000 seat indoor arena for sporting events and concerts operated by AEG. Construction of The Park and the arena is expected to be complete in 2016. There have also been proposals for other large scale non-gaming development projects in Las Vegas by various other developers, however, there are no details as to when or if these projects will be completed. The expansion of existing casino entertainment properties, the increase in the number of properties and the aggressive marketing strategies of many of our competitors have increased competition in many markets in which we operate, and this intense competition is expected to continue. These competitive pressures have and are expected to continue to adversely affect our financial performance in certain markets, including Atlantic City.

In particular, our business may be adversely impacted by the additional gaming and room capacity in Nevada. In addition, our operations located in New Jersey may be adversely impacted by the expansion of gaming in Maryland, New York and Pennsylvania, and our operations located in Nevada may be adversely impacted by the expansion of gaming in California.

Theoretical win rates for our casino operations depend on a variety of factors, some of which are beyond our control.
The gaming industry is characterized by an element of chance. Accordingly, we employ theoretical win rates to estimate what a certain type of game, on average, will win or lose in the long run. In addition to the element of chance, theoretical win rates are also affected by the spread of table limits and factors that are beyond our control, such as a player's skill and experience and behavior, the mix of games played, the financial resources of players, the volume of bets placed and the amount of time players spend gambling. As a result of the variability in these factors, the actual win rates at the casino may differ from theoretical win rates and could result in the winnings of our gaming customers exceeding those anticipated. The variability of these factors, alone or in combination, have the potential to negatively impact our actual win rates, which may adversely affect our business, financial condition, results of operations and cash flows.
We face the risk of fraud and cheating.
Our gaming customers may attempt or commit fraud or cheat in order to increase winnings. Acts of fraud or cheating could involve the use of counterfeit chips or other tactics, possibly in collusion with our employees. Internal acts of cheating could also be conducted by employees through collusion with dealers, surveillance staff, floor managers or other casino or gaming area staff. Failure to discover such acts or schemes in a timely manner could result in losses in our gaming operations. In addition, negative publicity related to such schemes could have an adverse effect on our reputation, potentially causing a material adverse effect on our business, financial condition, results of operations and cash flows.
Use of the "Caesars" brand name, or any of our other brands, by entities other than us could damage the brands and our operations and adversely affect our business and results of operations.
The "Caesars" brand remains the most recognized casino brand in the world and our operations benefit from the global recognition and reputation generated by our brands. Generally, we are actively pursuing gaming and non-gaming management, branding, and development opportunities in Asia and other parts of the world where our brands and reputation are already well-recognized assets. In addition, we will continue to expand our World Series of Poker tournaments to international jurisdictions where we believe there is a likelihood of legalization of online gaming, in order to grow the brand’s awareness. In connection with such opportunities, we intend to grant third parties licenses to use our brands. Our business and results of operations may be adversely affected by the management or the enforcement of the "Caesars" and the "World Series of Poker" brand names, or any of our other brands, by third parties outside of our exclusive control.
Any failure to protect our trademarks could have a negative impact on the value of our brand names and adversely affect our business.
The development of intellectual property is part of our overall business strategy, and we regard our intellectual property to be an important element of our success. While our business as a whole is not substantially dependent on any one trademark or combination of several of our trademarks or other intellectual property, we seek to establish and maintain our proprietary rights in our business operations and technology through the use of patents, copyrights, trademarks and trade secret laws. Despite our efforts to protect our proprietary rights, parties may infringe our trademarks and use information that we regard as proprietary and our rights may be invalidated or unenforceable. The unauthorized use or reproduction of our trademarks could diminish the value of our brand and our market acceptance, competitive advantages or goodwill, which could adversely affect our business.
We extend credit to a portion of our customers and we may not be able to collect gaming receivables from our credit players.
We conduct our gaming activities on a credit and cash basis at many of our properties. Any such credit we extend is unsecured. Table games players typically are extended more credit than slot players, and high-stakes players typically are extended more credit than customers who tend to wager lower amounts. High-end gaming is more volatile than other forms of gaming, and variances in win-loss results attributable to high-end gaming may have a significant positive or negative impact on cash flow and earnings in a particular quarter. We extend credit to those customers whose level of play and financial resources warrant, in the opinion of management, an extension of credit. These large receivables could have a significant impact on our results of operations if deemed uncollectible. While gaming debts evidenced by a credit instrument, including what is commonly referred to as a "marker," and judgments on gaming

debts are enforceable under the current laws of the jurisdictions in which we allow play on a credit basis and judgments in such jurisdictions on gaming debts are enforceable in all states under the Full Faith and Credit Clause of the U.S. Constitution, other jurisdictions may determine that enforcement of gaming debts is against public policy. Although courts of some foreign nations will enforce gaming debts directly and the assets in the U.S. of foreign debtors may be reached to satisfy a judgment, judgments on gaming debts from U.S. courts are not binding on the courts of many foreign nations.

The acquisition, development and construction of new hotels, casinos and gaming and non-gaming venues and the expansion of existing ones could have an adverse effect on our business, financial condition and results of operations due to various factors including delays, cost overruns and other uncertainties.
We intend to develop, construct and open or acquire new hotels, casinos and other gaming venues, and develop and manage non-gaming venues, in response to opportunities that may arise. Future development projects and acquisitions may require significant capital commitments, the incurrence of additional debt, guarantees of third party debt, the incurrence of contingent liabilities and an increase in depreciation and amortization expense, which could have an adverse effect upon our business, financial condition, results of operations and cash flow. The development and construction of new hotels, casinos and gaming venues and the expansion of existing ones, such as the redevelopment of The Cromwell in Las Vegas, the development and construction of Horseshoe Baltimore, and the redevelopment of The LINQ Hotel & Casino, are susceptible to various risks and uncertainties, such as:

- the existence of acceptable market conditions and demand for the completed project;
- general construction risks, including cost overruns, change orders and plan or specification modification, shortages of equipment, materials or skilled labor, labor disputes, unforeseen environmental, engineering or geological problems, work stoppages, fire and other natural disasters, construction scheduling problems, and weather interferences;
- changes and concessions required by governmental or regulatory authorities;
- the ability to finance the projects, especially in light of our substantial indebtedness;
- delays in obtaining, or inability to obtain, all licenses, permits and authorizations required to complete and/or operate the project; and
- disruption of our existing operations and facilities.

Moreover, our development and expansion projects are sometimes jointly pursued with third parties or by licensing our brands to third parties. These joint development, expansion projects or license agreements are subject to risks, in addition to those disclosed above, as they are dependent on our ability to reach and maintain agreements with third parties.
Our failure to complete any new development or expansion project, or consummate any joint development, expansion projects or projects where we license our brands, as planned, on schedule, within budget or in a manner that generates anticipated profits, could have an adverse effect on our business, financial condition, results of operations and cash flow.
We may not realize all of the anticipated benefits of current or potential future acquisitions.
Our ability to realize the anticipated benefits of acquisitions will depend, in part, on our ability to integrate the businesses of such acquired company with our businesses. The combination of two independent companies is a complex, costly and time consuming process. This process may disrupt the business of either or both of the companies, and may not result in the full benefits expected. The difficulties of combining the operations of the companies include, among others:

- coordinating marketing functions;
- undisclosed liabilities; unanticipated issues in integrating information, communications and other systems;
- unanticipated incompatibility of purchasing, logistics, marketing and administration methods;
- retaining key employees;
- consolidating corporate and administrative infrastructures;
- the diversion of management's attention from ongoing business concerns; and
- coordinating geographically separate organizations.

We may be unable to realize in whole or in part the benefits anticipated for any current or future acquisitions.

The risks associated with our international operations could reduce our profits.
Some of our properties are located outside the United States, our acquisitions of London Clubs in 2006 and Playtika in 2011 have increased the percentage of our revenue derived from operations outside the United States. International operations are subject to inherent risks including:

- political and economic instability;
- variation in local economies;
- currency fluctuation;
- greater difficulty in accounts receivable collection;
- trade barriers; and
- burden of complying with a variety of international laws.

For example, the political instability in Egypt due to the uprising in January 2011 has negatively affected our properties there.
Any violation of the Foreign Corrupt Practices Act or other similar laws and regulations could have a negative impact on us.
We are subject to risks associated with doing business outside of the United States, which exposes us to complex foreign and U.S. regulations inherent in doing business cross-border and in each of the countries in which it transacts business. We are subject to requirements imposed by the Foreign Corrupt Practices Act ("FCPA") and other anti-corruption laws that generally prohibit U.S. companies and their affiliates from offering, promising, authorizing or making improper payments to foreign government officials for the purpose of obtaining or retaining business. Violations of the FCPA and other anti-corruption laws may result in severe criminal and civil sanctions and other penalties and the SEC and U.S. Department of Justice have increased their enforcement activities with respect to the FCPA. Policies and procedures and employee training and compliance programs that we have implemented to deter prohibited practices may not be effective in prohibiting our employees, contractors or agents from violating or circumventing our policies and the law. If our employees or agents fail to comply with applicable laws or company policies governing our international operations, we may face investigations, prosecutions and other legal proceedings and actions which could result in civil penalties, administrative remedies and criminal sanctions. Any determination that we have violated any anti-corruption laws could have a material adverse effect on our financial condition. Compliance with international and U.S. laws and regulations that apply to our international operations increases our cost of doing business in foreign jurisdictions. We also deal with significant amounts of cash in our operations and are subject to various reporting and anti-money laundering regulations. Any violation of anti-money laundering laws (“AML”) or regulations, on which in recent years, governmental authorities have been increasingly focused, with a particular focus on the gaming industry, by any of our resorts could have a negative effect on our results of operations. As an example, a major gaming company recently settled a U.S. Attorney investigation into its AML practices. In October 2013, one of our subsidiaries received a letter from the Financial Crimes Enforcement Network of the United States Department of the Treasury (“FinCEN”), stating that FinCEN is investigating one of our subsidiaries, Desert Palace, Inc. (the owner of Caesars Palace), for alleged violations of the Bank Secrecy Act (“BSA”) based on a BSA examination of Caesars Palace previously conducted by the Internal Revenue Service to determine whether it is appropriate to assess a civil penalty and/or take additional enforcement action against Caesars Palace. We responded to FinCEN’s letter in January 2014. Additionally, there is an ongoing federal grand jury investigation regarding AML matters. We are cooperating fully with both the FinCEN and grand jury investigations. Based on proceedings to date, we are currently unable to determine the probability of the outcome of these matters or the range of reasonably possible loss, if any.
Acts of terrorism, war, natural disasters, severe weather and political, economic and military conditions may impede our ability to operate or may negatively impact our financial results.
Terrorist attacks and other acts of war or hostility have created many economic and political uncertainties. For example, a substantial number of the customers of our properties in Las Vegas use air travel. As a result of terrorist acts that occurred on September 11, 2001, domestic and international travel was severely disrupted, which resulted in a decrease in customer visits to our properties in Las Vegas. We cannot predict the extent to which disruptions in air or other forms of travel as a result of any further terrorist act, security alerts or war, uprisings, or hostilities in places

such as Iraq, Afghanistan and/or Syria or other countries throughout the world will continue to directly or indirectly impact our business and operating results. For example, our operations in Cairo, Egypt were negatively affected from the uprising there in January 2011. As a consequence of the threat of terrorist attacks and other acts of war or hostility in the future, premiums for a variety of insurance products have increased, and some types of insurance are no longer available. If any such event were to affect our properties, we would likely be adversely impacted.

In addition, natural and man-made disasters such as major fires, floods, hurricanes, earthquakes and oil spills could also adversely impact our business and operating results. Such events could lead to the loss of use of one or more of our properties for an extended period of time and disrupt our ability to attract customers to certain of our gaming facilities. If any such event were to affect our properties, we would likely be adversely impacted. Harrah's Atlantic City was closed during a busy summer weekend in August 2011 due to Hurricane Irene and was closed for five days in October and November 2012 due to Hurricane Sandy. Our results of operations were significantly impacted by the closure due to Hurricane Sandy. In addition, Hurricane Sandy substantially impacted tourism in New Jersey, including Atlantic City, and the level of tourism has not yet recovered.

In most cases, we have insurance that covers portions of any losses from a natural disaster, but it is subject to deductibles and maximum payouts in many cases. Although we may be covered by insurance from a natural disaster, the timing of our receipt of insurance proceeds, if any, is out of our control. In some cases, however, we may receive no proceeds from insurance, such as our August 2011 closing and October and November 2012 closings in Atlantic City.

Additionally, a natural disaster affecting one or more of our properties may affect the level and cost of insurance coverage we may be able to obtain in the future, which may adversely affect our financial position.

