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

FORM 8-K

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

Date of Report (Date of earliest event reported) December 19, 2014

**Caesars Entertainment Operating Company,
Inc.**

(Exact name of registrant as specified in its charter)

Delaware
(State of Incorporation)

001-10413
(Commission
File Number)

75-1941623
(IRS Employer
Identification Number)

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

(702) 407-6000
(Registrant's telephone number, including area code)

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

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01 Entry into Material Definitive Agreement.***Restructuring Support Agreement***

On December 19, 2014, Caesars Entertainment Corporation (“CEC”), Caesars Entertainment Operating Company, Inc., a majority owned subsidiary of CEC (“CEOC”), and holders (the “Consenting Creditors”) of over 38% of claims in respect of CEOC’s 11.25% senior secured notes due 2017, CEOC’s 8.5% senior secured notes due 2020 and CEOC’s 9% senior secured notes due 2020 (collectively, the “First Lien Notes” and the claims with respect thereto, the “First Lien Bond Claims”) entered into an agreement (the “RSA”) to restructure CEOC’s indebtedness (the “Restructuring”) pursuant to the terms of the term sheet (summarized below) incorporated into the RSA (the “Term Sheet”). The RSA will become effective upon the signing of the RSA by creditors holding at least 60% of the First Lien Bond Claims by 5:00 p.m., New York City time, on January 5, 2015, which condition may be waived in accordance with the RSA.

The Consenting Creditors have agreed to (a) support the Restructuring and vote all their First Lien Bond Claims and all their claims in respect of indebtedness outstanding under CEOC’s senior secured credit facilities (“First Lien Bank Claims”) in favor of a joint pre-negotiated chapter 11 plan of reorganization of CEOC (the “Plan”), when properly solicited to do so, (b) not take any actions materially inconsistent with the Restructuring, (c) not transfer their First Lien Bond Claims and First Lien Bank Claims unless the transferee agrees to be bound by the terms of the RSA and (d) forbear from exercising certain default-related rights and remedies under the indentures governing the First Lien Notes (the “First Lien Indentures”). Pursuant to the RSA, any litigation between CEOC, CEC, their respective directors, and any Consenting Creditor would, subject to the terms and conditions set forth therein, be adjourned, stayed and/or dismissed without prejudice after a chapter 11 filing in accordance with the RSA. If the RSA is amended in a manner that would adversely affect the First Lien Bank Claims, the Consenting Creditors will no longer be obligated to vote their respective First Lien Bank Claims in favor of the Plan, but will still be required to vote their respective First Lien Bond Claims in favor of the Plan.

CEOC and CEC have also agreed to support the Restructuring and, subject to CEOC’s fiduciary duties, not encourage any other restructuring of CEOC’s indebtedness. CEOC has also agreed to enter into amended account control agreements in respect of certain account control agreements with Credit Suisse AG, Cayman Islands Branch, as collateral agent, as previously disclosed by CEOC in its Current Report on Form 8-K filed with the Securities and Exchange Commission on October 16, 2014. Under the RSA, CEOC, CEC and the Consenting Creditors are obligated to negotiate in good faith to reach an agreement with respect to the remaining terms of the operating leases, the debt facilities and the backstop agreement for the preferred equity on or prior to noon on December 24, 2014. The RSA may be terminated by any party if such terms are not mutually agreed by noon on December 24, 2014.

The RSA may be terminated by CEOC (and CEC, only with respect to (e) below) if, among other things, (a) a Consenting Creditor breaches its obligations under the RSA, subject to the terms and conditions set forth therein, (b) any statute, regulation, ruling or order enjoins or restricts the consummation of the Restructuring, (c) required in the exercise of its fiduciary duties as set forth in the RSA, (d) a party to the RSA files a motion in CEOC’s voluntary chapter 11 cases that CEOC will commence to effectuate the Restructuring (the “Chapter 11 Cases”) substantially inconsistent with the terms of the RSA, (e) at least 66 2/3% of the beneficial holders of the First Lien Notes with power to vote in favor of the Plan have not signed the RSA by the Petition Date (as defined below), (f) any document needed to effectuate the Restructuring has terms not substantially consistent with the RSA and otherwise reasonably acceptable to CEOC, or (g) the Restructuring has not been consummated within 120 days after the entry of a confirmation order that has become a final order (the “Outside Date”).

