HARRAH'S RESORT, ATLANTIC CITY
QUARTERLY REPORT

FOR THE QUARTER ENDED DECEMBER 31, 2012

SUBMITTED TO THE
DIVISION OF GAMING ENFORCEMENT
OF THE
STATE OF NEW JERSEY

OFFICE OF FINANCIAL INVESTIGATIONS
REPORTING MANUAL

HARRAH'S RESORT, ATLANTIC CITY
BALANCE SHEETS

AS OF DECEMBER 31, 2012 AND 2011

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Notes	2012 (c)	2011 (d)
	ASSETS:			
	Current Assets:			
1	Cash and Cash Equivalents		$34,930	$48,283
2	Short-Term Investments			
3	Receivables and Patrons' Checks (Net of Allowance for Doubtful Accounts - 2012, $11,162; 2011, $12,556)	4	14,613	22,047
4	Inventories	2	1,552	1,687
5	Other Current Assets	5	13,582	13,502
6	Total Current Assets		64,677	85,519
7	Investments, Advances, and Receivables	6	590,604	584,201
8	Property and Equipment - Gross	2,7	1,476,745	1,464,736
9	Less: Accumulated Depreciation and Amortization	2,7	(233,791)	(189,020)
10	Property and Equipment - Net	2,7	1,242,954	1,275,716
11	Other Assets	8	40,887	48,245
12	Total Assets		$1,939,122	$1,993,681
	LIABILITIES AND EQUITY:			
	Current Liabilities:			
13	Accounts Payable		$15,711	$11,451
14	Notes Payable			
	Current Portion of Long-Term Debt:			
15	Due to Affiliates			
16	External	10	1,283	0
17	Income Taxes Payable and Accrued			
18	Other Accrued Expenses	9	18,950	22,436
19	Other Current Liabilities		2,196	2,225
20	Total Current Liabilities		38,140	36,112
	Long-Term Debt:			
21	Due to Affiliates			
22	External	11	833,978	897,928
23	Deferred Credits		245,333	240,681
24	Other Liabilities	13	21,121	22,282
25	Commitments and Contingencies			
26	Total Liabilities		1,138,572	1,197,003
27	Stockholders', Partners', or Proprietor's Equity		800,550	796,678
28	Total Liabilities and Equity		$1,939,122	$1,993,681

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

HARRAH'S RESORT, ATLANTIC CITY
STATEMENTS OF INCOME

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2012 AND 2011

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Notes	2012 (c)	2011 (d)
	Revenue:			
1	Casino		$397,571	$436,500
2	Rooms		74,771	79,242
3	Food and Beverage		85,160	85,455
4	Other		27,252	28,265
5	Total Revenue		584,754	629,462
6	Less: Promotional Allowances	2	144,061	162,338
7	Net Revenue		440,693	467,124
	Costs and Expenses:			
8	Cost of Goods and Services		281,907	289,892
9	Selling, General, and Administrative		29,442	58,930
10	Provision for Doubtful Accounts		2,430	5,929
11	Total Costs and Expenses		313,779	354,751
12	Gross Operating Profit		126,914	112,373
13	Depreciation and Amortization		52,111	51,220
	Charges from Affiliates Other than Interest:			
14	Management Fees			
15	Other	3	56,654	45,611
16	Income (Loss) from Operations		18,149	15,542
	Other Income (Expenses):			
17	Interest Expense - Affiliates			
18	Interest Expense - External		(36,310)	(37,524)
19	CRDA Related Income (Expense) - Net		(2,848)	(3,554)
20	Nonoperating Income (Expense) - Net	14	23,251	6,344
21	Total Other Income (Expenses)		(15,907)	(34,734)
22	Income (Loss) Before Taxes and Extraordinary Items		2,242	(19,192)
23	Provision (Credit) for Income Taxes	16	1,352	(6,927)
24	Income (Loss) Before Extraordinary Items		890	(12,265)
25	Extraordinary Items (Net of Income Taxes - 2012, $0; 2011, $0)			
26	Net Income (Loss)		$890	($12,265)

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

HARRAH'S RESORT, ATLANTIC CITY
STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED DECEMBER 31, 2012 AND 2011

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Notes	2012 (c)	2011 (d)
	Revenue:			
1	Casino		$78,333	$97,315
2	Rooms		14,054	18,406
3	Food and Beverage		15,404	20,401
4	Other		6,171	7,054
5	Total Revenue		113,962	143,176
6	Less: Promotional Allowances	2	28,816	37,662
7	Net Revenue		85,146	105,514
	Costs and Expenses:			
8	Cost of Goods and Services		60,132	70,452
9	Selling, General, and Administrative		6,449	12,973
10	Provision for Doubtful Accounts		404	3,959
11	Total Costs and Expenses		66,985	87,384
12	Gross Operating Profit		18,161	18,130
13	Depreciation and Amortization		13,265	12,916
	Charges from Affiliates Other than Interest:			
14	Management Fees			
15	Other	3	12,705	12,197
16	Income (Loss) from Operations		(7,809)	(6,983)
	Other Income (Expenses):			
17	Interest Expense - Affiliates			
18	Interest Expense - External		(8,976)	(9,358)
19	CRDA Related Income (Expense) - Net		(1,014)	(1,160)
20	Nonoperating Income (Expense) - Net	14	9,978	(910)
21	Total Other Income (Expenses)		(12)	(11,428)
22	Income (Loss) Before Taxes and Extraordinary Items		(7,821)	(18,411)
23	Provision (Credit) for Income Taxes	16	(3,468)	(7,454)
24	Income (Loss) Before Extraordinary Items		(4,353)	(10,957)
25	Extraordinary Items (Net of Income Taxes - 2012, $0; 2011, $0)			
26	Net Income (Loss)		($4,353)	($10,957)

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

HARRAH'S RESORT, ATLANTIC CITY
STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2011 AND THE TWELVE MONTHS ENDED DECEMBER 31, 2012