As our operations depend in part on our customers' ability to travel, severe or inclement weather can also have a negative impact on our results of operations.

We may incur impairments to goodwill, indefinite-lived intangible assets, or long-lived assets, which could negatively affect our future profits.

We perform our annual impairment assessment of goodwill as of October 1, or more frequently if impairment indicators exist. We determine the estimated fair value of each reporting unit based on a combination of EBITDA and estimated future cash flows discounted at rates commensurate with the capital structure and cost of capital of comparable market participants, giving appropriate consideration to the prevailing borrowing rates within the casino industry in general. We also evaluate the aggregate fair value of all of our reporting units and other non-operating assets in comparison to our aggregate debt and equity market capitalization at the test date. Both EBITDA multiples and discounted cash flows are common measures used to value and buy or sell businesses in our industry.

We will also perform an annual impairment assessment of other non-amortizing intangible assets as of October 1, or more frequently if impairment indicators exist. We determine the estimated fair value of our non-amortizing intangible assets by primarily using the Relief From Royalty Method and Excess Earnings Method under the income approach.

We review the carrying value of our long-lived assets whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When performing this assessment, we consider current operating results, trends and prospects, as well as the effect of obsolescence, demand, competition, and other economic, legal, and regulatory factors.

We are dependent upon our properties for future cash flows and our continued success depends on our ability to draw customers to our properties. Significant negative industry or economic trends, reduced estimates of future cash flows, disruptions to our business, slower growth rates or lack of growth in our business have resulted in impairment charges during the years ended December 31, 2014, 2013, and 2012, and, if one or more of such events occurs in the future, additional impairment charges may be required in future periods. If we are required to record additional impairment charges, this could have a material adverse impact on our consolidated financial statements.

We may be required to pay our future tax obligation on our deferred cancellation of debt income.

Under the American Recovery and Reinvestment Act of 2009, or the ARRA, we received temporary federal tax relief under the Delayed Recognition of Cancellation of Debt Income, or CODI, rules. The ARRA contains a provision that allows for a deferral for tax purposes of CODI for debt reacquired in 2009 and 2010, followed by recognition of CODI ratably from 2014 through 2018. In connection with the debt that we reacquired in 2009 and 2010, we have deferred related CODI of $3.5 billion for tax purposes (net of Original Issue Discount ("OID") interest expense, some of which must also be deferred to 2014 through 2018 under the ARRA). We are required to include one-fifth of the deferred CODI, net of deferred and regularly scheduled OID, in taxable income each year from 2014 through 2018. Alternatively, the deferred CODI, net of deferred OID, could be accelerated into taxable income in a year an impairment transaction occurs. To the extent that our federal taxable income exceeds our available federal net operating loss carry forwards in those years, we will have a cash tax obligation.

Our business is particularly sensitive to energy prices and a rise in energy prices could harm our operating results.
We are a large consumer of electricity and other energy and, therefore, higher energy prices may have an adverse effect on our results of operations. Accordingly, increases in energy costs may have a negative impact on our operating results. Additionally, higher electricity and gasoline prices which affect our customers may result in reduced visitation to our resorts and a reduction in our revenues. We may be indirectly impacted by regulatory requirements aimed at reducing the impacts of climate change directed at up-stream utility providers, as we could experience potentially higher utility, fuel, and transportation costs.
CGP LLC’s interests may conflict with our interests.
The interests of CGP LLC could conflict with our interests. CGP LLC is in a similar business to us and is required to first provide any potential development opportunities to us. However, we may decide to decline the opportunity for the Company’s business and permit CGP LLC to pursue the development opportunity. A committee of our board of directors comprised of disinterested directors will consider potential development opportunities provided to us by CGP LLC. If the committee declines an opportunity, that opportunity will be available to CGP LLC and will not be available to our businesses. As a result, our business and growth prospects could be negatively impacted. Furthermore, the consideration of business opportunities may create potential or perceived conflicts of interests between our and CGP LLC's businesses. While we may retain a portion of the financial stake in any management fee to be received in connection with an opportunity provided to CGP LLC, there can be no assurances that such opportunity will be successful or that we will receive the expected fees from any opportunity.
Although certain employees of affiliates of Apollo Global Management, LLC (together with such affiliates, "Apollo") and affiliates of TPG Capital, LP (together with such affiliates, "TPG" and, together with Apollo, the "Sponsors") are on the boards of directors of Caesars Entertainment and CAC, the certificates of incorporation of both companies provide that neither the Sponsors nor directors have any obligation to present any corporate opportunity to Caesars Entertainment or CAC. Accordingly, the Sponsors may pursue gaming, entertainment or other activities outside of Caesars Entertainment or CAC and have no obligation to present such opportunity to Caesars Entertainment or CAC.
Work stoppages and other labor problems could negatively impact our future profits.
Some of our employees are represented by labor unions. The collective bargaining agreements covering most of our Las Vegas union employees expired on May 31, 2013. A new five-year agreement was finalized in January 2014, which includes a no strike provision for the term of the contract. Based on the contract recently agreed upon covering the other Caesars’ Las Vegas properties, we are hopeful that The LINQ Hotel & Casino negotiations produce a new agreement without any work disruptions. However, the possibility of a work stoppage or disruption is always present in such circumstances. Such labor dispute, if it occurred, could have a material impact on our operations.
Later this year, several collective bargaining agreements covering most of our union employees in Atlantic City will expire. We will begin negotiations for renewal agreements before their expiration and are hopeful that we will be able to reach agreements with the respective unions without any work stoppage. In the event of a strike, it is possible that such actions could have a material impact on our operations. From time to time, we have experienced attempts by labor organizations to organize certain of our non-union employees. These efforts have achieved some success to date. We cannot provide any assurance that we will not experience additional and successful union activity in the future. The impact of this union activity is undetermined and could negatively impact our profits.
We may be subject to material environmental liability, including as a result of unknown environmental contamination.
The casino properties business is subject to certain federal, state and local environmental laws, regulations and ordinances which govern activities or operations that may have adverse environmental effects, such as emissions to air, discharges to streams and rivers and releases of hazardous substances and pollutants into the environment, as well as handling and disposal from municipal/non-hazardous waste, and which also apply to current and previous owners or operators of real estate generally. Federal examples of these laws include the Clean Air Act, the Clean Water Act, the Resource Conservation Recovery Act, the Comprehensive Environmental Response, Compensation and Liability Act and the Oil Pollution Act of 1990. Certain of these environmental laws may impose cleanup responsibility and liability without regard to whether the owner or operator knew of or caused particular contamination or release of hazardous substances. Should unknown contamination be discovered on our property, or should a release of hazardous substances occur on our property, we could be required to investigate and remediate the contamination and could also

be held responsible to a governmental entity or third parties for property damage, personal injury or investigation and remediation costs incurred in connection with the contamination or release, which may be substantial. Moreover, such contamination may also impair our ability to use the affected property. Such liability could be joint and several in nature, regardless of fault, and could affect us even if such property is vacated. The potential for substantial costs and an inability to use the property could adversely affect our business.

Our insurance coverage may not be adequate to cover all possible losses we could suffer, and, in the future, our insurance costs may increase significantly or we may be unable to obtain the same level of insurance coverage.
We may suffer damage to our property caused by a casualty loss (such as fire, natural disasters and acts of war or terrorism) that could severely disrupt our business or subject it to claims by third parties who are injured or harmed. Although we maintain insurance (including property, casualty, terrorism and business interruption), it may be inadequate or unavailable to cover all of the risks to which our business and assets may be exposed. In several cases we maintain extremely high deductibles or self-insure against specific losses. Should an uninsured loss (including a loss which is less than our deductible) or loss in excess of insured limits occur, it could have a significant adverse impact on our operations and revenues.
We generally renew our insurance policies on an annual basis. If the cost of coverage becomes too high, we may need to reduce our policy limits or agree to certain exclusions from our coverage in order to reduce the premiums to an acceptable amount. Among other factors, homeland security concerns, other catastrophic events or any change in the current U.S. statutory requirement that insurance carriers offer coverage for certain acts of terrorism could adversely affect available insurance coverage and result in increased premiums on available coverage (which may cause us to elect to reduce our policy limits) and additional exclusions from coverage. Among other potential future adverse changes, in the future we may elect to not, or may be unable to, obtain any coverage for losses due to acts of terrorism.
The success of third parties adjacent to our properties is important to our ability to generate revenue and operate our business and any deterioration to their success could materially adversely affect our revenue and result of operations.
In certain cases, we do not own the businesses and amenities adjacent to our properties. However, the adjacent third-party businesses and amenities stimulate additional traffic through our complexes, including the casinos, which are our largest generators of revenue. Any decrease in the popularity of, or the number of customers visiting, these adjacent businesses and amenities may lead to a corresponding decrease in the traffic through our complexes, which would negatively affect our business and operating results. Further, if newly opening properties, such as The Cromwell, are not as popular as expected, we will not realize the increase in traffic through our properties that we expect as a result of their opening, which would negatively affect our business projections.
Compromises of our information systems or unauthorized access to confidential information or our customers' personal information could materially harm our reputation and business.
We collect and store confidential, personal information relating to our customers for various business purposes, including marketing and financial purposes, and credit card information for processing payments. For example, we handle, collect and store personal information in connection with our customers staying at our hotels and enrolling in our Total Rewards program. We may share this personal and confidential information with vendors or other third parties in connection with processing of transactions, operating certain aspects of our business or for marketing purposes. Our collection and use of personal data are governed by state and federal privacy laws and regulations as well as the applicable laws and regulations in other countries in which we operate. Privacy law is an area that changes often and varies significantly by jurisdiction. We may incur significant costs in order to ensure compliance with the various applicable privacy requirements. In addition, privacy laws and regulations may limit our ability to market to our customers.
We assess and monitor the security of collection, storage and transmission of customer information on an ongoing basis. We utilize commercially available software and technologies to monitor, assess and secure our network. Further, the systems currently used for transmission and approval of payment card transactions, and the technology utilized in payment cards themselves, all of which can put payment card data at risk, are determined and controlled by the payment card industry, not us. Although we have taken steps designed to safeguard our customers' confidential personal information, our network and other systems and those of third parties, such as service providers, could be compromised by a third party breach of our system security or that of a third party provider or as a result by purposeful or accidental actions of third parties, our employees or those employees of a third party. Advances in computer and software capabilities and encryption technology, new tools and other developments may increase the risk of such a breach. As a result of any security breach, customer information or other proprietary data may be accessed or transmitted by or to a third party. Despite these measures, there can be no assurance that we are adequately protecting our information.

Any loss, disclosure or misappropriation of, or access to, customers' or other proprietary information or other breach of our information security could result in legal claims or legal proceedings, including regulatory investigations and actions, or liability for failure to comply with privacy and information security laws, including for failure to protect personal information or for misusing personal information, which could disrupt our operations, damage our reputation and expose us to claims from customers, financial institutions, regulators, payment card associations, employees and other persons, any of which could have an adverse effect on our financial condition, results of operations and cash flow.