The Consenting Creditors holding greater than two-thirds of the aggregate amount of all First Lien Bond Claims held by the Consenting Creditors (the "Requisite Consenting Creditors") (and CEC, except for (a), with respect to itself, (i) and (k) below) may terminate the RSA if (a) CEOC or CEC breaches its respective obligations under the RSA, subject to the terms and conditions set forth therein, (b) any statute, regulation, ruling or order enjoins or restricts the consummation of the Restructuring, (c) a trustee or examiner with expanded powers is appointed in CEOC's Chapter 11 Cases, (d) CEOC's Chapter 11 Cases are dismissed or converted under chapter 7 of the Bankruptcy Code, (e) any definitive document necessary to effectuate the Restructuring is not substantially consistent with the RSA, (f) CEOC files a motion substantially inconsistent with the terms of the RSA, (g) CEOC executes a letter of intent or similar documents stating its intention to pursue an alternative proposal, (h) the automatic stay is lifted with regard to CEOC's assets having a fair market value in excess of \$5 million (other than pursuant to relief sought by CEOC), (i) CEOC fails to meet or comply with the Milestones (as further described below), (j) the Restructuring is not consummated by the Outside Date, or (k) CEOC or CEC challenges the validity or priority of a material portion of the collateral securing the First Lien Notes.

The milestones that CEOC must meet or comply with under the RSA are as follows (collectively, "Milestones"): (a) commencement of CEOC's Chapter 11 Cases (the "Petition Date") on or after January 15, 2015, but no later than January 20, 2015; (b) entry of an order for interim use of cash collateral within five business days after the Petition Date; (c) filing of a motion to assume the RSA ("RSA Assumption Motion") within 20 days after the Petition Date; (d) filing of the Plan and disclosure statement (the "Disclosure Statement") within 45 days after the Petition Date; (e) entry of a final order for use of cash collateral within 75 days after the Petition Date; (f) entry of an order approving the RSA within 90 days of filing the RSA Assumption Motion; (g) entry of orders approving the Disclosure Statement and solicitation procedures within 150 days after the Petition Date; (h) entry of an order confirming the Plan within 120 days after the Bankruptcy Court's approval of the Disclosure Statement; (i) the date upon which all conditions precedent to the Plan have been satisfied or waived and the Plan has become effective (the "Effective Date") occurring by the Outside Date; provided that such Outside Date may be extended under certain circumstances if all regulatory approvals for certain assets have not been received and consummating the Restructuring without such assets would have a materially adverse effect on CEOC.

The RSA may be amended by CEOC, CEC and the Requisite Consenting Creditors, provided that (a) any amendment to the treatment of claims (other than the First Lien Bond Claims) will not require consent from any Consenting Creditors, so long as such amendment would not have an adverse impact on the interests of the holders of the First Lien Bond Claims, (b) an amendment to the definition of Consenting Creditors or Requisite Consenting Creditors or the provisions regarding the transfer of claims requires the consent of CEOC, CEC and each Consenting Creditor, (c) any amendment that would materially and adversely affect any Consenting Creditor, in its capacity as such, disproportionately to other First Lien Bond Claim holders requires the consent of such Consenting Creditor, and (d) the conditions to effectiveness of the RSA may only be waived by CEOC and CEC.

Term Sheet to the RSA

The following is a summary of the materials terms of the Term Sheet:

Corporate Structure and Governance

- CEOC shall be restructured as a separate operating company ("OpCo"), and property company ("PropCo"), with a real estate investment trust (the "REIT") directly or indirectly owning and controlling PropCo.