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Notes	Common Stock Shares (c)	Common Stock Amount (d)	Preferred Stock Shares (e)	Preferred Stock Amount (f)	Additional Paid-In Capital (g)	Accumulated Comprehensive Income/Loss (h)	Retained Earnings (Accumulated Deficit) (i)	Total Stockholders' Equity (Deficit) (j)
1	**Balance, December 31, 2010..........**		25	$25			$918,547	($5,014)	($118,689)	$794,869
2	Net Income (Loss) - 2011.............								(12,265)	(12,265)
3	Contribution to Paid-in-Capital.....									0
4	Dividends.....................................									0
5	Prior Period Adjustments..............	2							12,460	12,460
6	Comprehensive Income/Loss							1,614		1,614
7										0
8										0
9										0
10	**Balance, December 31, 2011..........**		25	25	0	0	918,547	(3,400)	(118,494)	796,678
11	Net Income (Loss) - 2012.............								890	890
12	Contribution to Paid-in-Capital.....									0
13	Dividends.....................................									0
14	Prior Period Adjustments..............									0
15	Comprehensive Income/Loss							2,982		2,982
16										0
17										0
18										0
19	**Balance, December 31, 2012 ....**		25	$25	0	$0	$918,547	($418)	($117,604)	$800,550

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

HARRAH'S RESORT, ATLANTIC CITY
STATEMENTS OF CASH FLOWS
FOR THE TWELVE MONTHS ENDED DECEMBER, 2012 AND 2011

(UNAUDITED)
($ IN THOUSANDS)

Line (a)	Description (b)	Notes	2012 (c)	2011 (d)
1	CASH PROVIDED (USED) BY OPERATING ACTIVITIES...		$43,765	$50,527
	CASH FLOWS FROM INVESTING ACTIVITIES:			
2	Purchase of Short-Term Investments			
3	Proceeds from the Sale of Short-Term Investments			
4	Cash Outflows for Property and Equipment		(11,413)	(10,568)
5	Proceeds from Disposition of Property and Equipment			
6	CRDA Obligations		(5,238)	(5,496)
7	Other Investments, Loans and Advances made			
8	Proceeds from Other Investments, Loans, and Advances		440	358
9	Cash Outflows to Acquire Business Entities		0	0
10				
11				
12	Net Cash Provided (Used) By Investing Activities		(16,211)	(15,706)
	CASH FLOWS FROM FINANCING ACTIVITIES:			
13	Proceeds from Short-Term Debt			
14	Payments to Settle Short-Term Debt			
15	Proceeds from Long-Term Debt			
16	Costs of Issuing Debt			
17	Payments to Settle Long-Term Debt		(40,907)	(19,363)
18	Cash Proceeds from Issuing Stock or Capital Contributions		0	0
19	Purchases of Treasury Stock			
20	Payments of Dividends or Capital Withdrawals			
21				
22				
23	Net Cash Provided (Used) By Financing Activities		(40,907)	(19,363)
24	Net Increase (Decrease) in Cash and Cash Equivalents		(13,353)	15,458
25	Cash and Cash Equivalents at Beginning of Period		48,283	32,825
26	Cash and Cash Equivalents at End of Period		$34,930	$48,283

	CASH PAID DURING PERIOD FOR:			
27	Interest (Net of Amount Capitalized)		$28,729	$29,697
28	Income Taxes		$0	$1,260

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

HARRAH'S RESORT, ATLANTIC CITY
STATEMENTS OF CASH FLOWS

FOR THE TWELVE MONTHS ENDED DECEMBER, 2012 AND 2011

(UNAUDITED)

($ IN THOUSANDS)

Line (a)	Description (b)	Notes	2012 (c)	2011 (d)
	CASH FLOWS FROM OPERATING ACTIVITIES:			
29	Net Income (Loss)...		$890	($12,265)
30	Depreciation and Amortization of Property and Equipment...		47,903	47,012
31	Amortization of Other Assets..		4,208	4,208
32	Amortization of Debt Discount or Premium..........................			
33	Deferred Income Taxes - Current		(2,651)	583
34	Deferred Income Taxes - Noncurrent		4,652	(23,532)
35	(Gain) Loss on Disposition of Property and Equipment.........		(137)	(27)
36	(Gain) Loss on CRDA-Related Obligations...........................		2,848	3,554
37	(Gain) Loss from Other Investment Activities.......................			
38	(Increase) Decrease in Receivables and Patrons' Checks		7,248	(420)
39	(Increase) Decrease in Inventories		135	322
40	(Increase) Decrease in Other Current Assets..........................		2,571	81
41	(Increase) Decrease in Other Assets.......................................		5,553	21,130
42	Increase (Decrease) in Accounts Payable..............................		4,026	44
43	Increase (Decrease) in Other Current Liabilities		(3,515)	(1,198)
44	Increase (Decrease) in Other Liabilities		(1,085)	1,619
45	(Increase) Decrease in Other Receivables or Adv		(4,800)	17,901
46	(Gain) Loss on early retirement of Debt		(24,081)	(8,485)
47	Net Cash Provided (Used) By Operating Activities..................		$43,765	$50,527

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Line (a)	Description (b)	Notes	2012 (c)	2011 (d)
	ACQUISITION OF PROPERTY AND EQUIPMENT:			
48	Additions to Property and Equipment..................................		($14,313)	($10,568)
49	Less: Capital Lease Obligations Incurred..............................	15	2,900	0
50	Cash Outflows for Property and Equipment..............................		($11,413)	($10,568)
	ACQUISITION OF BUSINESS ENTITIES:			
51	Property and Equipment Acquired..			
52	Goodwill Acquired..			
53	Other Assets Acquired - net			
54	Long-Term Debt Assumed..			
55	Issuance of Stock or Capital Invested....................................			
56	Cash Outflows to Acquire Business Entities............................		$0	$0
	STOCK ISSUED OR CAPITAL CONTRIBUTIONS:			
57	Total Issuances of Stock or Capital Contributions.................		$0	$0
58	Less: Issuances to Settle Long-Term Debt...........................		0	0
59	Consideration in Acquisition of Business Entities.................		0	0
60	Cash Proceeds from Issuing Stock or Capital Contributions......		$0	$0

The accompanying notes are an integral part of the financial statements.
Valid comparisons cannot be made without using information contained in the notes.