Our obligation to fund multi-employer pension plans to which we contribute may have an adverse impact on us.
We contribute to and participate in various multi-employer pension plans for employees represented by certain unions. We are required to make contributions to these plans in amounts established under collective bargaining agreements. We do not administer these plans and, generally, are not represented on the boards of trustees of these plans. The Pension Protection Act enacted in 2006, or the PPA, requires under-funded pension plans to improve their funding ratios. Based on the information available to us, some of the multi-employer plans to which we contribute are either "critical" or "endangered" as those terms are defined in the PPA. Specifically, the Pension Plan of the UNITE HERE National Retirement Fund is less than 65% funded. We cannot determine at this time the amount of additional funding, if any, we may be required to make to these plans. However, plan assessments could have an adverse impact on our results of operations or cash flows for a given period. Furthermore, under current law, upon the termination of a multi-employer pension plan, due to the withdrawal of all its contributing employers (a mass withdrawal), or in the event of a withdrawal by us, which we consider from time to time, we would be required to make payments to the plan for our proportionate share of the plan's unfunded vested liabilities, that would have a material adverse impact on our consolidated financial condition, results of operations and cash flows.
In January 2015, the Trustees of the National Retirement Fund (“NRF”), a multi-employer defined benefit pension plan, voted to expel the CEC controlled group (“CEC Group”) from the plan. NRF claims that CEOC’s bankruptcy presents an “actuarial risk” to the plan purportedly permitting such expulsion. The CEC affiliates that are included in NRF are Caesars Atlantic City, Bally’s Atlantic City, Harrah’s Atlantic City, Harrah’s Philadelphia and the Las Vegas laundry. NRF has advised the CEC Group that its expulsion has triggered withdrawal liability with a present value of approximately $360 million, payable in 80 quarterly payments of about $6 million.
The CEC Group disputes NRF’s authority to take such action. Prior to NRF’s vote, the CEC Group reiterated its commitment to remain in the plan and not seek rejection of any collective bargaining agreement in which the obligation to contribute to NRF exists. CEOC is current with respect to pension contributions. The CEC Group is pursuing several litigation strategies to challenge NRF’s action. There can be no assurance that our strategies will have a successful outcome, and the CEC Group may become liable for the withdrawal liability, which would have an adverse impact on us.
We have identified material weaknesses in our internal controls that existed at December 31, 2014. If the material weaknesses are not remediated promptly, our ability to both timely and accurately report our financial results could be adversely affected.
Section 404 of the Sarbanes-Oxley Act of 2002 requires companies to conduct a comprehensive evaluation of their internal control over financial reporting. To comply with this statute, each year we are required to document and test our internal control over financial reporting, our management is required to assess and issue assertions concerning our internal control over financial reporting and our independent registered public accounting firm is required to opine on the effectiveness of our internal control over financial reporting.
As of December 31, 2014, management identified material weaknesses as described in Item 9A, “Controls and Procedures,” within this report. Accordingly, management concluded that our disclosure controls and procedures and internal control over financial reporting are not effective as of December 31, 2014.
The existence of these material weaknesses could have an adverse effect on management’s ability to prevent or detect material errors on a timely basis. If we cannot produce reliable financial reports investors could lose confidence in our reported financial information and we may be unable to obtain additional financing to operate and expand our business and our business and financial condition could be harmed.
Although we believe we are taking appropriate actions to remediate the material weaknesses we identified to strengthen our internal control over financial reporting, we have taken measures to ensure the accuracy of our financial statements to date and will continue such measures in the future until we have remediated the material weaknesses as described in Item 9A.
The implementation of CES contemplated activities may be subject to regulatory and other approvals in certain jurisdictions, which may be delayed or which we may not receive.
In May 2014, we, together with CEOC, CERP and CGPH formed CES, a services joint venture. CES manages certain enterprise assets and the other assets it owns, licenses or controls and employs the corresponding employees and other

employees who provide services to CEOC, CERP and CGP LLC, their affiliates and their respective properties and systems under each property's corresponding property management agreement. CES manages certain enterprise-wide assets of ours, including the intellectual property that CEOC and its affiliates currently license to CGP LLC and other subsidiaries of CEC. In addition, certain of CEOC's subsidiaries' property management agreements have been assigned to CES and others may be assigned in the future. While CES has attained certain key regulatory approvals, before CES can commence all activities in all jurisdictions, it may be required to obtain additional regulatory approvals in certain jurisdictions. For example, employees employed by CES are, in the limited purpose of the services they provide to properties in Ohio, Pennsylvania, Missouri and Ontario, Canada, employed jointly by CES and CEOC in respect of such services and will be so jointly employed until CES obtains the necessary regulatory approvals in each of the aforementioned jurisdictions. CES intends to file for all regulatory approvals in jurisdictions in which such approval is required, but we cannot be sure when, or if, we will receive such approvals or that CES will be able to be implemented in all intended jurisdictions.

Due to the participation of CEOC, CGPH, and CERP in CES, we may not control CES and our interests may not align with the interests of the other members of CES.

CEOC, CGPH, and CERP are members of CES, and each relies on CES to provide it and its subsidiaries with intellectual property licenses and property management services, among other services. CEOC, CGPH and CERP are each required to contribute as necessary to fund CES's operating costs and capital requirements in proportion to their respective ownership interest in CES. The members of CES are required to fund its capital expenditures in agreed portions on an annual basis. The amount each member will be required to fund in future years will be subject to the review and approval of the CES steering committee. CEOC, CGPH and CERP, together, control CES through the CES steering committee, which is comprised of one representative from each of CEOC, CGPH and CERP. Conflicts of interest may arise between Caesars Entertainments' subsidiaries. Most decisions by CES require the consent of two of the three steering committee members. To the extent we are unable to control the consent of at least two of the three steering committee members, we will be unable to cause CES to take actions that our in our interest. In addition, certain decisions by CES may not be made without unanimous consent of the members, including consent by CGPH, which we do not control. These actions include any decision with respect to liquidation or dissolution of CES, merger, consolidation or sale of all or substantially all the assets of CES, usage of CES assets in a manner inconsistent with the purposes of CES, material amendment to CES's operating agreement, admission of new investors to CES and filing of any bankruptcy or similar action by CES. Thus, CGPH may block certain actions by CES that are in our interest.

We are controlled by the Sponsors, whose interests may not be aligned with ours.

Hamlet Holdings, the members of which are comprised of individuals affiliated with each of the Sponsors, as of December 31, 2014, controls approximately 61% of our common stock, and controls us, pursuant to an irrevocable proxy providing Hamlet Holdings with sole voting and sole dispositive power over those shares. As a result, the Sponsors have the power to elect all of our directors. Moreover, Hamlet Holdings has the ability to vote on any transaction that requires the approval of our board of directors or our stockholders, including the approval of significant corporate transactions such as mergers and the sale of all or substantially all of our assets. As a result, Hamlet Holdings is in a position to exert a significant influence over us, and the direction of our business and results of operations. The interests of the Sponsors could conflict with or differ from the interests of other holders of our securities. For example, the concentration of ownership held by the Sponsors could delay, defer or prevent a change of control of us or impede a merger, takeover or other business combination which another stockholder may otherwise view favorably. Additionally, the Sponsors are in the business of making or advising on investments in companies they hold, and may from time to time in the future acquire interests in or provide advice to businesses that directly or indirectly compete with certain portions of our business or are suppliers or customers of ours. One or both of the Sponsors may also pursue acquisitions that may be complementary to our business, and, as a result, those acquisition opportunities may not be available to us. A sale of a substantial number of shares of stock in the future by funds affiliated with the Sponsors or their co-investors could cause our stock price to decline. So long as Hamlet Holdings continues to hold the irrevocable proxy, they will continue to be able to strongly influence or effectively control our decisions.

In addition, we have an executive committee that serves at the discretion of our board of directors and is authorized to take such actions as it reasonably determines appropriate. Currently, the executive committee may act by a majority of its members, provided that at least one member affiliated with TPG and Apollo must approve any action of the executive committee.

Future sales or the possibility of future sales of a substantial amount of our common stock, including in connection with the merger with CAC, may depress the price of shares of our common stock.

Future sales or the availability for sale of substantial amounts of our common stock in the public market could adversely affect the prevailing market price of our common stock and could impair our ability to raise capital through future sales of equity securities.

As of March 1, 2015, there were 145 million shares outstanding, all of which are the same class of voting common stock. All of the outstanding shares of our common stock will be eligible for resale under Rule 144 or Rule 701 of the Securities Act of 1933, as amended ("Securities Act"), subject to volume limitations, applicable holding period requirements or other contractual restrictions. The Sponsors have the ability to cause us to register the resale of its shares, and our management members who hold shares will have the ability to include their shares in such registration.

We sold 7 million shares of our common stock in 2014 and 11 million shares in 2013. In connection with the merger with CAC, we expect to issue a significant number of shares of our common stock. In addition, we may issue shares of common stock or other securities from time to time as consideration for future acquisitions and investments or for any other reason that our board of directors deems advisable. If any such acquisition or investment is significant, the number of shares of our common stock, or the number or aggregate principal amount, as the case may be, of other securities that we may issue may in turn be substantial. We may also grant registration rights covering those shares of common stock or other securities in connection with any such acquisitions and investments.

We cannot predict the size of future issuances of our common stock or other securities or the effect, if any, that future issuances and sales of our common stock or other securities, including future sales by the Sponsors, will have on the market price of our common stock. Sales of substantial amounts of common stock (including shares of common stock issued in connection with an acquisition), or the perception that such sales could occur, may adversely affect prevailing market prices for our common stock.

The price and trading volume of our common stock may fluctuate significantly.

The market price of our common stock may be highly volatile and could be subject to wide fluctuations. In addition, the trading volume of our common stock may fluctuate and cause significant price variations to occur. Volatility in the market price of our common stock may prevent a holder of our common stock from being able to sell their shares. The market price for our common stock could fluctuate significantly for various reasons, including:

- our operating and financial performance and prospects, along with that of CGP LLC;
- our quarterly or annual earnings, together with those of CGP LLC, or those of other companies in our industry;
- conditions that impact demand for our products and services;
- the public's reaction to our press releases, other public announcements and filings with the SEC;
- changes in earnings estimates or recommendations by securities analysts who track our common stock;
- market and industry perception of our success, or lack thereof, in pursuing our growth strategy;
- strategic actions by us or our competitors, such as acquisitions or restructurings;
- changes in government and environmental regulation, including gaming taxes;
- changes in accounting standards, policies, guidance, interpretations or principles;
- arrival and departure of key personnel;
- changes in our capital structure;
- sales of common stock by us or members of our management team;
- issuance of common stock in connection with the merger with CAC;
- the expiration of contractual lockup agreements; and
- changes in general market, economic and political conditions in the United States and global economies or financial markets, including those resulting from natural disasters, terrorist attacks, acts of war and responses to such events.

In addition, in recent years, the stock market has experienced significant price and volume fluctuations. This volatility has had a significant impact on the market price of securities issued by many companies, including companies in the gaming, lodging, hospitality and entertainment industries. The changes frequently appear to occur without regard to the operating performance of the affected companies. Hence, the price of our common stock could fluctuate based upon factors that have little or nothing to do with us, and these fluctuations could materially reduce our share price.

Because we have not paid dividends since being acquired by the Sponsors in 2008 and do not anticipate paying dividends on our common stock in the foreseeable future, holders of our common stock should not expect to receive dividends on shares of our common stock.

We have no present plans to pay cash dividends to our stockholders and, for the foreseeable future, intend to retain all of our earnings for use in our business. The declaration of any future dividends by us is within the discretion of our Board and will be dependent on our earnings, financial condition and capital requirements, as well as any other factors deemed relevant by our board of directors.

We are a "controlled company" within the meaning of the NASDAQ rules and, as a result, will qualify for, and intend to rely on, exemptions from certain corporate governance requirements.

Hamlet Holdings controls a majority of our voting common stock. As a result, we are a "controlled company" within the meaning of NASDAQ corporate governance standards. Under the NASDAQ rules, a company of which more than 50% of the voting power is held by an individual, group or another company is a "controlled company" and we have elected not to comply with certain NASDAQ corporate governance requirements, including:

- the requirement that a majority of the board of directors consists of independent directors;
- the requirement that we have a nominating/corporate governance committee that is composed entirely of independent directors;
- the requirement that we have a compensation committee that is composed entirely of independent directors; and
- the requirement for an annual performance evaluation of the nominating/corporate governance and compensation committees.

As a result of these exemptions, we do not have a majority of independent directors nor do our nominating/corporate governance and compensation committees consist entirely of independent directors and we are not required to have an annual performance evaluation of the nominating/corporate governance and compensation committees. Accordingly, a holder of our common stock will not have the same protections afforded to stockholders of companies that are subject to all of the NASDAQ corporate governance requirements.

Our bylaws and certificate of incorporation contain provisions that could discourage another company from acquiring us and may prevent attempts by our stockholders to replace or remove our current management.

Provisions of our bylaws and our certificate of incorporation may delay or prevent a merger or acquisition that stockholders may consider favorable, including transactions in which you might otherwise receive a premium for your shares. In addition, these provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace or remove our directors. These provisions include:

- establishing a classified board of directors;
- establishing limitations on the removal of directors;
- permitting only an affirmative vote of at least two-thirds of the Board to fix the number of directors;
- prohibiting cumulative voting in the election of directors;
- empowering only the board of directors to fill any vacancy on the board of directors, whether such vacancy occurs as a result of an increase in the number of directors or otherwise;
- authorizing the issuance of "blank check" preferred stock without any need for action by stockholders;
- eliminating the ability of stockholders to call special meetings of stockholders;
- prohibiting stockholders from acting by written consent if less than 50.1% of our outstanding common stock is controlled by the Sponsors;
- prohibiting amendments to the bylaws without the affirmative vote of at least two-thirds of the board of directors or the affirmative vote of at least two-thirds of the total voting power of the outstanding shares entitled to vote;

- prohibiting amendments to the certificate of incorporation relating to stockholder meetings, amendments to the bylaws or certificate of incorporation, or the election or classification of the board of directors without the affirmative vote of two-thirds of the shares entitled to vote on any matter; and
- establishing advance notice requirements for nominations for election to the board of directors or for proposing matters that can be acted on by stockholders at stockholder meetings.