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- OpCo shall have three board members, with CEC appointing either two or three of such members depending on whether it owns 90% or more of the equity. If CEC appoints all three members, then one member shall be an independent member.
 - OpCo shall have a non-voting board observer, reasonably acceptable to OpCo, designated by the Requisite Consenting Creditors.
 - The REIT shall have seven board members, with the holders of First Lien Notes (“First Lien Noteholders”) appointing either six or seven of the members depending on whether the First Lien Noteholders own 90% or more of the equity.
 - PropCo shall own all of CEOC’s real property and a separate subsidiary of PropCo shall own all of the assets of Caesars Palace Las Vegas (“CPLV”).

PropCo and OpCo Lease

- OpCo will enter into two leases for all of PropCo properties: one for CPLV and one for the non-CPLV properties. The leases will be structured as triple net leases with an adjustment for capital expenditure as described below. The initial term of each lease will be for 15 years with four five-year renewals.
- Rent will be (a) \$475 million for the non-CPLV properties, reset after three years and five years at a 70% base rent and 30% variable component (with readjustment by 19.5% of the change in revenue of the properties) as well as after ten years at an 80% base rent and 20% variable component (with readjustment by 13.0% of the change in revenue of the properties), and (b) \$160 million for the CPLV properties, reset after five years and ten years at an 80% base rent and 20% variable component (with readjustment by 13.0% of the change in revenue of CPLV). OpCo will be responsible for capital expenditures with PropCo reimbursing OpCo for the lesser of \$78 million or 37.5% of the annual capital expenditures, with such amount decreasing by 50 cents for each dollar of OpCo free cash generated above a \$10 million baseline. Such reduction would be calculated on an annual basis.
- CEC will provide a guarantee of payments and performance of OpCo’s monetary obligations under the leases. CEC’s guarantee obligation can only be terminated if PropCo terminates the manager without cause.

New Capital Structure

- New First Lien OpCo Debt: OpCo will issue up to \$1,188 million in principal amount of first lien debt with a six year term and interest at LIBOR plus 4.00% with a 1% LIBOR floor.
- New Second Lien OpCo Debt: OpCo will issue up to \$547 million in principal amount of second lien debt with a seven year term and interest at 8.5%.
- New First Lien PropCo Debt: PropCo will issue \$2,392 million in principal amount of first lien debt with a five year term and interest at LIBOR plus 3.5% with a 1% LIBOR floor.
- New Second Lien PropCo Debt: PropCo will issue \$1,425 million in principal amount of second lien debt with a six year term and interest at 8.0%.

- CPLV Debt: CPLV will issue \$2,600 million in debt. No less than \$2,000 million of such debt will be sold to third party investors for cash proceeds (“CPLV Market Debt”). Any remaining debt up to \$600 million will constitute “CPLV Mezzanine Debt”. The weighted average yield on the CPLV Market Debt and CPLV Mezzanine Debt will be capped such that the annual debt service shall not exceed \$130 million, with the cap increased by \$2 million for every \$100 million of Equitized CPLV Mezzanine Debt (as defined below).
- PropCo Preferred Equity: PropCo may issue up to \$300 million of preferred equity (the “PropCo Preferred Equity”), the proceeds of which will be used to first reduce the amount of CPLV Debt issued to First Lien Noteholders, if any, second, if required, to reduce the amount of CPLV Market Debt required to meet certain conditions, and third to reduce the amount of New Second Lien PropCo Debt. The PropCo Preferred Equity will be entitled to paid-in-kind dividends at a rate equal to the dividend yield to holders of PropCo’s common stock, provided the rate shall not be less than 5% per annum. The PropCo Preferred Equity shall be fully backstopped and any First Lien Noteholder who signs the RSA on or prior to December 24, 2014 may join the backstop, which shall receive a commitment fee and the right to purchase 50% of the PropCo Preferred Equity. All First Lien Noteholders, regardless of participation in the backstop, shall have the right to purchase PropCo Preferred Equity.

