

CAESARS ENTERTAINMENT Corp
Form 8-K
March 26, 2014

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

FORM 8-K

CURRENT REPORT

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

March 26, 2014 (March 26, 2014)

Date of Report (Date of earliest event reported)

Caesars Entertainment Corporation

(Exact name of registrant as specified in its charter)

Delaware
(State of
Incorporation)

001- 10410
(Commission
File Number)

62-1411755
(IRS Employer
Identification Number)

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One Caesars Palace Drive

Las Vegas, Nevada 89109

(Address of principal executive offices) (Zip Code)

(702) 407-6000

(Registrant's telephone number, including area code)

N/A

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

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

- .. Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- .. Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- .. Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- .. Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 7.01 Regulation FD Disclosure.

On March 26, 2014, Caesars Acquisition Company (CAC) announced that Caesars Growth Properties Holdings, LLC (the Borrower), a joint venture between CAC and Caesars Entertainment Corporation (Caesars Entertainment or CEC) launched the syndication of \$1,325.0 million of new senior secured credit facilities (the Senior Facilities), consisting of a \$1,175.0 million term loan facility and a \$150.0 million revolving credit facility. The proceeds of the Senior Facilities will be used, among other things, to finance the previously announced acquisition by Caesars Growth Partners, LLC, the indirect parent of the Borrower (Caesars Growth Partners), of Bally s Las Vegas, The Cromwell, The Quad and Harrah s New Orleans from Caesars Entertainment Operating Company, Inc. (CEOC), a subsidiary of Caesars Entertainment, and its subsidiaries for an aggregate purchase price of US\$2.0 billion, less assumed debt. Caesars Entertainment is disclosing under Item 7.01 of this Current Report on Form 8-K the information attached to this report as Exhibit 99.1 (the Disclosure Material), which information is incorporated by reference herein. This information, which has not been previously reported, was provided on March 26, 2014, to potential lenders for the proposed Senior Facilities.

The Disclosure Material contains 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. The Borrower has based these forward-looking statements on their current expectations about future events. Further, statements that include words such as may, will, project, might, expect, believe, anticipate, intend, could, would, estimate, continue, or pursue, or the negative of the words or expressions of similar meaning may identify forward-looking statements. These forward-looking statements are found at various places throughout the Disclosure Material. 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, and future financial results, wherever they occur in the Disclosure Material, are necessarily estimates reflecting the best judgment of the Borrower s management and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. These forward-looking statements should, therefore, be considered in light of various important factors set forth below and in the Disclosure Material.

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

the impact of Caesars Entertainment s and its subsidiaries substantial indebtedness and the restrictions in their debt agreements;

the effects of local and national economic, credit and capital market conditions on the economy in general, and on the gaming industry in particular;

the ability to realize the expense reductions from Caesars Entertainment s cost savings programs;

the Borrower s ability to realize any or all of its projected increases to Adjusted EBITDA;

the Transactions (as defined in Item 8.01 below) may not be consummated on the terms contemplated or at all;

access to available and reasonable financing on a timely basis;

the ability of Caesars Entertainment's 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;

Caesars Entertainment's or Caesars Growth Partners' ability to recoup costs of capital investments through higher revenues;

abnormal gaming holds (gaming hold is the amount of money that is retained by the casino from wagers by customers);

the effects of competition, including locations of competitors, competition for new licenses and operating and market competition;

the ability to timely and cost-effectively integrate companies that Caesars Entertainment or Caesars Growth Partners acquires into its operations;

the potential difficulties in employee retention and recruitment as a result of Caesars Entertainment's substantial indebtedness, the ongoing downturn in the gaming industry, or any other factor;

construction factors, particularly with regard to The Quad, The Cromwell and Project Linq, including delays, increased costs of labor and materials, availability of labor and materials, zoning issues, environmental restrictions, soil and water conditions, weather and other hazards, site access matters and building permit issues;

severe weather conditions or natural disasters, including losses therefrom, including losses in revenues and damage to property, and the impact of severe weather conditions on Caesars Entertainment's and Caesars Growth Partners' ability to attract customers to certain of its facilities, such as the amount of losses and disruption to us as a result of Hurricane Sandy in late October 2012;

litigation outcomes and judicial and governmental body actions, including gaming legislative action, referenda, regulatory disciplinary actions and fines and taxation;

acts of war or terrorist incidents or uprisings, including losses therefrom, including losses in revenues and damage to property;

the effects of environmental and structural building conditions relating to Caesars Entertainment's and Caesars Growth Partners' properties;

access to insurance on reasonable terms for Caesars Entertainment's and Caesars Growth Partners' assets; and