Our issuance of shares of preferred stock could delay or prevent a change of control of us. Our board of directors has the authority to cause us to issue, without any further vote or action by the stockholders, shares of preferred stock, par value $0.01 per share, in one or more series, to designate the number of shares constituting any series, and to fix the rights, preferences, privileges and restrictions thereof, including dividend rights, voting rights, rights and terms of redemption, redemption price or prices and liquidation preferences of such series. The issuance of shares of preferred stock may have the effect of delaying, deferring or preventing a change in control of our company without further action by the stockholders, even where stockholders are offered a premium for their shares.

Together, these charter and statutory provisions could make the removal of management more difficult and may discourage transactions that otherwise could involve payment of a premium over prevailing market prices for our common stock. Furthermore, the existence of the foregoing provisions, as well as the significant common stock controlled by Hamlet Holdings, could limit the price that investors might be willing to pay in the future for shares of our common stock. They could also deter potential acquirers of our company, thereby reducing the likelihood that you could receive a premium for your common stock in an acquisition.

PRIVATE SECURITIES LITIGATION REFORM ACT

This Form 10-K contains or may contain "forward-looking statements" intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. These statements can be identified by the fact that they do not relate strictly to historical or current facts. We have based these forward-looking statements on our current expectations about future events. Further, statements that include words such as "may," "will," "project," "might," "expect," "believe," "anticipate," "intend," "could," "would," "estimate," "continue," "present," "preserve," or "pursue," or the negative of these words or other words or expressions of similar meaning may identify forward-looking statements. These forward-looking statements are found at various places throughout the report. These forward-looking statements, including, without limitation, those relating to future actions, new projects, strategies, future performance, the outcome of contingencies such as legal proceedings, the restructuring of CEOC and future financial results, wherever they occur in this report, are necessarily estimates reflecting the best judgment of our management and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. These forward-looking statements should, therefore, be considered in light of various important factors set forth above and from time to time in our filings with the Securities and Exchange Commission.

In addition to the risk factors set forth above, important factors that could cause actual results to differ materially from estimates or projections contained in the forward-looking statements include without limitation:

- the outcome of currently pending or threatened litigation and demands for payment by certain creditors against CEC;
- the effects of CEOC’s bankruptcy filing on CEOC and its subsidiaries and affiliates, including Caesars Entertainment, and the interest of various creditors, equity holders and other constituents;
- the ability to retain key employees during the restructuring of CEOC;
- the event that the RSA may not be consummated in accordance with its terms, or persons not party to the RSA may successfully challenge the implementation thereof;
- the length of time CEOC will operate in the Chapter 11 cases or CEOC’s ability to comply with the milestones provided by the RSA;
- risks associated with third party motions in the Chapter 11 cases, which may hinder or delay CEOC’s ability to consummate the restructuring as contemplated by the RSA;
- the potential adverse effects of Chapter 11 proceedings on Caesars Entertainment’s liquidity or results of operations;
- the effects of local and national economic, credit and capital market conditions on the economy, in general, and on the gaming industry, in particular;

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

You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this Annual Report on Form 10-K. We undertake no obligation to publicly update or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this Form 10-K or to reflect the occurrence of unanticipated events, except as required by law.

ITEM 1B. Unresolved Staff Comments

None.

ITEM 2. Properties
Property Aggregation
Our properties are aggregated below based on our reportable segments as of December 31, 2014. All amounts are approximations.
CERP and CGP LLC Properties

Property	Location	Type of Casino	Casino Space– Sq. Ft.	Slot Machines	Table Games	Hotel Rooms & Suites
CERP						
Flamingo Las Vegas	Las Vegas, Nev.	Land-based	72,300	1,110	120	3,460
Harrah's Atlantic City	Atlantic City, N.J.	Land-based	154,800	2,300	180	2,590
Harrah's Las Vegas	Las Vegas, Nev.	Land-based	90,600	1,280	90	2,720
Harrah's Laughlin	Laughlin, Nev.	Land-based	56,000	940	40	1,510
Paris Las Vegas	Las Vegas, Nev.	Land-based	95,300	1,020	100	2,920
Rio All-Suites Hotel & Casino	Las Vegas, Nev.	Land-based	117,300	1,070	90	2,520
CGP LLC						
Bally's Las Vegas[(1)]	Las Vegas, Nev.	Land-based	66,200	1,000	70	2,810
The Cromwell [(1)]	Las Vegas, Nev.	Land-based	28,100	450	60	188
Harrah's New Orleans[(1)]	New Orleans, La.	Land-based	125,100	1,750	140	450
Horseshoe Baltimore [(2)]	Baltimore, Md.	Land-based	122,000	2,500	150	—
Planet Hollywood	Las Vegas, Nev.	Land-based	64,500	1,100	90	2,500
The LINQ Hotel & Casino [(1)(3)]	Las Vegas, Nev.	Land-based	62,200	750	70	2,250

(1) CGP LLC acquired this property from CEOC May 2014. See "Caesars Growth Partners, LLC" within Note 2, "Basis of Presentation and Principles of Consolidation."
(2) This property opened in August 2014.
(3) Formerly The Quad Hotel & Casino. Rooms includes 1,250 rooms that are under renovation and not in service.

CEOC Properties
On January 15, 2015, CEOC and certain of its U.S. subsidiaries voluntarily filed for reorganization under Chapter 11 of the Bankruptcy Code. Because CEOC is deemed to be under the control of the United States Bankruptcy Court, CEC deconsolidated this subsidiary effective January 15, 2015 (see Note 23, "Subsequent Events - CEOC Bankruptcy and Deconsolidation").

Property	Location	Type of Casino	Casino Space– Sq. Ft.	Slot Machines	Table Games	Hotel Rooms & Suites
CEOC OWNED - DOMESTIC						
Bally's Atlantic City	Atlantic City, N.J.	Land-based	119,500	1,950	170	1,260
Caesars Atlantic City	Atlantic City, N.J.	Land-based	115,200	1,920	140	1,140
Caesars Palace Las Vegas	Las Vegas, Nev.	Land-based	123,700	1,300	170	3,960
Harrah's Gulf Coast	Biloxi, Miss.	Dockside	31,300	770	30	490
Harrah's Council Bluffs	Council Bluffs, Iowa	Land-based	25,000	570	20	250
Harrah's Joliet[(1)]	Joliet, Ill.	Dockside	38,900	1,100	40	200
Harrah's Lake Tahoe	Lake Tahoe, Nev.	Land-based	45,100	820	70	510
Harrah's Metropolis	Metropolis, Ill.	Dockside	24,300	830	30	260
Harrah's North Kansas City		Dockside	60,100	1,430	60	390

	N. Kansas City, Mo.					
Harrah's Philadelphia[1]	Chester, Pa.	Harness racing and land-based casino	112,600	2,800	120	—
Harrah's Reno	Reno, Nev.	Land-based	40,200	720	30	930
Harveys Lake Tahoe	Lake Tahoe, Nev.	Land-based	44,200	740	70	740

Property	Location	Type of Casino	Casino Space– Sq. Ft.	Slot Machines	Table Games	Hotel Rooms & Suites
Horseshoe Bossier City	Bossier City, La.	Dockside	28,100	1,400	70	600
Horseshoe Council Bluffs [2]	Council Bluffs, Iowa	Greyhound racing and land-based casino	78,800	1,430	70	—
Horseshoe Hammond	Hammond, Ind.	Dockside	108,200	2,860	160	—
Horseshoe Southern Indiana	Elizabeth, Ind.	Dockside	86,600	1,660	100	500
Horseshoe Tunica	Tunica, Miss.	Dockside	63,000	1,130	100	510
Louisiana Downs	Bossier City, La.	Thoroughbred racing facility and land-based casino	12,000	1,050	—	—
Tunica Roadhouse	Tunica, Miss.	Dockside	33,000	700	20	130
CEOC OWNED - INTERNATIONAL						
Alea Glasgow	United Kingdom	Land-based	15,000	50	30	—
Alea Nottingham	United Kingdom	Land-based	10,000	50	20	—
The Casino at the Empire	United Kingdom	Land-based	20,900	120	40	—
Emerald Safari [1]	South Africa	Land-based	37,700	540	40	190
Manchester235	United Kingdom	Land-based	11,500	40	50	—
Playboy Club London	United Kingdom	Land-based	6,200	20	20	—
Rendezvous Brighton	United Kingdom	Land-based	7,800	70	30	—
Rendezvous Southend-on-Sea	United Kingdom	Land-based	8,600	50	30	—
The Sportsman	United Kingdom	Land-based	5,200	40	20	—
CEOC MANAGED						
Caesars Cairo	Egypt	Land-based	5,500	30	20	—
Caesars Windsor [3]	Ontario, Canada	Land-based	100,000	2,260	90	760
Harrah's Ak-Chin	Phoenix, Ariz.	Indian Reservation	48,800	1,110	30	300
Harrah's Cherokee	Cherokee, N.C.	Indian Reservation	176,800	3,530	180	1,110
Harrah's Resort Southern California	San Diego, Calif.	Indian Reservation	72,900	1,720	70	1,070
Horseshoe Cincinnati [4]	Cincinnati, Ohio	Land-based	108,800	1,990	120	—
Horseshoe Cleveland [4]	Cleveland, Ohio	Land-based	96,000	1,630	120	—
The London Clubs Cairo-Ramses	Egypt	Land-based	2,700	50	20	—
ThistleDown Racino [4]	Cleveland, Ohio	Land-based	71,700	1,280	—	—

(1) CEOC has a majority ownership interest in and manages this property.
(2) The property is leased to the operator and managed by CEOC.
(3) CEOC operates this property and the province of Ontario owns the complex through the Ontario Lottery and Gaming Corporation.
(4) CEOC has a 20% interest in the entity that owns this property and CEOC manages this property. See Note 22, "Subsequent Events - Other," for recent developments related to this property.

ITEM 3. Legal Proceedings

Litigation

Noteholder Disputes

On August 4, 2014, Wilmington Savings Fund Society, FSB, solely in its capacity as successor Indenture Trustee for the 10% Second-Priority Senior Secured Notes due 2018 (the "Notes"), on behalf of itself and, it alleges, derivatively on behalf of CEOC, filed a lawsuit (the "Second Lien Lawsuit") in the Court of Chancery in the State of Delaware against CEC and CEOC, Caesars Growth Partners, LLC (“CGP LLC”), Caesars Acquisition Company (“CAC”), Caesars Entertainment Resort Properties, LLC (“CERP”), Caesars Enterprise Services, LLC (“CES”), Eric Hession, Gary Loveman, Jeffrey D. Benjamin, David Bonderman, Kelvin L. Davis, Marc C. Rowan, David B. Sambur, and Eric Press. The lawsuit alleges claims for breach of contract, intentional and constructive fraudulent transfer, breach of fiduciary duty, aiding and abetting breach of fiduciary duty, and corporate waste. The lawsuit seeks (1) an award of money damages; (2) to void certain transfers, the earliest of which dates back to 2010; (3) an injunction directing the recipients of the assets in these transactions to return them to CEOC; (4) a declaration that CEC remains liable under the parent guarantee formerly applicable to the Notes; (5) to impose a constructive trust or equitable lien on the transferred assets; and (6) an award to plaintiffs for their attorneys' fees and costs. CEC believes this lawsuit is without merit and will defend itself vigorously. A motion to dismiss this action was filed by CEC and other defendants in September 2014, and the motion was argued in December 2014. No decision on that motion has yet been issued. The parties agreed to stay discovery until a decision on the motion to dismiss is entered. During the Chapter 11 process, the action has been automatically stayed with respect to CEOC.

On August 5, 2014, CEC, along with CEOC, filed a lawsuit in the Supreme Court of the State of New York, County of New York, against certain institutional first and second lien note holders. The complaint states that such institutional first and second lien note holders have acted against the best interests of CEOC and other creditors, including for the purpose of inflating the value of their credit default swap positions or improving other unique securities positions. The complaint asserts claims for tortious interference with prospective economic advantage, declaratory judgment and breach of contract and seeks, among other things, (1) money damages; (2) a declaration that no default or event of default has occurred or is occurring and that CEC and CEOC have not breached their fiduciary duties or engaged in fraudulent transfers or other violation of law; and (3) a preliminary and permanent injunction prohibiting the defendants from taking further actions to damage CEC or CEOC. Defendants filed motions to dismiss this action in October 2014 and the issue has now been fully briefed. The parties have agreed to stay discovery until a decision on the motion to dismiss is issued in this action.