Recoveries

- Each lender under CEOC’s senior secured credit facilities (each, a “First Lien Bank Lender”) will receive its pro rata share of (a) \$705 million in cash, (b) \$883 million in New First Lien OpCo Debt, (c) \$406 million of New Second Lien OpCo Debt, (d) \$1,961 million in New First Lien PropCo Debt, and (e) up to \$1,450 million in additional cash or CPLV Mezzanine Debt.
- Each First Lien Noteholder will receive its pro rata share of (a) \$413 million in cash, (b) \$306 million in New First Lien OpCo Debt, (c) \$141 million of New Second Lien OpCo Debt, (d) \$431 million in New First Lien PropCo Debt, (e) \$1,425 million in New Second Lien PropCo Debt, (f) up to \$1,150 million in additional cash or CPLV Mezzanine Debt, (g) 69.9% directly or indirectly of PropCo equity (or cash as described below under Put Options and Equity Rights) and (h) 100% of the OpCo equity (or cash as described below under Put Options and Equity Rights).
- If they vote as a class to accept the Plan, each Non-First Lien Noteholder (as defined in the Term Sheet) will receive its pro rata share of 30.1% of the equity, directly or indirectly, in PropCo, and have the option to be a participant in the Equity Rights (as described below). If the Non-First Lien Noteholders do not vote as a class to accept the Plan, each Non-First Lien Noteholder will receive its pro rata share of 17.5% of the equity, directly or indirectly, in PropCo, and the remaining 12.6% of PropCo equity shall be allocated to the equity holders of PropCo, excluding the Non-First Lien Noteholders, based on their pro rata ownership in PropCo.

Put Options and Equity Rights

- Each First Lien Noteholder may elect to put up to (a) all of the OpCo equity for \$700 million and/or (b) 14.8% of the PropCo equity they are to receive under the Plan to CEC for \$269 million. The First Lien Noteholders may also elect to purchase all or some of the PropCo equity being put.
- If the Non-First Lien Noteholders vote as a class to accept the Plan, they may elect to purchase up to all of the PropCo equity (excluding 5% of PropCo equity retained by OpCo) from the First Lien Noteholders (“Equity Rights”). For every \$1 of PropCo equity purchased, the Non-First Lien Noteholders must purchase \$0.25 of CPLV Mezzanine Debt, which will then be converted into PropCo equity (“Equitized CPLV Mezzanine Debt”).

CEC's Contribution to the Restructuring

- In order to effectuate the Restructuring, CEC has agreed to take the following actions:
 - Contribute \$406 million to CEOC;
 - Contribute an additional \$75 million to CEOC if there is insufficient liquidity at closing;
 - Purchase up to all of OpCo equity for \$700 million and 14.8% of PropCo equity for \$269 million;
 - Give PropCo a right of first refusal on all new domestic non-Las Vegas opportunities, with CEC or OpCo leasing such properties; and
 - Guarantee OpCo's monetary obligations to PropCo under the leases.

Additional Terms

- Cash Collateral: The First Lien Noteholders will support entry of a cash collateral order. Such order shall include a budget, milestones and payment of adequate protection in the form of interest at a rate equal to 1.5%.
- PropCo Call Rights: Subject to the terms of the debt documents for Caesars Entertainment Resort Properties, LLC and its subsidiaries, PropCo shall have a right for up to 180 days after consummation of the Restructuring to enter into an agreement to buy Harrah's Atlantic City and Harrah's Laughlin for a cash purchase price equal to ten times the agreed annual rent for such properties.

There are no assurances that the RSA will become effective or that the Restructuring will be completed on the terms contemplated or at all.

The foregoing description of the RSA and the term sheet to the RSA does not purport to be complete and is qualified in its entirety by reference to the RSA, which CEOC will file by amendment to this Current Report on Form 8-K.

Item 7.01 Regulation FD Disclosure.

On December 19, 2014, CEC announced the entry of CEC and CEOC into the RSA. A copy of the press release is attached hereto as Exhibit 99.1, and is incorporated into this report by reference.