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

In addition, the Disclosure Material includes projections related to the renovation of The Quad, the renovations of Bill's Gambling Hall and Saloon to become The Cromwell and the end of construction disruption at The Quad related to Project Linq and The Quad renovations. The projections contained therein are based on the current estimates of the Borrower, but they involve risks, uncertainties, assumptions and other factors that may cause actual results, performance or achievements of the Borrower to be materially different from any future results, performance or achievements expressed or implied by projections. These projections include estimates of the results of operations once the related projects are open or fully implemented and operated at a steady state, which may not occur until 12 to 24 months after The Cromwell opens and the renovation of The Quad and construction at Project Linq are completed. The future performance of the Borrower may differ significantly from the projected performance of the Borrower set forth in the Disclosure Material. Assumptions relating to these projections and other projects included in the Disclosure Material involve judgments with respect to, among other things, the Borrower's ability to impose resort fees, as well as future economic, competitive, industry and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the Borrower. Although the Borrower believes that the assumptions underlying the projections are reasonable, any of the assumptions could be inaccurate and, therefore, there can be no assurance that the projections therein will prove to be accurate or that the objectives and plans expressed in these projections will be achieved. For example, the renovations of The Quad or The Cromwell may not be completed on time or as anticipated. Also, once these projects are complete, The Cromwell or The Quad may not perform as the Borrower has estimated, which would result in the projected annual revenues from The Cromwell or The Quad being less than the Borrower has estimated. Further, the estimated recovery of lost Adjusted EBITDA relating to the end of construction at Project Linq and The Quad involves a number of assumptions relating to increased visitation, gambling habits of the new customers and EBITDA margins relating to increased gambling at The Quad once construction is complete, and actual results may vary significantly. If the actual results from the end of the construction disruption related to Project Linq and The Quad, the completion of The Cromwell or the renovation at The Quad are significantly worse than estimated in the Borrower's projections, such results could have an adverse effect on the Borrower's business, financial condition, results of operations and its ability to service its indebtedness.

As part of its business strategy, Caesars Entertainment has implemented certain cost-savings programs and is in the process of identifying opportunities to improve profitability by reducing costs. For example, Caesars Entertainment is currently in the process of reviewing its corporate level expenses and has identified certain cost savings, a portion of which will, as a result of the Transactions, reduce the expenses of the Borrower. Any cost savings that the Borrower realizes from such efforts may differ materially from its estimates. In addition, any cost savings that the Borrower realizes may be offset, in whole or in part, by reductions in revenues, or through increases in other expenses. For example, cutting advertising or marketing expenses may have an unintended negative affect on the Borrower's revenues. Caesars Entertainment's cost savings plans are subject to numerous risks and uncertainties that may change at any time. The Borrower cannot assure investors that cost-savings initiatives will be completed as anticipated or that the benefits the Borrower expects will be achieved on a timely basis or at all. The Borrower's calculation of Estimated Projected Run-Rate Adjusted EBITDA Pro Forma includes adjustments for estimated cost savings expected to be realized. Although the Borrower's management believes these estimates and assumptions to be reasonable, investors should not place undue reliance upon the calculation of Estimated Projected Run-Rate Adjusted EBITDA Pro Forma given how it is calculated and the possibility that the underlying estimates and assumptions may ultimately not reflect actual results.

Investors are cautioned to not place undue reliance on these forward-looking statements, which speak only as of the date of the Disclosure Material. Caesars Entertainment and the Borrower undertake no obligation to publicly update or release any revisions to these forward-looking statements to reflect events or circumstances after the date of the Disclosure Material or to reflect the occurrence of unanticipated events, except as required by law.

The information set forth in this Current Report on Form 8-K, including the Exhibit 99.1 referenced herein, 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 Caesars Entertainment'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 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.

Item 9.01 Financial Statements and Exhibits

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

Exhibit

No.	Description
99.1	Disclosure Material.

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 CORPORATION

Date: March 26, 2014

By: /s/ MICHAEL D. COHEN

Name: Michael D. Cohen

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

Exhibit Index

Exhibit

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99.1	Disclosure Material.