

Caesars Submits Application to Develop Caesars New York

\$880 Million Project 50 Miles from New York City Would Create New Destination Resort in the Northeast

LAS VEGAS, June 30, 2014 /PRNewswire/ -- Caesars Acquisition Company (NASDAQ: CACQ) and Caesars Entertainment Corp. (NASDAQ: CZR) today announced the proposed development of Caesars New York, an \$880 million luxury casino resort in Woodbury, New York. This afternoon, Caesars Acquisition Company, through its subsidiary, Caesars Growth Partners, submitted its application to the New York State Gaming Facility Location Board for a gaming license, which will be managed and operated by Caesars Entertainment and its affiliates. The application details plans for the resort and presents information about Caesars' operations and history.

Situated in the heart of the Hudson Valley, approximately 50 miles from New York City, the proposed project will be a sustainably designed, contemporary structure that complements the region's natural surroundings to create a world-class entertainment retreat. The resort is projected to attract more than 10 million visitors a year, making it a strong economic engine for the State of New York, Orange County and Woodbury. Caesars New York will work closely with other businesses in the State to maximize the economic development opportunity in the region as outlined in the Gaming Act.



"We have a tremendous opportunity to bring the Caesars brand to New York State and create a world-class entertainment facility, adding a new destination the Total Rewards loyalty network and attracting visitors from throughout the region and around the world," said Gary Loveman, chairman and chief executive officer of Caesars Entertainment. "If we are successful in winning a license, Caesars New York will create thousands of jobs and become an engine for economic growth in the area. We are grateful for the support we have received from Woodbury residents and businesses and look forward to working closely with local officials if we win a license."

Based on current estimates, Caesars projects an estimated total of \$230 million in anticipated annual tax revenues with \$29 million annually going to the local community and \$10 million to Orange County. The project is anticipated to create approximately 4,500 direct jobs including 1,500 construction jobs and approximately 3,000 permanent, well-paying, mostly union jobs.

Caesars has entered into a neutrality agreement with the New York Hotel Trades Council and a project labor agreement with the Hudson Valley Building Trades Council with regard to the operation and construction of the proposed resort. In its application, Caesars has outlined a plan to open the resort approximately 24 months after receiving necessary permits and approvals.

Resort Details

"Caesars New York exemplifies the high-growth opportunities that Caesars Growth Partners was established to pursue," said Mitch Garber, CEO of Caesars Acquisition Company. "We are excited about the opportunity to develop in Woodbury."

The proposed resort, situated on a wooded 115-acre site in Woodbury, will include approximately 300 luxury hotel rooms, suites and villas, 2,560 state-of-the-art slot machines, 190 table games and 50 poker tables. The poker room will carry the World Series of Poker brand and become a leading East Coast home to the WSOP

and its events, many of which are broadcast on ESPN. Caesars New York will include a flexible entertainment space, ideally suited for business meetings, celebrations, entertainment and WSOP circuit events.

The resort will also add a world-class dining program to the Hudson Valley, potentially including restaurants from some of the celebrity chefs who work with Caesars across its network of properties. The six planned restaurants include a range of concepts from fine dining to a Streets of New York food hall concept featuring cuisine from local restaurateurs. Caesars has successfully showcased local operators in many of its properties around the country. Among those who have expressed interest in developing a restaurant at Caesars New York are Gordon Ramsay and Nobu Matsuhisa. Caesars New York will also include a luxury spa and fitness center.

Community Benefits

Caesars has worked closely with officials from Woodbury and has entered into host community benefit agreements for the local area. Caesars has committed in these agreements to make various upfront and ongoing payments intended to mitigate the project's impacts on the host communities, as well as to provide additional community benefits such as funding local police and fire, sewer and water infrastructure investment, and to address other ongoing costs. Caesars has also agreed to employ a private ambulance service, invest in local workforce development and support local businesses. In addition, Caesars will invest more than \$10 million for community benefits including the development of two all-weather turf recreation fields.

Caesars has also committed to invest a minimum of \$20 million to improve traffic circulation near the proposed resort, including funding a substantial portion of the long-delayed improvements at Exit 131 on the New York State Thruway. The contribution will be satisfied through a combination of construction of critical improvements and financial contributions to the NYDOT's previously planned improvements.

About Caesars Entertainment

Caesars Entertainment Corporation (NASDAQ: CZR) is the world's most geographically diversified casino-entertainment company. Since its beginning in Reno, Nevada, 75 years ago, Caesars has grown through development of new resorts, expansions and acquisitions and now operates casinos on four continents. The company's resorts operate primarily under the Caesars®, Harrah's® and Horseshoe® brand names. Caesars 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. We are committed to environmental sustainability and energy conservation and recognize the importance of being a responsible steward of the environment. For more information, please visit www.caesars.com.