The information set forth in this Item 7.01 of this Current Report on Form 8-K is being furnished pursuant to Item 7.01 of Form 8-K and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any of CEOC's filings under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date hereof and regardless of any general incorporation language in such filings, except to the extent expressly set forth by specific reference in such a filing. The filing of this Item 7.01 of this Current Report on Form 8-K shall not be deemed an admission as to the materiality of any information herein that is required to be disclosed solely by reason of Regulation FD.

Forward-Looking Statements

This filing 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. You can identify these statements by the fact that they do not relate strictly to historical or current facts. These statements contain words such as “may,” “will,” “might,” “expect,” “intend,” “could,” “would” or “estimate,” or the negative of these words or other words or expressions of similar meaning may identify forward-looking statements and are found at various places throughout this Form 8-K. These forward-looking statements, including, without limitation, those relating to the Restructuring, wherever they occur in this filing, are based on CEOC management’s current expectations about future events and are necessarily estimates reflecting the best judgment of 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.

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

- the ability to retain key employees during the Restructuring;
- the effects of CEOC’s bankruptcy filing on CEOC and its subsidiaries and affiliates, including CEC, and the interests of various creditors, equity holders and other constituents;
- 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 effect of bankruptcy court rulings in the Chapter 11 Cases and the outcome of such cases in general;
- 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 CEOC’s liquidity or results of operations;
- the impact of CEOC’s substantial indebtedness and the restrictions in CEOC’s debt agreements that might limit CEOC’s ability to negotiate and complete the Restructuring;
- litigation outcomes and judicial and governmental body actions, including gaming legislative action, referenda, regulatory disciplinary actions, and fines and taxation, including but not limited to, the assertion and outcome of litigation or other claims that may be brought against CEC and CEOC by certain creditors, some of whom have notified CEC and CEOC of their objection to various transactions undertaken by CEC and CEOC in 2013 and 2014;

- CEOC's significant liquidity requirements and substantial levels of indebtedness;
- increased costs of financing, a reduction in the availability of financing and fluctuations in interest rates in connection with the Restructuring;
- economic, business, competitive, and/or regulatory factors affecting the businesses of CEOC and its subsidiaries and affiliates, including CEC, generally;
- the effects of local and national economic, credit and capital market conditions on the economy in general, and on the gaming industry in particular;
- changes in laws, including increased tax rates, smoking bans, regulations or accounting standards, third-party relations and approvals, and decisions, disciplines, and fines of courts, regulators, and governmental bodies;
- the effects of competition, including locations of competitors, competition for new licenses and operating and market competition;
- abnormal gaming holds ("gaming hold" is the amount of money that is retained by the casino from wagers by customers);
- 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;
- access to insurance on reasonable terms for CEC and CEOC's assets; and
- the impact, if any, of unfunded pension benefits under multi-employer pension plans.

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

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits. The following exhibit is being furnished herewith:

<u>Exhibit No.</u>	<u>Description</u>
99.1	Text of press release, dated December 19, 2014.

SIGNATURES

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

CAESARS ENTERTAINMENT OPERATING
COMPANY, INC.

Date: December 19, 2014

By: /s/ SCOTT E. WIEGAND

Name: Scott E. Wiegand

Title: Senior Vice President, Deputy General Counsel and
Corporate Secretary

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99.1	Text of press release, dated December 19, 2014.

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Exhibit 99.1



Stephen Cohen – Media
Caesars Entertainment Corporation
(347) 489-6602

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

**Caesars Entertainment Operating Co. Reaches Agreement with
First Lien Noteholder Steering Committee on Debt Restructuring**

Business Operations to Continue as Usual with No Interruption in Service

*No Impact to Related Entities, including Caesars Entertainment,
Caesars Acquisition Co. and Caesars Entertainment Resort Properties*

LAS VEGAS, Dec. 19, 2014 — Caesars Entertainment Operating Company, Inc. (“CEOC”), a subsidiary of Caesars Entertainment Corporation (“Caesars Entertainment”) (Nasdaq: CZR), and Caesars Entertainment have reached an agreement with CEOC’s first lien noteholder steering committee regarding terms of a financial restructuring plan. The proposed plan will significantly reduce long-term debt and annual interest payments, and result in a stronger balance sheet for CEOC.