On September 3, 2014, holders of approximately $21 million of CEOC Senior Notes due 2016 and 2017 filed suit in federal district court in Manhattan against CEC and CEOC, claiming broadly that an August 12, 2014 Note Purchase and Support Agreement between CEC and CEOC (on the one hand) and certain other holders of the CEOC Senior Notes (on the other hand) impaired their own rights under the Senior Notes. The lawsuit seeks both declaratory and monetary relief. On October 2, 2014, other holders of CEOC Senior Notes due 2016 purporting to represent a class of all holders of these Notes from August 11, 2014 to the present filed a substantially similar suit in the same court, against the same defendants, relating to the same transactions. Both lawsuits (the "Unsecured Note Lawsuits") have been assigned to the same judge. CEC and CEOC's motion to dismiss both complaints was denied in substantial part by the court. Although the claims against CEOC have been automatically stayed during the Chapter 11 process, discovery has begun with respect to the plaintiffs' claims against CEC.

On November 25, 2014, UMB Bank, as successor indenture trustee for CEOC's 8.5% senior secured notes due 2020, filed a verified complaint (the "First Lien Lawsuit") in Delaware Chancery Court against CEC, CEOC, CERP, CAC, CGP LLC, CES, and against individual past and present Board members Loveman, Benjamin, Bonderman, Davis, Press, Rowan, Sambur, Hession, Colvin, Kleisner, Swann, Williams, Housenbold, Cohen, Stauber, and Winograd, alleging generally that defendants have improperly stripped CEOC of prized assets, have wrongfully affected a release of a CEC parental guarantee of CEOC debt and have committed other wrongs. Among other things, UMB Bank has asked the court to appoint a receiver over CEOC and seeks accelerated discovery and an expedited trial on that receivership cause of action. In addition to seeking appointment of a receiver, the new suit pleads claims for alleged fraudulent conveyances/transfers, insider preferences, illegal dividends, declaratory judgment (for breach of contract as regards to the parent guarantee and also as to certain covenants in the bond indenture), tortious interference with contract, breach of fiduciary duty, usurpation of corporate opportunities, and unjust enrichment, and seeks monetary and equitable as well as declaratory relief. We have moved to dismiss the lawsuit, and that motion has been fully briefed. In addition, this lawsuit has been automatically stayed with respect to CEOC during the Chapter 11 process and, pursuant to the RSA, has been subject to a consensual stay for all parties since CEOC's filing for Chapter 11. The consensual stay will expire upon the termination of the RSA.

On March 3, 2015, BOKF, N.A. filed a lawsuit (the "BOKF Lawsuit") against Caesars Entertainment in the United States District Court for the Southern District of New York in its capacity as successor indenture trustee for CEOC's 12.75% Second-Priority Notes. The plaintiff alleges that CEOC's filing of a voluntary Chapter 11 bankruptcy petition on January 15, 2015 constituted an event of default under the relevant indenture that caused all principal and interest owed on the 12.75% Second-Priority Notes to become immediately due and payable; that a provision in the indenture pursuant to which CEC guaranteed CEOC's obligations on the 12.75% Second-Priority Notes is valid, binding, and enforceable; and that CEC is indebted to BOKF, N.A. for all principal, interest, and other amounts due and owing on the 12.75% Second-Priority Notes. Based on these allegations, the plaintiff brings claims for the violation of the Trust Indenture Act of 1939, breach of contract, intentional interference with contractual relations, breach of the duty of good faith and fair dealing, and declaratory relief. CEC has not yet been served with process in this case.

The Company believes that the claims and demands described above against CEC are without merit and intend to defend ourselves vigorously. The claims against CEOC have been stayed due to the Chapter 11 process and, in some instances, the actions against CEC have been allowed to continue. At the present time, we believe it is not probable that a material loss will result from the outcome of these matters. The Noteholder Disputes are in their very preliminary stages and discovery has begun on the Unsecured Note Lawsuits. We cannot provide assurance as to the outcome of the Noteholder Disputes or of the range of potential losses should the Noteholder Disputes ultimately be resolved against us, due to the inherent uncertainty of litigation and the stage of the related litigation. Should these matters ultimately be resolved through litigation outside of the financial restructuring of CEOC (the "Financial Restructuring"), and were a court to find in favor of the claimants in any of these Noteholder Disputes, such determination could have a material adverse effect on our business, financial condition, results of operations, and cash flows. See Note 1, “Description of Business - Going Concern.”

See additional disclosures related to litigation and other matters in Note 22, “Subsequent Events - Other,” and Note 23, “Subsequent Events - CEOC Bankruptcy and Deconsolidation.”

CEC-CAC Merger Litigation

On December 30, 2014, Nicholas Koskie, on behalf of himself and, he alleges, all others similarly situated, filed a lawsuit (the “Merger Lawsuit”) in the Clark County District Court in the State of Nevada against CAC, CEC and members of the CAC board of directors Marc Beilinson, Philip Erlanger, Dhiren Fonseca, Don Kornstein, Karl Peterson, Marc Rowan, and David Sambur (the individual defendants collectively, the “CAC Directors”). The Merger Lawsuit alleges claims for breach of fiduciary duty against the CAC Directors and aiding and abetting breach of fiduciary duty against CAC and CEC. It seeks (1) a declaration that the claim for breach of fiduciary duty is a proper class action claim; (2) to order the CAC Directors to fulfill their fiduciary duties to CAC in connection with the proposed merger between CAC and CEC announced on December 22, 2014 (the “Proposed Merger”), specifically by announcing their intention to (a) cooperate with bona fide interested parties proposing alternative transactions, (b) ensure that no conflicts exist between the CAC Directors’ personal interests and their fiduciary duties to maximize shareholder value in the Proposed Merger, or resolve all such conflicts in favor of the latter, and (c) act independently to protect the interests of the shareholders; (3) to order the CAC Directors to account for all damages suffered or to be suffered by Plaintiff and the putative class as a result of the Proposed Merger; and (4) to award Plaintiff for his costs and attorneys’ fees. It is unclear whether the Merger Lawsuit also seeks to enjoin the Proposed Merger. CEC believes that this lawsuit is without merit and will defend itself vigorously. The deadline to respond to the Merger Lawsuit has been adjourned without a date by agreement of the parties.

National Retirement Fund

In January 2015, the National Retirement Fund (“NRF”), a multi-employer defined benefit pension plan, voted to expel Caesars Entertainment and its participating subsidiaries (“CEC Group”) from the plan. NRF claims that CEOC’s bankruptcy presents an “actuarial risk” to the plan because, depending on the outcome of the bankruptcy proceeding, Caesars Entertainment might no longer be liable to the plan for any partial or complete withdrawal liability. NRF has advised the CEC Group that its expulsion has triggered withdrawal liability with a present value of approximately $360 million, payable in 80 quarterly payments of about $6 million. Caesars Entertainment vigorously disputes NRF’s legal and contractual authority to take such action and has challenged NRF’s actions in the appropriate legal forums.

Other Matters

In recent years, governmental authorities have been increasingly focused on anti-money laundering ("AML") policies and procedures, with a particular focus on the gaming industry. As an example, a major gaming company recently settled a U.S. Attorney investigation into its AML practices. On October 11, 2013, a subsidiary of the Company received a letter from the Financial Crimes Enforcement Network of the United States Department of the Treasury ("FinCEN"), stating that FinCEN is investigating the Company’s subsidiary, Desert Palace, Inc. (the owner of Caesars Palace), for alleged violations of the Bank Secrecy Act to determine whether it is appropriate to assess a civil penalty and/or take additional enforcement action against Caesars Palace. We responded to FinCEN's letter on January 13, 2014. Additionally, the Company has been informed that a federal grand jury investigation regarding the Company’s anti-money laundering practices and procedures is ongoing. The Company is fully cooperating with both the FinCEN and grand jury investigations. Based on proceedings to date, the Company is currently unable to determine the probability of the outcome of these matters or the range of reasonably possible loss, if any.

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Employee Benefit Obligations

In December 1998, Hilton Hotels Corporation ("Hilton") spun-off its gaming operations as Park Place Entertainment Corporation ("Park Place"). In connection with the spin-off, Hilton and Park Place entered into various agreements, including an Employee Benefits and Other Employment Allocation Agreement dated December 31, 1998 (the "Allocation Agreement") whereby Park Place assumed or retained, as applicable, certain liabilities and excess assets, if any, related to the Hilton Hotels Retirement Plan (the "Hilton Plan") based on the benefits of Hilton employees and Park Place employees. CEOC is the ultimate successor to this Allocation Agreement. In 2013, a lawsuit was settled related to the Hilton Plan, which retroactively and prospectively increased total benefits to be paid under the Hilton Plan. In 2009, the Company received a letter from Hilton, notifying the Company of a lawsuit related to the Hilton Plan which alleged that the Company had potential liability for the additional claims under the terms of the Allocation Agreement. Based on conversations between the Company’s representative and a representative of the defendants, the Company recorded a charge of $25 million during the second quarter 2010, representing the Company’s (including subsidiaries) allocated share of the total damages estimate.

In December 2013, the Company received a letter from Hilton notifying it that all final court rulings have been rendered in relation to this matter. The Company was subsequently informed that its obligation under the Allocation Agreement was approximately $54 million, and that approximately $19 million relates to contributions for historical periods and approximately $35 million relates to estimated future contributions. The Company met with Hilton representatives in March 2014 and had discussions subsequently. The Company cannot currently predict the ultimate outcome of this matter, but continues to believe that it may have various defenses against such claims, including defenses as to the amount of liabilities. On November 21, 2014, in response to a letter from Hilton, the Company agreed to attempt to mediate a resolution of the matter. On December 24, 2014, Hilton sued CEC and CEOC in federal court in Virginia primarily under the Employee Retirement Income Security Act (“ERISA”), for monetary and equitable relief in connection with this ongoing dispute. Hilton amended its lawsuit in January 2015 to remove CEOC as a defendant. CEC moved to dismiss the lawsuit in February 2015 and that motion is scheduled to be argued in March 2015.

Other Matters

The Company is party to ordinary and routine litigation incidental to our business. We do not expect the outcome of any such litigation to have a material effect on our consolidated financial position, results of operations, or cash flows, as we do not believe it is reasonably possible that we will incur material losses as a result of such litigation.

ITEM 4. Mine Safety Disclosures

Not applicable.

PART II

ITEM 5. Market for the Company's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Effective February 8, 2012, our common stock trades on the NASDAQ under the symbol "CZR." The following table sets forth the high and low sales prices for our common stock on the NASDAQ for each quarter during 2014 and 2013.

	2014		2013	
	High	Low	High	Low
First Quarter	$26.74	$18.86	$18.37	$7.00
Second Quarter	23.00	17.05	17.77	11.84
Third Quarter	18.54	11.21	26.57	13.35
Fourth Quarter	17.39	8.51	22.50	16.25

As of March 1, 2015, there were 144,677,371 shares of common stock issued and outstanding that were held by 136 stockholders of record.

To date, we have not paid a cash dividend. Certain of our borrowings for CEOC, CERP, and CGP LLC have covenants and requirements restricting or limiting the ability of CEC and its subsidiaries to, among other things, pay dividends on or make distributions in respect of their capital stock or make other restricted payments. See Note 10, "Debt," for additional information on our covenants and restrictions.

There have not been any sales by CEC of equity securities during the years ended December 31, 2014, 2013, or 2012, that have not been registered under the Securities Act. In addition, CEC did not repurchase shares of its common stock during the three months ended December 31, 2014.

Performance Graph

The following graph compares the cumulative total stockholder return on our common stock with the cumulative total return on the Standard & Poor's 500 Stock Index ("S&P 500") and the Dow Jones U.S. Gambling Total Stock Market Index ("Dow Jones U.S. Gambling") for the period beginning on February 8, 2012, (the date our common stock commenced trading on the NASDAQ Global Select Market) and ending on December 31, 2014. NASDAQ OMX furnished the data. The performance graph assumes a $100 investment in our stock and in each index on February 8, 2012, and the reinvestment of all dividends, as applicable.

		As of December 31,		
	2/8/2012	2012	2013	2014
CZR	$100.00	$44.96	$139.96	$101.95
S&P 500 Index	100.00	107.85	142.78	162.33
Dow Jones U.S. Gambling	100.00	98.69	168.43	139.72

Past stock price performance is not necessarily indicative of future results. The performance graph should not be deemed filed or incorporated by reference into any other of our filings under the Securities Act or the Exchange Act, unless we specifically incorporate the performance graph by reference therein.