HARRAH'S RESORT, ATLANTIC CITY
SCHEDULE OF PROMOTIONAL
EXPENSES AND ALLOWANCES

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2012
(UNAUDITED)
($ IN THOUSANDS)

		Promotional Allowances		Promotional Expenses	
Line (a)	Description (b)	Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	493,111	$41,356		
2	Food	1,291,637	28,292		
3	Beverage	2,175,421	16,316		
4	Travel			58,404	16,058
5	Bus Program Cash	372	4		
6	Promotional Gaming Credits	1,263,086	44,208		
7	Complimentary Cash Gifts	122,737	8,319		
8	Entertainment	31,377	1,447		
9	Retail & Non-Cash Gifts	129,747	2,595		
10	Parking				
11	Other	307,808	1,524		
12	Total	5,815,296	$144,061	58,404	$16,058

FOR THE THREE MONTHS ENDED DECEMBER 31, 2012

		Promotional Allowances		Promotional Expenses	
Line (a)	Description (b)	Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	102,819	$9,648		
2	Food	234,385	5,269		
3	Beverage	449,127	3,369		
4	Travel			13,201	3,569
5	Bus Program Cash	47	1		
6	Promotional Gaming Credits	223,260	7,814		
7	Complimentary Cash Gifts	16,512	1,271		
8	Entertainment	11,217	540		
9	Retail & Non-Cash Gifts	28,651	573		
10	Parking				
11	Other	65,344	331		
12	Total	1,131,362	$28,816	13,201	$3,569

*No item in this category (Other) exceeds 5%.

HARRAH'S RESORT, ATLANTIC CITY
STATEMENT OF CONFORMITY, ACCURACY, AND COMPLIANCE

FOR THE QUARTER ENDED DECEMBER 31, 2012

1. I have examined this Quarterly Report.

2. All the information contained in this Quarterly Report has been prepared in conformity with the Division's Quarterly Report Instructions and Uniform Chart of Accounts.

3. To the best of my knowledge and belief, the information contained in this report is accurate.

4. To the best of my knowledge and belief, except for the deficiencies noted below, the licensee submitting this Quarterly Report has remained in compliance with the financial stability regulations contained in N.J.S.A. 5:12-84a(1)-(5) during the quarter.

3/31/2013
Date

Scott Noey
Scott Noey

Vice President of Finance
Title

009094-11
License Number

On Behalf of:

HARRAH'S RESORT, ATLANTIC CITY
Casino Licensee

HARRAHS CASINO HOTEL ATLANTIC CITY
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
(Dollars in Thousands)

NOTE 1 - ORGANIZATION AND BASIS OF PRESENTATION

Harrah's Atlantic City Holding, Inc. and Subsidiaries (the "Company", "HACH") is a wholly owned subsidiary of Caesars Entertainment Corporation ("Caesars") (formerly Harrah's Entertainment, Inc.). The Company operates a casino hotel resort located in the Marina District of Atlantic City, New Jersey, known as Harrah's Resort Atlantic City. A substantial portion of the Company's revenues is derived from gaming and supporting hotel operations.

The Company is licensed to operate the facility by the New Jersey Division of Gaming (the "DGE") and is subject to rules and regulations as published by the DGE. The Company's license is subject to renew every five years with the current license expiring June 2013.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation - The accompanying consolidated financial statements include the account balances of HACH and its wholly-owned subsidiaries. As a result, all material intercompany transactions and balances have been eliminated in consolidation.

Allowance for Doubtful Accounts - The Company reserves an estimated amount for receivables that may not be collected. The methodology for estimating the allowance includes using specific reserves and applying various percentages to aged receivables. Historical collection rates are considered, as are customer relationships, in determining specific allowances.

Inventories - Inventories, which consist primarily of food, beverage, and operating supplies, are stated at the lower of average cost or market value.

Land, Buildings and Equipment - Land, buildings, and equipment have been recorded at their estimated fair values and useful lives based on the application of purchase accounting at the date the Company was acquired. Additions to land, buildings and equipment are stated at cost, including capitalized interest on intercompany funds used to finance construction calculated at Caesars overall weighted average borrowing rate of interest. Interest capitalized for construction in progress was $21 and $0 for the years ended December 31, 2012 and 2011, respectively.

Improvements that extend the life of the asset are capitalized. Maintenance and repair costs are expensed as incurred.

Depreciation is provided using the straight-line method over the shorter of the estimated useful life of the asset or the related lease term, as follows:

Land improvements	12 years
Buildings and improvements	2.5 to 40 years
Furniture, fixtures and equipment	2.5 to 20 years

The Company reviews the carrying value of land, buildings and equipment for impairment 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. The factors considered by the Company in performing this assessment include current operating results, trends and prospects, as well as the effect of obsolescence, demand, competition and other economic, legal and regulatory factors. No impairment of property and equipment was recognized by the Company during the periods presented in the consolidated statements of operations.

Deferred Finance Cost - Debt issue costs are amortized as interest expense based on the related debt agreement using the straight-line method, which approximates the effective interest method. Charges of $2,298 and $2,497 were included in amortization of finance cost in the statement of income for the periods ending December 31, 2012 and 2011 respectively.

Goodwill and Other Intangible Assets – The intangible assets represent a customer database with a recorded gross value of $54,700 and accumulated amortization of $20,688 and $16,480 as of December 31, 2012 and 2011, respectively. The customer database has been determined to have a useful life of 13 years, and is being amortized using the straight-line method. Amortization expense was approximately $4,208 for each of the years ended December 31, 2012 and 2011. Based on the value allocated to amortizing intangibles as of December 31, 2012, per the purchase price allocation, annual amortization expense is expected to be approximately $4,208 for each of the next five fiscal years.