About Caesars Growth Partners

Caesars Growth Partners is a casino asset and entertainment company focused on acquiring and developing a portfolio of high-growth operating assets and equity and debt investments in the gaming and interactive entertainment industries. Through its two businesses-Interactive Entertainment and Casino Properties and Developments-Caesars Growth Partners will focus on acquiring or developing assets with strong value creation potential and leveraging interactive technology with its well-known online and mobile game portfolio and leading brands. Assets include Caesars Interactive Entertainment (with its social and mobile games, the World Series of Poker and regulated online real money gaming businesses), Planet Hollywood, Bally's Las Vegas, The Cromwell, The Quad Resort & Casino, Harrah's New Orleans and Horseshoe Baltimore (currently being developed by a joint venture). Through its relationship with Caesars Entertainment, Caesars Growth Partners has the ability to access Caesars Entertainment's proven

management expertise, brand equity, Total Rewards loyalty program and structural synergies. For more information, please visit www.caesarsacquisitioncompany.com.

About Caesars Acquisition Company

Caesars Acquisition Company (NASDAQ: CACQ) was formed to make an equity investment in Caesars Growth Partners, LLC, a joint venture between CACQ and Caesars Entertainment Corporation (NASDAQ: CZR), the world's most diversified casino entertainment provider and the most geographically diverse U.S. casino-entertainment company. CACQ is Growth Partners' managing member and sole holder of all of its outstanding voting units. For more information, please visit www.caesarsacquisitioncompany.com.

Forward Looking Information

This release 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. CACQ and CZR have based these forward-looking statements on 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 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 this release.

These forward-looking statements, including, without limitation, those (i) relating to the casino project described in this press release, (ii) the actual performance of the above-referenced projects may differ materially from those expressed or implied by such forward-looking statements, and (iii) 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 this release, are necessarily estimates reflecting the best judgment of CACQ's management, and CZR'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 above and from time to time in CACQ's filings with the Securities and Exchange Commission and CZR's 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 ability of CACQ and CZR to reach agreement on the definitive terms governing their respective relationship to the project and the project's ability to satisfy any requirements imposed by regulatory authorities;
- the ability to secure and the terms of any regulatory approvals, including gaming and antitrust approvals required to operate any portion of the above-referenced project and the regulatory approvals and permits necessary to complete the construction and development of the above-referenced project;
- the effects of local and national economic, credit, and capital market conditions on the economy, in general, and on the gaming industry, in particular;
- access to available and reasonable financing on a timely basis and the ability to comply with any conditions to funding under the financing for the above-referenced project;
- 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, including those related to the above-referenced projects;
- the effects of competition, including locations of competitors and operating and market competition;

- 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;
- the effects of environmental and structural building conditions relating to the above-referenced project;
- access to insurance on reasonable terms for the above-referenced project;
- acts of war or terrorist incidents, severe weather conditions, uprisings, or natural disasters;
- CACQ and Growth Partners dependence on Caesars Entertainment and its subsidiaries to provide support and services, as well as Growth Partners' dependence on Caesars Entertainment's senior management's expertise and its participation in Caesars Entertainment's Total Rewards loyalty program;
- the effects of a default by Caesars Entertainment on certain debt obligations;
- Caesars Entertainment's interests may conflict with Growth Partners' interests and may possibly keep any or all potential development opportunities for itself;
- the potential adverse effects if Caesars Entertainment or any of its subsidiaries were to file for bankruptcy;
- the adverse effects on CACQ's ability to comply with certain obligations imposed by federal securities law and certain debt arrangements if it is determined that Deloitte & Touche LLP was not independent of Caesars Entertainment or Growth Partners;
- the difficulty of operating Growth Partners' business separately from Caesars Entertainment, including that managing that process effectively may consume a significant portion of management's time;
- risks inherent in Growth Partners' business model and Growth Partners' short operating history;
- 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 sensitivity of Growth Partners' business to reductions in discretionary consumer spending;
- any failure to protect Growth Partners' trademarks or other intellectual property, such as the "World Series of Poker" trademark; and
- abnormal gaming holds ("gaming hold" is the amount of money that is retained by the casino from wagers by customers).

You are cautioned to not place undue reliance on these forward-looking statements, which speak only as of the date of this release. Neither Caesars Entertainment nor Caesars Acquisition Company undertake any obligation to publicly update or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this release or to reflect the occurrence of unanticipated events, except as required by law.



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SOURCE Caesars Entertainment

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<http://caesars.mediaroom.com/2014-06-30-Caesars-Submits-Application-to-Develop-Caesars-New-York>