Equity Compensation Plan Information

In February 2008, our Board of Directors approved the Harrah's Entertainment, Inc. Management Equity Incentive Plan, as amended, (the "2008 Incentive Plan") and granted options to purchase our common stock to certain of our officers and employees. In February 2012, our Board of Directors adopted the 2012 Performance Incentive Plan, as amended (the "2012 Incentive Plan"). See Note 18, "Stock-Based Compensation."

Equity compensation plans not approved by security holders	Number of securities to be issued upon exercise of outstanding options or vesting of restricted stock	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans [3]
Stock Options [1]	9,379,885	$ 13.65	3,374,865
Restricted Stock [2]	—	N/A	N/A

(1) The weighted average remaining contractual life for the options set forth in this row is 7.8 years.

(2) The shares of restricted common stock are issued under the 2012 Incentive Plan.

(3) Under the 2012 Incentive Plan, the type and form of awards that can be granted includes, but is not limited to, stock options, stock appreciation rights, restricted stock awards, and restricted stock units.

ITEM 6. Selected Financial Data

The following selected financial data should be read in conjunction with the consolidated financial statements and Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," of this Form 10 K.

(In millions, except per share data)	2014	2013	2012	2011	2010
OPERATING DATA					
Net revenues	$8,516	$8,220	$8,186	$8,161	$8,086
Write-downs, reserves, and project opening costs, net of recoveries	120	104	99	72	150
Impairment of intangible and tangible assets (1)	994	2,831	625	33	184
Income/(loss) from operations	(452)	(2,026)	134	794	487
Interest expense	2,670	2,252	2,100	2,121	1,980
Gain/(loss) on early extinguishment of debt	(96)	(30)	136	48	116
Income/(loss) from continuing operations, net of income taxes	(2,674)	(2,733)	(1,103)	(734)	(860)
Income/(loss) from discontinued operations, net of income taxes	(192)	(207)	(400)	30	26
Net income/(loss)	(2,866)	(2,940)	(1,503)	(704)	(834)
Net income/(loss) attributable to Caesars	(2,783)	(2,948)	(1,508)	(725)	(842)
COMMON STOCK DATA					
Basic and diluted earnings/(loss) per share from:					
Continuing operations	$(18.18)	$(21.32)	$(8.83)	$(6.04)	$(8.73)
Discontinued operations	(1.35)	(1.61)	(3.21)	0.24	0.26
Net income/(loss)	$(19.53)	$(22.93)	$(12.04)	$(5.80)	$(8.47)
FINANCIAL POSITION DATA					
Total assets	$23,535	$24,689	$27,998	$28,516	$28,588
Long-term debt, book value (2)	7,434	20,918	20,532	19,760	18,786
Noncontrolling interests (3)	255	1,218	80	47	40
Stockholders' equity/(deficit)	(4,997)	(3,122)	(412)	1,007	1,633

(1) See Note 7, "Property and Equipment, net," and Note 8, "Goodwill and Other Intangible Assets" for information about impairments.

(2) The increase in noncontrolling interests in 2013 was primarily due to the CGP LLC formation transaction (see Note 2, "Basis of Presentation and Principles of Consolidation"). The decrease in 2014 was primarily due the sale and grant of CEOC shares in May 2014, which reduced CEC's ownership to approximately 89% (see Note 11, "Stockholders' Equity and Loss Per Share").

(3) See Note 10, "Debt," for information about debt.

ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with, and is qualified in its entirety by, the audited consolidated financial statements and the notes thereto and other financial information included elsewhere in this Form 10-K. Note references are to the notes to consolidated financial statements included in Item 8, "Financial Statements and Supplementary Data." Certain statements in this "Management's Discussion and Analysis of Financial Condition and Results of Operations" are forward-looking statements. See Item 1A, "Risk Factors—PRIVATE SECURITIES LITIGATION REFORM ACT" of this report.

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

Overview

Caesars Entertainment is primarily a holding company with no independent operations of its own, and as of December 31, 2014 operated the consolidated business through four reportable segments (see Item 2, "Properties"):

- Caesars Entertainment Resort Properties ("CERP");
- Caesars Growth Partners Casino Properties and Developments ("CGP LLC Casinos");
- Caesars Interactive Entertainment ("CIE"); and
- Caesars Entertainment Operating Company ("CEOC").

CGP LLC Casinos and CIE are composed of subsidiaries of our consolidated variable interest entity, Caesars Growth Partners, LLC ("CGP LLC") (See Note 2, "Basis of Presentation and Principles of Consolidation").

We revised our presentation from one reportable segment to the four listed above effective October 1, 2014, in conjunction with CES' commencing of operations, as the way in which CEC management assesses results and allocates resources was realigned in accordance with these segments.

As of December 31, 2014, through our reportable segments we owned and operated or managed 49 casinos in 14 U.S. states and 5 countries. Our owned and managed facilities had an aggregate of over three million square feet of gaming space and over 39,000 hotel rooms. Of the 49 casinos, 37 are in the United States and primarily consist of land-based and riverboat or dockside casinos. Our 12 international casinos are land-based casinos, most of which are located in England. In addition, we operate an online gaming business and the World Series of Poker tournament and brand.

Recent Developments

CEOC Financial Restructuring Plan

As a result of CEOC's highly-leveraged capital structure and the general decline in its gaming results since 2007, on January 15, 2015, CEOC and certain of its U.S. subsidiaries voluntarily filed for reorganization under Chapter 11 of the United States Bankruptcy Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the Northern District of Illinois in Chicago (the "Bankruptcy Court"). Because CEOC is under the control of the Bankruptcy Court, CEC deconsolidated this subsidiary effective January 15, 2015 (see Note 23, "Subsequent Events - CEOC Bankruptcy and Deconsolidation").

Announcement of Management Transition

On February 4, 2015, we announced that Gary Loveman, Chairman and Chief Executive Officer of Caesars Entertainment Corporation, has decided to begin transitioning management of the Company at the end of the first quarter of 2015. Loveman will continue to serve as Chairman of CEC and of CEOC. As Chairman, Loveman will continue to oversee the restructuring of CEOC.

Summary of 2014 Events

Financing Activities

See Note 10, "Debt," for additional information on the following transactions, except where indicated otherwise.

- Caesars Growth Properties Holdings Notes. In April 2014, Caesars Growth Properties Holdings, LLC ("CGPH") and Caesars Growth Properties Finance, Inc., subsidiaries of CGP LLC, issued $675 million aggregate principal amount of their 9.375% second-priority senior secured notes due 2022.
- Caesars Growth Properties Holdings Term Loan. CGPH closed on a $1.2 billion term loan and a $150 million revolving credit facility in May 2014. CGP LLC used $477 million of the net proceeds to repay all amounts outstanding under the Planet Hollywood Loan Agreement.
- Sale of CEOC Common Stock. In May 2014, Caesars Entertainment sold 68,100 of its shares on a post-split basis of CEOC common stock to certain qualified institutional buyers for an aggregate purchase price of $6 million. Upon completion of the sale, Caesars Entertainment's guarantee of CEOC's outstanding secured and unsecured notes was automatically released. See Note 11, "Stockholders' Equity and Loss Per Share," for additional information.
- Incremental Term Loans. In June 2014, CEOC completed the offering of $1.8 billion of Incremental Term Loans due March 2017.
- Repayment of 2015 maturities. In July 2014, CEOC completed the repurchase of $982 million aggregate principal amount outstanding of its 5.625% Senior Notes due 2015 and 10.00% Second-Priority Senior Secured Notes due 2015 for total consideration of approximately $1.0 billion.
- Repayments of Certain Term Loans. In connection with the assumption of the Incremental Term Loans and the consummation of the amendment to the Credit Facilities, CEOC repaid $794 million in certain term loans.
- Bank Amendment. In July 2014, CEOC announced it satisfied all requirements related to certain amendments to its senior secured credit facilities that, among other things, modified the financial maintenance covenant to increase the leverage ratio level.
- Note Purchase and Support Agreement. In August 2014, CEOC and CEC each paid $78 million of cash to purchase an aggregate principal amount of $89 million of the 6.50% Senior Notes due 2016 and an aggregate principal amount of $66 million of the 5.75% Senior Notes due 2017. In addition, CEC contributed $427 million in aggregate principal of Senior Notes to CEOC for cancellation.

Property Matters

The following is a summary of our significant property-related activities during 2014. For more information on these and other property matters see Note 6, "Acquisitions, Dispositions, and Other Property Matters."

Property Openings

During the first quarter 2014, we completed the opening of The LINQ promenade, O'Shea's Casino, and The High Roller. During the second quarter 2014, we opened The Cromwell, including Drai's and Giada. During the third quarter 2014, we opened Horseshoe Baltimore and continued to make considerable progress on the renovation of The LINQ Hotel & Casino ("The LINQ Hotel," formerly The Quad Resort & Casino).

Property Sales

In May 2014, CEOC consummated the CEOC-CGP LLC Property Transaction as disclosed in Note 2, "Basis of Presentation and Principles of Consolidation - Property Transaction between CEOC and CGP LLC."

Property Closures

The decline in U.S. gaming activity over the last several years combined with the increase in regional competition and supply has negatively impacted our regional and consolidated results. In response to these conditions, we closed two U.S. properties, including Harrah's Tunica effective June 2014 and Showboat Atlantic City effective August 2014. We recorded intangible and tangible asset impairment charges totaling $68 million and accrued exit costs of $42 million associated with these closures. In December 2014, we sold Showboat Atlantic City for $18 million.

Other Matters

As a result of new legislation passed in May 2014 in the State of Iowa, we are required to cease our greyhound racing activities at our Horseshoe Council Bluffs casino in Council Bluffs, Iowa, effective December 31, 2015. The new legislation also requires that we pay a total of $65 million to the Iowa Racing and Gaming Commission over a seven-year period, beginning on January 2016. These exit costs were recorded at the present value of the future liability and will be accreted over the term of the payments. The present value of the liability related to the exit costs was $43 million as of December 31, 2014.

Announced Merger with Caesars Acquisition Corporation

On December 21, 2014, CEC and Caesars Acquisition Company ("CAC") entered into a merger agreement, pursuant to which, among other things, CAC will merge with and into CEC, with CEC as the surviving company. (See Note 1, "Description of Business - Announced Merger with Caesars Acquisition Corporation").

Consolidated Operating Results

	Years Ended December 31,			Change %	
(Dollars in millions)	2014	2013	2012	2014 vs 2013	2013 vs 2012
Casino revenues	$5,418	$5,529	$5,916	(2.0)%	(6.5)%
Net revenues	$8,516	$8,220	$8,186	3.6 %	0.4 %
Income/(Loss) from operations	$(452)	$(2,026)	$134	77.7 %	*
Loss from continuing operations, net of income taxes	$(2,674)	$(2,733)	$(1,103)	2.2 %	(147.8)%
Loss from discontinued operations, net of income taxes	$(192)	$(207)	$(400)	7.2 %	48.3 %
Net loss attributable to Caesars	$(2,783)	$(2,948)	$(1,508)	5.6 %	(95.5)%
Property EBITDA [1]	$1,689	$1,877	$2,028	(10.0)%	(7.4)%
Operating Margin [2]	(5.3)%	(24.6)%	1.6 %	19.3 pts	26.2 pts

Casino revenues, net revenues, income from operations, and loss from continuing operations, net of income taxes exclude the results of our discontinued operations disclosed in Note 6, "Acquisitions, Dispositions, and Other Property Matters," for all periods presented in the table above.

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* Not meaningful

(1) See the Reconciliation of Non-GAAP Financial Measures discussion later in this Management's Discussion and Analysis of Financial Condition and Results of Operations for a reconciliation of net loss attributable to Caesars to Property EBITDA.

(2) Operating margin is calculated as income/(loss) from operations divided by net revenues.

Key Performance Metrics

Our revenues and operating performance are dependent upon the volume of customers at our resorts, which affects the price we can charge for our hotel rooms and other amenities, and directly impacts our gaming volumes. We use the following are key performance indicators to evaluate gaming and hotel revenue for our properties.