(Dollars in Thousands)

Investment in Atlantic City Express Service, LLC "ACES" - In 2006, the Company entered into an agreement with Caesars Atlantic City, an affiliate of the Company, and one other Atlantic City casino to form ACES. With each member having a 33% interest, this New Jersey limited liability company was formed for the purpose of contracting with New Jersey Transit to operate express rail service between Manhattan, New York, and Atlantic City. The investment is reflected in the accompanying consolidated financial statements using the equity method. ACES suspended services during the year ended December 31, 2011, and the joint venture agreement terminated, which forced a liquidation of the joint venture's assets. During 2012, the Company received $2,800 in liquidation of the Company's interest in ACES.

CRDA Real Estate Project - The Company's investment in its Casino Reinvestment Development Authority (CRDA) real estate project (the "Project") consists of various townhomes, an apartment building and a retail store outlet in the northeast section of Atlantic City, NJ. Based upon an agreement with the CRDA, the Company may sell certain parts of the Project and will operate certain other parts for a period of up to 20 years.

Income or loss from the operation of the Project is included in the results of operations. Buildings are being depreciated using the straight-line method based on an estimated useful life of 27.5 years.

Revenue Recognition - Casino revenues are measured by the aggregate net difference between gaming wins and losses, with liabilities recognized for funds deposited by customers before gaming play occurs and for chips in the customers' possession. Accommodations, food and beverage, and other operating revenues are recognized when services are performed. Advance deposits on rooms and advance ticket sales are recorded as customer deposits until services are provided to the customer. The Company does not recognize as revenue taxes collected on goods or services sold to its customers.

Casino Promotional Allowances - Casino promotional allowances consist of the retail value of complimentary food and beverages, accommodations, admissions and entertainment provided to casino patrons. Also included is the value of the coupons redeemed for cash at the property. The estimated costs of providing such complimentary services are classified as casino expenses in the accompanying statements of income. These costs consisted of the following at December 31:

	2012	2011
Food and Beverage	$ 34,089	$ 32,456
Rooms	14,375	16,647
Other	6,708	6,906
Other Cash Complimentary	8,319	9,881
Promotional Gaming Credits	44,208	53,811
	$ 107,699	$ 119,701

Total Rewards Point Liability Program – Caesars' customer loyalty program, Total Rewards, offers incentives to customers who gamble at Caesars' casinos throughout the United States. Under the program, customers are able to accumulate, or bank, reward credits over time that they may redeem at their discretion under the terms of the program. The reward credit balance will be forfeited if the customer does not earn a reward credit over the prior six-month period. As a result of the ability of the customer to bank the reward credits, the expense of Reward Credits is accrued after consideration of estimated forfeitures (referred to as breakage), as they are earned. The estimated cost to provide reward credits is expensed at the property where they are earned and is included in casino expense on the accompanying consolidated statements of income. To arrive at the estimated cost associated with reward credits, estimates and assumptions are made regarding incremental marginal costs of the benefits, breakage rates and the mix of goods and services for which reward credits will be redeemed. The Company uses historical data to assist in the determination of estimated accruals. These amounts are recorded on Caesars' balance sheets with the incremental charges included in due from affiliates, net in the balance sheets. At December 31, 2012 and 2011, the accrued balance for the estimated cost of Total Rewards credit redemptions was $3,454 and $4,246 respectively.

In addition to Reward Credits, customers can earn points based on play that are redeemable in Non-Negotiable Reel Rewards ("NNRR"). The Company accrues the cost of NNRR, after consideration of estimated breakage, as they are earned. The cost is recorded as contra-revenue and included in casino promotional allowances on the accompanying Consolidated Statements of Income. At December 31, 2012 and 2011, the liability related to outstanding NNRR, which is based on historical redemption activity, were $598 and $991 respectively.

Gaming Tax – The Company remits weekly to the State of New Jersey a tax equal to eight percent of the gross gaming revenue, as defined. Gaming taxes paid to the State of New Jersey for the twelve months ended December 31, 2012 and 2011, which are included in cost of goods and services in the statement of income, were approximately $31,973 and $35,185 respectively.

In House Progressive Liability - In March 2012, the DGE approved regulations which allowed casinos to remove in-house progressives from the casino floor. Casinos were no longer required to keep in-house progressives once established on the floor. As a result, the regulations allowed us to remove the liability (reset and incremental portion) from the progressive slot liability account. The offset was an increase to the slot revenue.

Property Taxes - In 2012, Harrah's settled with the City of Atlantic City (the "City") with respect to their challenges to the real estate tax assessments for each of the tax years 2010 through 2012. Under the settlement terms, the assessments for the Harrah's properties were collectively reduced from approximately $1,819,980,700 to $1,469,980,700 for the 2012 tax year. Harrah's did not give up any rights to appeal future tax years as part of the settlement including an appeal of the tax year 2012 which is pending. The tax settlement, based on the 2012 City tax rate, resulted in a reduction in the tax payment that would otherwise have been due of approximately $7,500 in 2012.

Income Taxes — The Company is included in the consolidated federal tax return of Caesars and files a separate New Jersey tax return. The provision for federal income taxes is computed based on the statutory federal rate as if the Company had filed a separate income tax return. The provision for state taxes is based on the statutory New Jersey tax.

Deferred tax assets and liabilities represent the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of a change in existing tax rates is recognized as an increase or decrease to the tax provision in the period that includes the enactment date. The Company recognizes interest and penalties accrued related to unrecognized tax benefits in income tax expense.

During 2011, the Company identified certain deferred tax assets generated before 2009 related, primarily, to depreciation expense that were recorded on the financial statements of CEOC, the Company's parent, rather than being pushed down and recorded on the Company's financial statements. The net impact on the financial statements included in this report of correcting this error was to increase deferred tax assets and to increase retained earnings by $12,460 in the prior year. There were no cash or income statement impacts as a result of this correction.

Use of Estimates - The preparation of these financial statements in conformity with generally accepted accounting principles requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from these estimates.