The restructuring support agreement has been signed by all members of the first lien noteholder steering committee.

“The planned restructuring of CEOC will allow us to establish a strong and sustainable capital structure for CEOC and maximize value for our stakeholders,” said Gary Loveman, Chairman of CEOC. “I want to thank this creditor group for its support of the restructuring. We believe the financial restructuring plan we are announcing today is in the best interests of all of CEOC’s stakeholders. We look forward to continuing to welcome guests across our network throughout this process. Business operations at all properties and the Total Rewards program will continue as usual throughout the balance sheet restructuring process.”

To implement the balance sheet deleveraging, CEOC expects to voluntarily commence a reorganization under Chapter 11 of the U.S. Bankruptcy Code in mid-January 2015. CEOC and its properties will continue to operate in the ordinary course throughout the restructuring process. Caesars Entertainment, Caesars Entertainment Resort Properties and Caesars Growth Partners, which are separate entities with independent debt capital structures, will not be part of the court-supervised process.

Under the terms of the proposed financial restructuring, CEOC will convert its corporate structure by separating virtually all of its US-based gaming operating assets and real property assets into two companies, including an operating entity (“OpCo”) and a newly formed, publicly traded real estate investment trust (“REIT”) that will directly or indirectly own a newly formed property company (“PropCo”).

The proposed transactions would reduce CEOC’s debt by approximately \$10 billion, providing for the exchange of approximately \$18.4 billion of outstanding debt for \$8.6 billion of new debt. Annual interest expense would be reduced by approximately 75%, from approximately \$1.7 billion to approximately \$450 million. PropCo would lease its real property assets to OpCo in exchange for annual lease payments of \$635 million, with the lease payments guaranteed by CEC.

“The highly efficient REIT structure would enable CEOC to maximize its value and provide the most financial recovery to each of CEOC’s creditor groups,” Loveman said. “The formation of a publicly traded REIT would also allow CEOC to significantly reduce its leverage by creating two better capitalized companies with vastly improved cash flow generation. The transaction provides for the continued integration of CEOC’s existing properties with Caesars Entertainment’s multi-channel distribution network and industry-leading Total Rewards loyalty program. Combined, these actions will result in a stronger, more competitive and sustainable CEOC and will better position Caesars Entertainment for future growth, investment and success.”

Terms & Capital Structure

The proposed restructuring plan has the support of all members of the first lien bondholder steering committee. CEOC is continuing to work to obtain additional support from its other creditors.

The specifics of the plan are consistent with the plan disclosed via 8-K on December 12, 2014, however, to further reduce the leverage of CEOC beyond the previously published plan, first lien note holders will have the right to backstop the issuance of \$300 million convertible preferred equity securities to be issued by PropCo. First lien holders who agree to backstop the purchase will be paid a commitment fee. The preferred shares will be convertible into PropCo common stock at plan value. First lien holders who sign the restructuring support by December 24, 2014 can join the backstop.

Under the plan, Caesars Entertainment will contribute up to \$1.45 billion in cash to CEOC in support of the restructuring: \$700 million to offer to purchase up to 100% of the equity in OpCo from creditors, \$269 million to offer to purchase up to 15% of the equity in PropCo, \$406 million to fund liquidity and cash recoveries to creditors and a guarantee of up to an additional \$75 million of cash, which can be drawn by CEOC under certain circumstances. In addition, Caesars Entertainment has agreed to guarantee OpCo’s monetary obligations under the lease to help facilitate the creation of the valuable REIT structure.

The restructuring is conditioned upon the release of all pending and potential litigation claims against Caesars Entertainment, Caesars Acquisition and related parties. The proposed restructuring plan is subject to approval by the bankruptcy court and the receipt of required gaming regulatory approvals. There are no assurances that the restructuring support agreement will become effective or that the proposed restructuring plan will be completed on the terms contemplated or at all.