Gaming revenue indicators

- Slot volume – the total amount wagered on slot machines
- Table drop (also referred to as table volume) – the amount of cash and net markers deposited in the table drop box
- Gaming hold – the amount of money that is retained by the casino from wagers by customers

Hotel revenue indicators

- Occupancy rate – a volume indicator determined by rooms occupied and rooms available
- Hotel average daily rate ("ADR") – a price indicator determined by room revenue and rooms occupied

Net Revenues - Category

	Years Ended December 31,			Change %	
(Dollars in millions)	2014	2013	2012	2014 vs 2013	2013 vs 2012
Casino	$5,418	$5,529	$5,916	(2.0)%	(6.5)%
Food and beverage	1,522	1,451	1,438	4.9 %	0.9 %
Rooms	1,207	1,167	1,147	3.4 %	1.7 %
Management fees	58	57	47	1.8 %	21.3 %
Other	1,197	855	740	40.0 %	15.5 %
Reimbursed management costs	252	268	67	(6.0)%	*
Less: casino promotional allowances	(1,138)	(1,107)	(1,169)	(2.8)%	5.3 %
Net revenues	$8,516	$8,220	$8,186	3.6 %	0.4 %

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*Not meaningful

Year Ended December 31, 2014 versus 2013

Consolidated net revenues increased $296 million in 2014 compared with 2013. The increase was primarily due to growth in the social and mobile gaming business of CIE. Also contributing to the increase was the opening of The LINQ promenade by CERP at the end of the first quarter 2014, the opening of The Cromwell by CGP LLC Casinos during the second quarter 2014, and the opening of Horseshoe Baltimore by CGP LLC Casinos in the third quarter 2014. Partially offsetting these increases was a 2.0% decrease in casino revenues.

Consolidated casino revenue decreased $111 million, or 2.0%, in 2014 compared with 2013. The decline was largely driven by unfavorable gaming hold at our owned domestic properties.

Consolidated food and beverage revenue increased $71 million, or 4.9%, in 2014 when compared with 2013. The increase is primarily due to the addition of new restaurant offerings such as Giada at The Cromwell and Guy Fieri's Vegas Kitchen & Bar at The LINQ Hotel.

Consolidated rooms revenue increased $40 million, or 3.4%, in 2014 compared with 2013 driven by an increase in hotel ADR in 2014, primarily attributable to resort fees in Las Vegas and other Nevada properties. The following table shows key hotel measures for our Las Vegas resorts:

	Years Ended December 31,		
	2014	2013	Change
Occupancy	91.2 %	91.8 %	(0.6) pts
Average Daily Rate (ADR)	$119	$102	16.7 %

Consolidated other revenue increased $342 million, or 40.0%, in 2014 compared with the prior year period. The increase was largely driven by the continued growth in the social and mobile gaming business of CIE. The opening of The LINQ promenade at the end of the first quarter 2014, the opening of Drai’s Beach Club - Nightclub at The Cromwell during the second quarter 2014, and increased entertainment revenue at Planet Hollywood also contributed to the increase.

Year Ended December 31, 2013 versus 2012

Consolidated net revenues were relatively unchanged in 2013 from 2012 as a $387 million decrease in casino revenues was largely offset by increases in pass-through reimbursable management costs, rooms, food and beverage, and other revenues, coupled with lower promotional allowances. Net revenues attributable to CIE increased from the prior year due to the combination of the Buffalo Studios acquisition and continued strength in the social and mobile games business. Las Vegas rooms and food and beverage revenues grew as a result of our increased investment in hospitality offerings in this market.

Consolidated casino revenues declined in large part due to the continued weakness in Atlantic City resulting from increased regional competition. Continued softness in the domestic gaming market in certain other U.S. regional markets outside of Nevada and the sale of our 45% interest in Baluma S.A., which owns and operates the Conrad Punta del Este Resort and Casino in Uruguay (the "Conrad"), had also negatively impacted casino revenues. Slot volumes were down in virtually all domestic markets, while table volumes were relatively strong, primarily driven by baccarat in Las Vegas. Casino revenues were also negatively affected by increased variable marketing programs, such as REEL REWARDS, discounts, and free play, that are treated as a reduction of revenue, notably in the fourth quarter. On a consolidated basis, we experienced unfavorable hold in 2013 compared with 2012.

On a consolidated basis, rooms revenue increased $20 million, or 1.7%, driven by an increase in hotel ADR, primarily from the March 2013 introduction of resort fees at our Nevada properties, and our increased investment in hospitality offerings in Las Vegas. The following table shows key hotel measures for our Las Vegas resorts:

	Years Ended December 31,		
	2013	2012	Change
Occupancy	91.8 %	94.3 %	(2.5) pts
Average Daily Rate (ADR)	$102	$93	9.7 %

Consolidated reimbursable management costs increased to $268 million from $67 million, when compared with the prior year, primarily related to the following managed properties: Horseshoe Cleveland opened in May 2012; Horseshoe Cincinnati opened in March 2013, ThistleDown Racino commenced video lottery terminal operations in April 2013, and the Caesars Windsor management company was consolidated in June 2012 when we increased our ownership percentage from 50% to 100%. Reimbursable management costs are presented on a gross basis as revenue and expense, thus resulting in no net impact on operating income.

Consolidated other revenue increased $115 million, or 15.5%, when compared with the prior year, primarily as a result of the combination of CIE's Buffalo Studios acquisition and continued strength in the social and mobile games business.

Income/(loss) from Operations - Category

	Years Ended December 31,			Change % (1)	
(Dollars in millions)	2014	2013	2012	2014 vs 2013	2013 vs 2012
Net revenues	$8,516	$8,220	$8,186	3.6 %	0.4 %
Operating expenses					
Impairment of goodwill	695	104	195	*	46.7 %
Impairment of tangible and other intangible assets	299	2,727	430	89.0 %	*
Property, general, administrative, and other	2,306	2,035	1,908	(13.3)%	(6.7)%
Write-downs, reserves, and project opening costs, net of recoveries	120	104	99	(15.4)%	(5.1)%
Acquisition and integration costs and other	116	99	23	(17.2)%	*
Corporate expense	282	161	195	(75.2)%	17.4 %
Casino expense	3,253	3,112	3,368	(4.5)%	7.6 %
Food and beverage expense	694	639	634	(8.6)%	(0.8)%
Reimbursable management costs	252	268	67	6.0 %	*
Depreciation and amortization	636	701	844	9.3 %	16.9 %
All other operating expenses	315	296	289	(6.4)%	(2.4)%
Income/(loss) from operations	$(452)	$(2,026)	$134	77.7 %	*

* Not meaningful

(1) Presented as the favorable or (unfavorable) impact on loss from operations.

Year Ended December 31, 2014 versus 2013
Consolidated loss from operations improved $1.6 billion in 2014 compared with 2013, primarily due to lower tangible and other intangible asset impairment charges, lower depreciation and amortization, and an increase in net revenues. This was partially offset by an increase in goodwill impairment charges, property operating expenses; write-downs, reserves, and project opening costs, net of recoveries; and corporate expense.
Consolidated property, general, administrative and other property operating expenses increased $467 million in 2014 compared with the prior year, due to the impact of new property openings (The LINQ promenade, The Cromwell, and Horseshoe Baltimore); new restaurant openings, such as Giada and Guy Fieri’s Vegas Kitchen & Bar; costs associated with share-based compensation programs; and a year over year increase in bad debt expense.
Consolidated write-downs, reserves, and project opening costs, net of recoveries increased $16 million primarily due to a $43 million charge for exit-related costs recorded in 2014 as a result of new legislation in the State of Iowa that requires us to cease our greyhound racing activities at our Horseshoe Council Bluffs Casino in Council Bluffs, Iowa.
Consolidated corporate expenses increased $121 million in 2014 compared with the prior year due to certain professional fees associated with the volume of corporate transactions and initiatives including the costs associated with having multiple SEC registrants and the registration efforts of CERP, as well as costs associated with stock-based compensation programs.
Consolidated depreciation and amortization expenses declined $65 million in 2014 when compared with 2013. The decline is largely attributable to impairment charges, as described previously, recorded in the prior year period.
Year Ended December 31, 2013 versus 2012
Consolidated loss from operations was $2.0 billion, compared with income from operations of $134 million in 2012. The decline was primarily due to higher tangible and other intangible asset impairment charges and an increase in acquisition and integration costs. This was partially offset by a decrease in goodwill impairment charges and depreciation and amortization.
During 2013, several indicators arose that required us to test our goodwill, intangible assets and tangible assets for impairment. As a result, we recorded impairments of tangible and other intangible assets of $2.7 billion and goodwill of $104 million in 2013, for a total of $2.8 billion, compared with total impairments of $625 million in 2012.
Consolidated acquisition and integration costs increased $76 million in 2013 when compared to 2012 primarily due to a $53 million charge for a contingent earnout liability in 2013 related to the Buffalo Acquisition.
Consolidated depreciation and amortization expense declined $143 million in 2013 when compared to 2012 resulting from assets that became fully depreciated early in first quarter 2013.
Reportable Segments
The financial results presented herein leverage a management view and include Caesars with its four reportable segments: CEOC, CERP, CGP LLC Casinos, and CIE.
Segment results in this Management’s Discussion and Analysis are presented consistent with the way CEC management assesses these results, which is a consolidated view that adjusts for the impact of certain transactions between reportable segments within Caesars for all periods presented, as described below. Therefore, the results of certain reportable segments presented in this filing differ from the financial statement information presented in their separate filings.
CEOC results for all periods presented do not include the impact of treating the sales of The LINQ promenade and Octavius Tower as real estate financings in accordance with US GAAP. Rather, the results included herein present these sales by CEOC to CERP in 2013 as a completed sale. CEOC also completed the sale to CGP LLC of Planet Hollywood Resort & Casino in October 2013 and four properties (The Cromwell, Bally's Las Vegas, The LINQ Hotel, and Harrah's New Orleans) in May 2014. The financial results for these five properties are excluded from the CEOC financial results for all periods presented herein and, instead, are included in the results of CGP LLC Casinos as of the beginning of the earliest period presented, consistent with management’s internal presentation.
As a result of transactions in 2013, certain CEC and CEOC properties are now owned by CERP; accordingly, the financial information herein includes the financial results for these properties as if they were combined into the CERP reporting entities for all periods presented.

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

Net Revenues - By Segment

	Years Ended December 31,			Change %	
(Dollars in millions)	2014	2013	2012	2014 vs 2013	2013 vs 2012
CEOC	$4,812	$4,985	$4,988	(3.5)%	(0.1)%
CERP	2,065	1,979	2,003	4.3%	(1.2)%
CGP LLC Casinos	1,281	1,040	1,082	23.2%	(3.9)%
CIE	587	317	206	85.2%	53.9%
Parent / Other	(229)	(101)	(93)	(126.7)%	(8.6)%
Total	$8,516	$8,220	$8,186	3.6%	0.4%

Year Ended December 31, 2014 versus 2013

CERP net revenues increased $86 million, or 4.3%, in 2014 compared with 2013. As described above, revenue increased from the opening of The LINQ promenade and The High Roller in 2014 and the resulting third-party and entertainment revenues. In addition, rooms revenue increased with a 14.6% increase in hotel ADR to $102 in 2014 from $89 in 2013, primarily attributable to resort fees in Las Vegas and other Nevada properties. Partially offsetting these increases was a casino revenue decline of $30 million, or 2.7%, primarily due to unfavorable hold in Las Vegas.

CGP LLC Casinos net revenues increased $241 million, or 23.2%, in 2014 compared with 2013 primarily due to strong performance in its existing offerings coupled with the openings of The Cromwell and Horseshoe Baltimore in May 2014 and August 2014, respectively.

CIE net revenues increased $270 million, or 85.2%, in 2014 compared with 2013 as a result of the acquisition of Pacific Interactive in the first quarter of 2014, organic growth in the social and mobile games business, and the full-year impact of online real-money gaming in Nevada and New Jersey.

CEOC net revenues decreased $173 million, or 3.5%, in 2014 compared with 2013 primarily due to a decline in casino revenue of $240 million, or 6.4%, mainly due to unfavorable hold at Caesars Palace Las Vegas and the Conrad sale. Additionally, general weakness in VIP volumes, business disruption at Caesars Palace due to construction, and show cancellations resulted in lower core business volumes.

Year Ended December 31, 2013 versus 2012

CERP net revenues were relatively flat compared with 2012 as a $64 million, or 5.4%, decline in casino revenue was largely offset by increases in other revenue and room revenue. Casino revenue declined primarily due to weaker slots and table games volumes of 2.7% and 5.8%, respectively, in 2013 compounded by unfavorable hold. Additionally, Harrah’s Atlantic City continued to be affected by ongoing competitive pressure in that market and visitation in the Atlantic City region had not recovered following Hurricane Sandy in the fourth quarter 2012. Partially offsetting this decrease were increases in other revenue of $20 million, or 9.5%, primarily due to an increase in lease revenue attributable to the Octavius Tower, and room revenue of $14 million, or 3.2%, mainly due to the March 2013 introduction of resort fees at its Nevada properties.