Recently Issued Accounting Pronouncements — In December 2011, the Financial Accounting Standards Board ("FASB") issued updated guidance related to disclosures about offsetting assets and liabilities. The new guidance contains disclosure requirements regarding the nature of an entity's rights of offset and related arrangements associated with its financial instruments and derivative instruments. The new disclosures are designed to make financial statements that are prepared under GAAP more comparable to those prepared under IFRS. To facilitate comparison between financial statements prepared under GAAP and IFRS, the new disclosures give financial statement users information about both gross and net exposures. The new disclosure requirements will be effective for the Company January 1, 2013. As this is a disclosure requirement only, there will be no impact on the Company's financial position, result of operations, or cash flow upon adoption.

Effective January 1, 2012, the Company adopted the updated guidance related to fair value measurement and disclosure requirements. The changes result in common fair value measurement and disclosure requirements between GAAP and IFRS and change the wording used to describe many of the requirements in GAAP for measuring fair value and for disclosing information about fair value measurements. This update relates only to disclosures, there was no impact on the Company's financial position, results of operations, or cash flows upon adoption.

Effective January 1, 2012, the Company adopted the new guidance for the presentation of comprehensive income. The new guidance requires that all non-owner changes in stockholders' equity be presented either in a single continuous statement of comprehensive income or in two separate but consecutive statements. This update relates only to presentation and disclosures, there was no impact on the Company's financial position, results of operations, or cash flows upon adoption.

Error Corrections and Reclassifications — The Company has reclassified certain amounts for prior periods to conform to the current year's presentation.

NOTE 3 - RELATED PARTY TRANSACTIONS

The Company participates with Caesars Entertainment Operating Company (CEOC) and Caesars' other subsidiaries in marketing, purchasing, insurance, employee benefit and other programs that are defined and negotiated, and managed by CEOC on a consolidated basis. The Company believes that participating in these consolidated programs is beneficial in comparison to the terms for similar programs that it could negotiate on a stand-alone basis.

The Company's property assets and capital stock are pledged as collateral for certain of CEOC's outstanding debt securities.

Cash Activity with CEOC and Affiliates - The Company transfers cash in excess of its operating and regulatory needs to CEOC on a daily basis. Cash transfers from CEOC to the Company are also made based upon the needs of the Company to fund daily operations, including accounts payable and payroll, as well as capital expenditures. No interest is earned on the amounts shown as due from affiliates, net in the accompanying consolidated statements of changes in stockholder's equity.

Equity Incentive Awards — Caesars maintains equity incentive awards plans in which employees of the Company may participate. Caesars allocates an appropriate amount of cost for these awards to each subsidiary where employees participate.

The Company recognized $157 and $414 in equity award options for each of the years ended December 31, 2012 and 2011, respectively, are included in Selling, General, and Administrative expenses in the accompanying statements of income.

Employee Benefit Plans — Caesars maintains a defined contribution savings and retirement plan in which employees of the Company may participate. The plan, among other things, provides for pretax and after-tax contributions by employees. Under the plan, participating employees may elect to contribute up to 50% of their eligible earnings. Due to the economic conditions, Caesars suspended the employer match in February 2009 for all participating employees. In April 2012, Caesars reinstated the employer match, with limitations. The Company's contribution expense for the year ended December 31, 2012 was $498. There were no Company contributions for the year ended December 31, 2011.

Caesars also maintains deferred compensation plans, stock-option plans, and an executive supplemental savings plan under which certain employees of the Company's management may defer a portion of their compensation. The expenses charged by Caesars to the Company for employees' participation in these programs are included in the administrative and other services charge discussed above.

Multiemployer Benefit Plans — Certain employees of the Company are covered by union sponsored, collectively bargained, health and welfare plans. The contributions and charges for these plans were $14,075 and $14,282 for the years ended December 31, 2012 and 2011, respectively, are included in Selling, General, and Administrative expenses in the accompanying statements of income.

The Company contributes to a number of multiemployer defined benefit pension plans under the terms of collective-bargaining agreements that cover its union-represented employees. The risks of participating in these multiemployer plans are different from a single-employer plan in the following aspects:

a. Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers.

b. If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.

c. If the Company chooses to stop participating in some of its multiemployer plans, the Company may be required to pay those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

The Company's participation in these plans for the year ended December 31, 2012 and 2011, is outlined in the table below. The "EIN/Pension Plan Number" column provides the Employer Identification Number (EIN) and the three-digit plan number, if applicable. Unless otherwise noted, the most recent Pension Protection Act (PPA) zone status available in 2012 and 2011 is for the plan years beginning January 1, 2012 and 2011, respectively. The zone status is based on information that the Company received from the plan and is certified by the plan's actuary. Among other factors, plans in the red zone are generally less than 65% funded, plans in the yellow zone are less than 80% funded, and plans in the green zone are at least 80% funded. All plans detailed in the table below utilized extended amortization provisions to calculate zone status except the Pension Plan of the UNITE HERE National Retirement Fund. The "FIP/RP Status Pending/Implemented" column indicates plans for which a financial improvement plan (FIP) or a rehabilitation plan (RP) is either pending or has been implemented. The last column lists the expiration date(s) of the collective-bargaining agreement(s) to which the plans are subject.

		Pension Protection Act Zone Status			on behalf of HACH ($ in thousands)			
Pension Fund	EIN/Pension Plan Number	2012	2011	FIP/RP Status Pending/ Implemented	2012	2011	Surcharge Imposed	Expiration Date of Collective-Bargaining Agreement
Pension Plan of the NITE HERE National Retirement Fun	13-6130178/001	Red	Red	Yes	$ 4,268	$ 3,942	No	December 2015
Local 68 Engineers Union Pension Plan2	51-0176618/001	Green	Green	No	447	461	No	December 2015
NJ Carpenters Pension Fund	22-6174423/001	Yellow	Yellow	Yes	105	105	No	December 2015
Other funds					90	85		
					$ 4,910	$ 4,593		

Administrative and Other Services - The Company is charged a fee by CEOC for administrative and other services (including consulting, legal, marketing, information technology, accounting and insurance). The Company was charged $56,654 and $45,611 for these services for the twelve months ended December 31, 2012 and 2011, respectively. The fee is included in charges from affiliates in the accompanying statements of income.