Further details on the transaction will be included in Form 8-K filed with the SEC later today.

About Caesars Entertainment Operating Company Inc.

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

About Caesars Entertainment

Caesars Entertainment Corporation (CEC) is the world’s most diversified casino-entertainment provider and the most geographically diverse U.S. casino-entertainment company. CEC is mainly comprised of the following three entities: the majority owned operating subsidiary Caesars Entertainment Operating Company, wholly owned Caesars Entertainment Resort Properties and Caesars Growth Properties, in which we hold a variable economic interest. Since its beginning in Reno, Nevada, 75 years ago, CEC has grown through development of new resorts, expansions and acquisitions and its portfolio of subsidiaries now operate 50 casinos in 13 U.S. states and five countries. The Company’s resorts operate primarily under the Caesars®, Harrah’s® and Horseshoe® brand names. CEC’s portfolio also includes the London Clubs International family of casinos. CEC is focused on building loyalty and value with its guests through a unique combination of great service, excellent products, unsurpassed distribution, operational excellence and technology leadership. The Company is committed to environmental sustainability and energy conservation and recognizes the importance of being a responsible steward of the environment. For more information, please visit www.caesars.com.

Forward Looking Information

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

Investors are cautioned that forward-looking statements are not guarantees of future performance or results and involve risks and uncertainties that cannot be predicted or quantified, and, consequently, actual results may differ materially from those expressed or implied by such forward-looking statements. Such risks and uncertainties include, but are not limited to, the following factors, and other

factors described from time to time in the Company's reports filed with the Securities and Exchange Commission (including the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained therein):

- the ability to retain key employees during CEOC's restructuring;
- the effects of CEOC's bankruptcy filing on Caesars Entertainment and its subsidiaries and affiliates, and the interests of various creditors, equity holders and other constituents;
- the event that the restructuring of CEOC may not be consummated in accordance with its terms, or persons not party to the agreement described in this release may successfully challenge the implementation thereof;
- the effects of the bankruptcy court rulings in the Chapter 11 case and the outcome of such cases in general;
- the length of time CEOC will operate in the Chapter 11 cases or CEOC's ability to comply with the milestones provided by the restructuring support agreement;
- risks associated with third party motions in the Chapter 11 cases, which may hinder or delay CEOC's ability to consummate its restructuring plan as contemplated by the restructuring support agreement;
- the potential adverse effects of Chapter 11 proceedings on Caesars Entertainment's liquidity or results of operations;
- the impact of CEOC's substantial indebtedness and the restrictions in CEOC's debt agreements that might limit CEOC's ability to negotiate and complete its restructuring;
- litigation outcomes and judicial and governmental body actions, including gaming legislative action, referenda, regulatory disciplinary actions, and fines and taxation, including but not limited to, the assertion and outcome of litigation or other claims that may be brought against Caesars Entertainment and CEOC by certain creditors, some of whom have notified Caesars Entertainment and CEOC of their objection to various transactions undertaken by Caesars Entertainment and CEOC in 2013 and 2014;
- CEOC's significant liquidity requirements and substantial levels of indebtedness;
- increased costs of financing, a reduction in the availability of financing and fluctuations in interest rates in connection with CEOC's restructuring;
- economic, business, competitive, and/or regulatory factors affecting the businesses of Caesars Entertainment and its subsidiaries generally;
- 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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- changes in laws, including increased tax rates, smoking bans, regulations or accounting standards, third-party relations and approvals, and decisions, disciplines, and fines of courts, regulators, and governmental bodies;
 - the effects of competition, including locations of competitors, competition for new licenses and operating and market competition;
 - abnormal gaming holds (“gaming hold” is the amount of money that is retained by the casino from wagers by customers);
 - 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;
 - access to insurance on reasonable terms for Caesars Entertainment and CEOC’s assets; and
 - the impact, if any, of unfunded pension benefits under multi-employer pension plans.

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

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