CGP LLC Casinos net revenues decreased $42 million, or 3.9%, in 2013 compared with 2012 due in large part to the full closure of The Cromwell during its 2013 renovation and the reduction in available rooms at The LINQ Hotel as a result of the commencement of its renovation in 2013.

CIE net revenues increased $111 million, or 53.9%, in 2013 compared with 2012 as a result of the December 2012 acquisition of Buffalo Studios and growth in the Playtika business.

CEOC net revenues in 2013 remained relatively unchanged compared with 2012 mainly as a result of a $279 million decline in casino revenue largely offset by increases in reimbursed management costs and food and beverage revenue. Casino revenues declined primarily due to continued weakness in Atlantic City resulting from the continued decline in gaming volumes in this region compared with 2012 coupled with the Conrad sale in 2013. Partially offsetting this decrease was an increase of $217 million in reimbursed management costs due to new managed properties, including Horseshoe Cleveland (opened in May 2012), Horseshoe Cincinnati (opened in March 2013), ThistleDown Racino (commenced video lottery terminal operations in April 2013) and its consolidation of Caesars Windsor management company since increasing its ownership from 50% to 100% in June 2012. Reimbursable management costs are presented on a gross basis as revenue and expense, thus resulting in no net impact on operating income. Additionally, food and beverage revenue increased $46 million, net of casino promotional allowances, primarily driven by the addition of several new restaurant offerings at Caesars Palace Las Vegas, including Nobu, the Bacchanal Buffet and a Gordon Ramsay-branded restaurant.

Income/(Loss) from Operations - By Segment

	Years Ended December 31,			Change $	
(Dollars in millions)	2014	2013	2012	2014 vs 2013	2013 vs 2012
CEOC	$(323)	$(1,344)	$(159)	$1,021	$(1,185)
CERP	(32)	(804)	161	772	(965)
CGP LLC Casinos	(139)	(3)	173	(136)	(176)
CIE	21	(9)	35	30	(44)
Parent / Other	21	134	(76)	(113)	210
Total	$(452)	$(2,026)	$134	$1,574	$(2,160)

Property EBITDA	Years Ended December 31,			Change %	
(Dollars in millions)	2014	2013	2012	2014 vs 2013	2013 vs 2012
CEOC	$816	$1,063	$1,310	(23.2)%	(18.9)%
CERP	520	530	517	(1.9)%	2.5%
CGP LLC Casinos	265	248	260	6.9%	(4.6)%
CIE	84	62	46	35.5%	34.8%
Parent / Other	4	(26)	(105)	115.4%	75.2%
Total	$1,689	$1,877	$2,028	(10.0)%	(7.4)%

We perform impairment assessments on our goodwill and non-amortizing intangible assets at least annually, but more frequently if impairment indicators exist. We also review the carrying value of our long-lived assets for impairment whenever events or circumstances indicate that the carrying value of an asset (or asset group) may not be recoverable from the estimated future cash flows of that asset (or asset group). We incorporate estimates of our future performance into these assessments, such as EBITDA, revenues, cash flows, and other market factors, the results of which can often be different from our projections.

The following table summarizes impairment charges by segment:

Impairment Charges - Continuing Operations

	Years Ended December 31,		
(In millions)	2014	2013	2012
CEOC	$559	$1,772	$622
CERP	277	1,059	3
CGP LLC Casinos	155	—	—
CIE	3	—	—
Total impairment charges	$994	$2,831	$625

These impairment charges were primarily attributable to a decline in recent performance and downward adjustments to expectations of future performance at the related properties. The 2013 impairment charges primarily related to our Atlantic Coast properties and were largely attributable to the continued weakness in visitation resulting from intense regional competition. In addition, we have experienced negative trends in operating results in certain other markets, which resulted in impairment charges in addition to those related to the Atlantic Coast properties.

Year Ended December 31, 2014 versus 2013

CERP loss from operations improved $772 million in 2014. The improvement is primarily due to lower impairment charges, as shown above and an increase in net revenues of 4.3% primarily due to the opening of The LINQ promenade and The High Roller in 2014. These increases were partially offset by increased property operating expenses and an increase in corporate expenses due to higher corporate professional fees in 2014.

CGP LLC Casinos loss from operations for 2014 was $139 million as compared with $3 million in 2013. The decline in loss from operations was primarily attributable to higher impairments in 2014, as shown above and increased depreciation associated with the opening of Cromwell and Horseshoe Baltimore. These increases are partially offset by the increase in net revenues due to the opening of these properties.

CIE income from operations improved $30 million in 2014. The improvement is a direct result of increased revenues, combined with reduced expense associated with contingent consideration for prior acquisitions, both of which were partially offset by increased stock-based compensation expense.

CEOC loss from operations improved $1.0 billion in 2014 primarily due to lower impairment charges in 2014, as described above, partially offset by a decline in net revenues and the $43 million of exit-related costs recorded in 2014 as a result of the Iowa Dog Racing Legislation.

Year Ended December 31, 2013 versus 2012

CERP loss from operations was $804 million in 2013 compared with income of $161 million in 2012. The decline was primarily due to higher impairment charges in 2013, as shown in the table above. The impairment charges were partially offset by decreases in property operating expenses, depreciation expense, and corporate expense.

CGP LLC Casinos loss from operations for 2013 was $3 million compared with income of $173 million in 2012. Income from operations declined as a result of lower revenues because The Cromwell and The LINQ Hotel were undergoing renovations.

CIE loss from operations for 2013 was $9 million compared with income of $35 million in 2012. The decrease was driven by a charge of $53 million related to contingent consideration for the acquisition of Buffalo Studios as well as increased marketing and sales expenses of $28 million associated with the launch of online poker in Nevada and online gaming in New Jersey. These increased costs were largely offset by increased income subsequent to the Buffalo Studios acquisition.

CEOC loss from operations was $1.3 billion in 2013 compared with $159 million in 2012. This decline was primarily due to higher impairment charges in 2013 coupled with a $42 million write-off of CEOC's Suffolk Downs investment.

Consolidated Net Loss

Year Ended December 31, 2014 versus 2013

Net loss attributable to Caesars was $2.8 billion, compared with $2.9 billion in 2013. In addition to the factors described above, 2014 includes a $418 million increase in interest expense. Additionally, 2013 included a gain of $44 million related to the partial sale of our interest in the Conrad, and the loss on early extinguishment of debt was $96 million in 2014 compared with $30 million in 2013. These factors are further described in "Other Factors Affecting Net Loss" that follows herein.

Consolidated property EBITDA decreased $188 million, or 10.0%, compared with 2013. Further details on this non-GAAP financial measure follows later in this filing.

Year Ended December 31, 2013 versus 2012

Net loss attributable to Caesars was $2.9 billion, compared with $1.5 billion in 2012. In addition to the factors described above, 2013 includes a $152 million increase in interest expense, partially offset by a $193 million favorable change in the loss from discontinued operations, net of income taxes, and a gain of $44 million related to the partial sale of our interest in the Conrad. Additionally, the loss on early extinguishment of debt was $30 million in 2013 compared with a gain of $136 million in 2012. These factors are further described in "Other Factors Affecting

Net Loss” that follows herein.

Consolidated property EBITDA decreased $151 million, or 7.4%, compared with 2012. Further details on this non-GAAP financial measure follows later in this filing.

Other Factors Affecting Net Loss

(Dollars in millions)	Years Ended December 31, 2014	2013	2012	Change % 2014 vs 2013	2013 vs 2012
Interest expense	$(2,670)	$(2,252)	$(2,100)	(18.6)%	(7.2)%
Other gains/(losses)	(95)	28	162	*	(82.7)%
Income tax benefit	543	1,517	701	(64.2)%	116.4%
Loss from discontinued operations, net of income taxes	(192)	(207)	(400)	7.2%	48.3%

* Not meaningful

Interest Expense - By Segment

(Dollars in millions)	Years Ended December 31, 2014	2013	2012	Change % 2014 vs 2013	2013 vs 2012
CEOC	$2,184	$2,069	$1,952	(5.6)%	(6.0)%
CERP	389	246	232	(58.1)%	(6.0)%
CGP LLC Casinos	164	60	51	(173.3)%	(17.6)%
CIE	6	3	4	(100.0)%	25.0%
Parent / Other	(73)	(126)	(139)	42.1%	9.4%
Total	$2,670	$2,252	$2,100	(18.6)%	(7.2)%

Interest expense in 2014 increased $418 million, or 18.6%, compared with 2013, of which $130 million is related to higher interest rates as a result of CERP's 8.0% and 11% senior secured notes offerings and senior-secured credit facility, the proceeds of which were used to repay the lower interest rate commercial mortgage-backed securities ("CMBS") and LINQ/Octavius project financing debt. In addition, interest costs associated with the CGPH Term Loan, which provided funding for the CEOC-CGP LLC Property Transaction, led to an increase of $135 million, and the Incremental Term Loans obtained by CEOC and associated refinancing fees led to an increase of $80 million.

Interest expense in 2013 increased $152 million, or 7.2%, compared with 2012 primarily due to higher interest rates as a result of CEOC's 9.0% senior secured notes offering, the extension of maturities of CEOC debt, as well as higher CEOC debt balances and rates on the CERP financing closed in 2013. Interest expense for 2013 includes (i) $34 million of expenses related to derivatives not designated as accounting hedges and (ii) $4 million of expense due to amortization and reclassification of deferred losses on derivative instruments from Accumulated Other Comprehensive Loss ("AOCL"). Interest expense for 2012 includes (i) $140 million of expenses related to derivatives not designated as accounting hedges and (ii) $28 million of expense due to amortization and reclassification of deferred losses on derivative instruments from AOCL.

See Note 10, "Debt," for additional discussion of interest expense.

Other Gains/(Losses)

In 2014, we recognized other losses of $95 million. The losses include a $29 million loss on the early extinguishment of CGP LLC's Planet Hollywood Loan Agreement, a $25 million loss on CEOC's 6.5% and 5.75% Senior Notes, a $22 million loss on the early extinguishment of certain CEOC Incremental Term Loans, a $14 million loss on the early extinguishment of CEOC's 10.00% Senior Notes, and a $6 million loss on the early extinguishment of CEOC's 5.625% Senior Notes.

In 2013, we recognized other gains of $28 million, primarily due to the gain of $44 million on the Conrad sale. This gain is partially offset by losses on extinguishment of debt of $30 million primarily related to the CERP refinancing and additional charges from the repurchase of debt under the CEOC Credit Facility in the first and third quarters of 2013, partially offset by third quarter gains on extinguishment of debt related to purchases of CMBS Loans.

In 2012, we recognized other gains of $162 million, primarily due to the gain on early extinguishment of debt associated with the purchase of $367 million face value of CMBS debt.

See Note 10, “Debt,” for additional discussion of extinguishment of debt.

Income Tax Benefit

The effective tax rate benefit for 2014, 2013 and 2012, was 16.9%, 35.7% and 38.9%, respectively. The 2014 effective rate benefit was primarily impacted by an increase in the federal valuation allowance against the 2014 losses from continuing operations and nondeductible goodwill impairments. The 2013 effective rate benefit was primarily impacted by the tax benefits from a capital loss resulting from a tax election made for U.S. federal income tax purposes and the reversal of uncertain tax positions offset by the change in our federal valuation allowance and the deferred tax implications of the CGP LLC transaction in 2013. The 2012 effective tax rate benefit was primarily impacted by the tax benefit from the reversal of uncertain tax positions offset by the tax effects of nondeductible goodwill impairments.

See Note 13, “Income Taxes,” for additional information.

Deconsolidation

In May 2013, CEOC sold a portion of its interest in the Conrad and recognized a gain of $44 million. As a result of this transaction, CEOC no longer consolidates the Conrad’s results of operations, but instead accounts for it as an equity method investment. In 2014, CEOC’s operating results included equity method income from operations of $6 million compared with net revenues of $76 million and income from operations of $20 million in 2013.

Loss from Discontinued Operations, Net of Income Taxes

CIE RMG BEL, LLC. Effective August 2014, CIE suspended operations of CIE RMG BEL, LLC, an indirectly wholly owned subsidiary in Minsk, Belarus. As a result, CIE recorded a $16 million impairment charge.

Showboat Atlantic City. Showboat Atlantic City casino permanently closed effective August 2014. As a result, we recorded $26 million in charges for severance and other exit costs, of which $20 million was remaining as of December 31, 2014.

Harrah’s Tunica.