Atlantic City Country Club - Atlantic City Country Club 1, LLC ("ACCC") is a wholly owned subsidiary of Bally's Atlantic City ("Bally's"), an affiliate of the Company. The net operating costs of ACCC are allocated to the Company and Bally's as well as Caesars Atlantic City and Showboat Atlantic City, also affiliates of the Company. The Company was charged approximately $154 and $197 for these costs for the twelve months ended December 31, 2012 and 2011, respectively. The costs are included in other operating expenses in the accompanying statements of income.

NOTE 4 – RECEIVABLES AND PATRONS' CHECKS

Receivables and patrons' checks as of December 31 consist of the following:

	2012	2011
Casino Receivables (Net of Allowance for Doubtful Accounts - 2012, $11,037 & 2011, $12,311)	$ 8,584	$ 12,205
Other (Net of Allowance for Doubtful Accounts- 2012, $125 & 2011, $245)	6,029	9,842
	$ 14,613	$ 22,047

(Dollars in Thousands)

NOTE 5 - PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid Expenses and Other Current Assets as of December 31 consisted of the following:

	2012	2011
Prepaid Air Charter	$ 1,943	$ 2,971
Prepaid State Income Tax	1,209	2,529
Prepaid Deferred State Income Tax	9,185	6,534
Prepaid Taxes	657	718
Prepaid Marketing	63	450
Prepaid Other	525	300
	$ 13,582	$ 13,502

NOTE 6 - INVESTMENTS, ADVANCES AND RECEIVABLES

Investments, Advances and Receivables as of December 31 consisted of the following:

	2012	2011
Due from Affiliates	$ 549,848	$ 541,657
Investment of ACES	-	2,800
Notes Receivable	12,000	11,247
CRDA obligation deposit-Net of Valuation Allowance of $9,718 and $9,455 at December 31, 2012 and 2011, respectively	19,926	19,403
CRDA obligation bonds-Net of Valuation Allowance of $4,222 and $3,664 at December 31, 2012 and 2011, respectively	5,351	4,065
CRDA Investments, Net	2,225	3,149
Other	1,254	1,880
	$ 590,604	$ 584,201

NOTE 7 – LAND, BUILDINGS AND EQUIPMENT

Land, Buildings and Equipment as of December 31 consisted of the following:

	2012	2011
Land and Land Improvements	$ 440,594	$ 440,594
Building and Improvements	891,908	891,100
Furniture Fixtures & Equipment	140,387	128,563
Construction in Progress	3,856	4,479
	1,476,745	1,464,736
Less: Accumulated Depreciation and Amortization	(233,791)	(189,020)
Land, Building and Equipment, Net	$ 1,242,954	$ 1,275,716

(Dollars in Thousands)

NOTE 8 - OTHER ASSETS

Other Assets as of December 31 consisted of the following:

	2012	2011
Intangible Asstes	$ 34,012	$ 38,220
Deferred Finance Charge	6,279	9,418
Interest Rate Cap Derivative	-	6
Other	596	601
	$ 40,887	$ 48,245

NOTE 9 - OTHER ACCRUED EXPENSES

Other Accrued Expenses as of December 31 consisted of the following:

	2012	2011
Accrued Salaries, Wages and Benefits	$ 4,361	$ 4,010
Taxes Payable	3,200	3,163
Accrued In-House Progressive Slot Liability	-	1,540
Accrued City Wide Progressive Slot Liability	205	367
Accrued Interest, Long-term debt	1,290	1,378
Accrued CCC/DGE Casino License Fees	493	519
Accrued Utilities	823	706
Accrued Health and Welfare Union	1,450	1,672
Accrued Charter Services	-	1,360
Other accrued Expenses	7,128	7,721
	$ 18,950	$ 22,436

NOTE 10- SHORT-TERM DEBT

Short-term debt, due to other as of December 31, consists of the following:

	2012	2011
Due to Other		
Current Portion of Capitalized Leases	$ 1,283	$ -
	$ 1,283	$ -

NOTE 11 – LONG TERM DEBT

Long-term debt, due to others as of December 31 consists of the following:

	2012	2011
CMBS Financing - 3.21% & 3.28% at December 31, 2012 and 2011, respectively - Maturity 2015*	$ 832,361	$ 897,928
Capitalized Leases	1,617	-
	$ 833,978	$ 897,928

* Caesars is permitted to extend the maturity of the CMBS Loans from 2013 to 2015,

(Dollars in Thousands)

As of December 31, 2012, aggregate annual principal maturities for the five years subsequent to 2012 were as follows:

December 31,	
2013	$ -
2014	
2015	832,361
Total	$ 832,361

Commercial Mortgaged-Back Securities (CMBS) Financing — Caesars Entertainment obtained the CMBS Financing pursuant to the Loan Agreement and related First through Ninth mezzanine Loan Agreements, all dated January 28, 2008 (collectively, the "Loan Agreements") On August 31, 2010, Caesars executed an agreement with the lenders to amend the terms of the CMBS Financing to, among other things, (i) provide the right to extend the maturity of the Loan Agreements, subject to certain conditions, by up to 2 years until February 2015, (ii) amend certain terms of the CMBS Loans with respect to reserve requirements, collateral rights, property release prices and the payment of management fees, (iii) provide for ongoing mandatory offers to repurchase CMBS Loans using excess cash flow from the CMBS Properties at discounted prices, (iv) provide for the amortization of the mortgage loan in certain minimum amounts upon the occurrence of certain conditions and (v) provide for certain limitations with respect to the amount of excess cash flow from the CMBS Properties that may be distributed to Caesars Entertainment. Any CMBS Loan purchased pursuant to the amendments will be canceled.

The Company's portion of the outstanding CMBS Financing during 2012 and 2011 was approximately 17.8% for both years. The remaining portion is owed by other Caesars entities with the CMBS Financing.

CMBS Debt Repurchase — During 2011, Caesars purchased $158,089 of aggregate face value of CMBS Loans for $108,500, recognizing total pre-tax gains of $47,544, net of deferred finance charges. During 2012, Caesars purchased $367,399 of aggregate face value of CMBS Loans for $229,222, recognizing total pre-tax gains of $134,938, net of deferred finance charges.

NOTE 13 - OTHER LIABILITIES

Other Liabilities as of December 31 consisted of the following:

	2012	2011
Reported Claims	$ 980	$ 2,564
CRDA-ACIA Funding	140	164
Deferred CRDA grant	302	354
Fin 48- Tax Reserve	19,699	19,200
	$ 21,121	$ 22,282

NOTE 14 – NON-OPERATING INCOME (EXPENSE)

For the twelve months ended December 31, 2012 and 2011, Non-Operating Income (Expense) consisted of the following:

	2012	2011
Interest Income	$ 236	$ 180
Gain/Loss on Early Retirement Debt	24,081	8,485
Other	(1,066)	(2,321)
	$ 23,251	$ 6,344

(Dollars in Thousands)

NOTE 15 - LEASES

Operating Leases — The Company has non-cancelable operating leases for equipment which expire on various dates through 2015. Rental expense for the year ended December 31, 2012 and 2011, was approximately $5,965 and $5,549, respectively.

Capital Lease — The Company entered into capital leases for approximately $2,,915 in 2012, for gaming equipment, which is included in furniture, fixtures, and equipment, in the accompany balance sheets. The net book value of the assets held under capital lease is $2,535as of December 31, 2012.

Future minimum rental commitments for non-cancelable leases including renewal options and capital leases, as of December 31, 2012, are as follows:

	Lease Obligations	
	Capital	Operating
2013	$ 1,388	$ 86
2014	1,095	69
2015	567	26
Total minimum lease payments	3,050	$ 181
Amounts representing interest	(150)	
Present value of net minimum lease payments	2,900	
Less current maturities	(1,283)	
Capital lease obligations — noncurrent	$ 1,617	

NOTE 16 – INCOME TAXES

The Company is included in the consolidated federal income tax return of Caesars, but files a separate New Jersey income tax return. The provision for income taxes is computed based on a separate return basis.

The tax years that remain open for examination for Caesars major jurisdictions are 2002 through 2011 for New Jersey due to our execution of New Jersey statute of limitations extensions. The tax years prior to 2010 are no longer subject to examination for U.S. tax purposes.

Significant components of the provision for income taxes for the years ended December 31, 2012 and 2011, are as follows:

Provision (benefit) for income taxes	2012	2011
Current:		
Federal	$ 428	$ 318
State	670	(6)
	1,098	312
Deferred	254	(7,239)
Provision for income taxes	$ 1,352	$ (6,927)

(Dollars in Thousands)

The provision for income taxes for the years ended December 31, 2012 and 2011, differ from the federal statutory rate of 35% primarily due to state income taxes, the impact of nondeductible expenses, federal tax credits and the accrual for uncertain tax positions.

The Company does not have a formal tax sharing agreement in place with its parent entity for federal income tax purposes. Therefore, Caesars pays all of the Company's federal income taxes of which the Company's portion was a benefit of $70 and a benefit of $978 in 2012 and 2011, respectively.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The components of the Company's deferred tax assets and liabilities as of December 31, 2012 and 2011 were as follows:

	2012	2011
Deferred tax assets:		
Compensation programs	$ 398	$ 292
Allowance for doubtful accounts	4,560	5,129
Contingencies	7,434	9,555
CRDA investment obligation	14,809	15,092
Progressive jackpot liability	671	1,870
Tax credit carryovers	7,563	7,241
Net Operating loss carryovers	3,221	3,844
	38,656	43,023
Deferred tax liabilities:		
Depreciation and other property related items	(206,631)	(209,455)
Intangible assets	(13,894)	(15,613)
Debt costs	(54,137)	(51,561)
Other	(141)	(210)
	(274,803)	(276,839)
Net deferred tax liability	$ (236,147)	$ (233,816)

As of December 31, 2012 and 2011, the Company had federal net operating loss (NOL) carryforwards of $9,205 and $11,324, respectively. The federal NOLs will begin to expire in 2031. In addition, the Company had federal general business tax credit carryforwards of $862 and an alternative minimum tax credit of $6,702 as of December 31, 2012. The general business credits will begin to expire in 2030 and the alternative minimum tax credit will not expire. As of December 31, 2012 the Company has utilized all of its New Jersey NOL's. The NOL carryforwards per the income tax returns included unrecognized tax benefits taken in prior years. Due to application of ASC Topic 740, the NOLs reflected on the tax returns are larger than the related deferred tax assets recognized for financial statement purposes. As of December 31, 2012, no valuation allowance has been established for the Company's federal NOL carryforward and tax credit carryforwards deferred tax assets because the Company believes it will have sufficient future tax liabilities arising within the carryforward periods. However, the Company will continue to assess the need for an allowance in future periods.

The Company recognizes interest and penalties accrued related to unrecognized tax benefits in income tax expense. The Company accrued approximately $1,019 and $1,211 of interest during 2012 and 2011, respectively. In total, the Company accrued $9,219 and $8,201 for the payment of interest and penalties at December 31, 2012 and December 31, 2011, respectively.

It is reasonably possible that the amount of unrecognized tax benefits could increase or decrease within the next twelve months. Management estimates that the amount of unrecognized tax benefits will not change significantly within the next twelve months.

(Dollars in Thousands)

NOTE 17 – CASINO REINVESTMENT DEVELOPMENT AUTHORITY INVESTMENT

CRDA Investment Obligation — The New Jersey Casino Control Act provides, among other things, for an assessment of licenses equal to 1.25% of their gross gaming revenues in lieu of an investment alternative tax equal to 2.5% of gross gaming revenues. The Company may satisfy this investment obligation by investing in qualified eligible direct investments, by making qualified contributions or by depositing funds with the CRDA. Funds deposited with the CRDA may be used to purchase bonds designated by the CRDA or, under certain circumstances, may be donated to the CRDA in exchange for credits against future CRDA investment obligations. CRDA bonds have terms up to 50 years and bear interest at below-market rate.

As of December 31, CRDA related assets were as follows:

	2012	2011
CRDA Bonds-net of amortized cost	$ 5,351	$ 4,065
Deposit - net reserves	19,926	19,403
Direct Investments - net of reserves	2,225	3,149
	$ 27,502	$ 26,617

The CRDA related assets are held in deferred charges and other non-current assets in the consolidated balance sheets.

The Company records charges to operations to reflect the estimated net realizable value of its CRDA investment. Charges to operations were $2,739 and $3,484 for the twelve months ended December 31, 2012 and 2011, respectively, and is included in CRDA related expenses, in the statement of income.

The funds on deposits are held in an interest-bearing account by the CRDA. Initial obligation deposits are marked down by approximately 33% to represent their fair value and eventual expected conversion into bonds by the CRDA. Once CRDA Bonds are issued we have concluded that the bonds are held-to-maturity since the Company has the ability and the intent to hold these bonds to maturity and under the CRDA, they are not permitted to do otherwise. As such the CRDA Bonds are measured at amortized cost. As there is no market for the CRDA Bonds, its fair value could only be determined based on unobservable inputs. Such inputs are limited to the historical carrying value of the CRDA Bonds that are reduced, consistent with industry practice, by 1/3 of their face value at the time of issuance to represent fair value. The Company accretes such discount over the remaining life of the bonds. Accretion for the twelve months ended December 31, 2012 and 2011 were $56 and $39, respectively, and is included in CRDA related expenses, in the statement of income.

After the initial determination of fair value, the Company will analyze the recoverability of the CRDA Bonds on a quarterly basis and its effect on reported amount based upon the ability and likelihood of bonds to be repaid. When considering recoverability of the CRDA Bonds, the Company considers the relative credit-worthiness of each bondholder, historical collection experience and other information received from the CRDA. If indications exist that the amount expected to be recovered is less than its carrying value, the asset will be written down to its expected realizable amount.

NOTE 18 – COMMITMENTS AND CONTINGENCIES

Litigation - The Company is involved in various legal proceedings relating to routine matters of its business. The Company believes that all the actions brought against it are without merit and will continue to vigorously defend against them. While any proceedings or litigation has an element of uncertainty, the Company believes that the final outcome of these matters, in the aggregate, is not likely to have a material adverse effect upon the Company's results of operations, financial position, or cash flows.

Insurance Reserve - The Company is self-insured for various levels of general liability coverage. Insurance claims and reserves include the accrual of estimated settlements for known and anticipated claims. Accrued expenses and other current liabilities in the accompanying balance sheets include insurance allowances of $980 and $2,564 as of December 31, 2012 and 2011, respectively. Actual results may differ from these reserve amounts.

All the Atlantic City casino properties (the "AC Industry") and the CRDA entered into an agreement with the New Jersey Sports & Exposition Authority (the "NJSEA") to provide funding to subsidize New Jersey's horseracing industry. This agreement expired on January 1, 2009. The agreement provided that in exchange for funding, the NJSEA and the three active New Jersey racetracks would not conduct any casino gaming at the racetracks prior to January 1, 2009. As part of the agreement, the AC Industry provided $34,000 over a four year period to the NJSEA and deposited another $62,000 into the Casino Expansion Fund (managed by the CRDA). The Company's obligation was equal to its fair-share of AC Industry casino revenues, and the Company is eligible to receive funds deposited as a result of this obligation from the Casino Expansion Fund for qualified construction expenditures. The Company has until June 30, 2014 to submit an application to exhaust its share of the Casino Expansion Fund. Any funds not transferred out of the Casino Expansion Fund by the required date will be transferred to funds on deposit with the CRDA pursuant to its ongoing investment obligations.

In August 2008, the AC Industry entered into a new agreement with the NJSEA that will provide $90 million in funding to subsidize New Jersey's horseracing industry. The funding was provided in installments through 2011. In exchange for this funding, the NJSEA and the three active New Jersey racetracks did not conduct any casino gaming at the racetracks prior to December 31, 2011. The Company's expense was $10,684, equal to its fair-share of AC Industry casino revenues, for the three years ending December 31, 2011. The total expense was charged to operations on a straight line basis beginning January 2009 ending December 31, 2011.

All the Atlantic City casino properties (the "AC Industry") and the CRDA entered into an agreement with the Atlantic City Alliance (the "ACA") to provide funding to subsidize Atlantic City casino marketing. This agreement was signed on November 2, 2011 and is set to expire on December 31, 2016. The agreement provides that in exchange for funding, the ACA will create and implement a marketing plan for the AC Industry. As part of the agreement, the AC Industry provided an initial deposit of $5,000 in December 2011 and will continue to pay $30,000 annually for the next five years. The Company's fair-share was $3,939 for the twelve months ended December 31, 2012. The Company's obligation for its portion of future payments is estimated at $15,641 equal to its fair-share of AC Industry casino revenues.

HARRAH'S RESORT, ATLANTIC CITY
ANNUAL FILINGS

FOR THE YEAR ENDED DECEMBER 31, 2012

SUBMITTED TO THE
DIVISION OF GAMING ENFORCEMENT
OF THE
STATE OF NEW JERSEY

OFFICE OF FINANCIAL INVESTIGATIONS
REPORTING MANUAL

HARRAH'S RESORT, ATLANTIC CITY

ANNUAL SCHEDULE OF RECEIVABLES AND PATRONS' CHECKS

FOR THE YEAR ENDED DECEMBER 31, 2012

(UNAUDITED)
($ IN THOUSANDS)

ACCOUNTS RECEIVABLE BALANCES				
Line (a)	**Description (b)**	**Account Balance (c)**	**Allowance (d)**	**Accounts Receivable (Net of Allowance) (e)**
	Patrons' Checks:			
1	Undeposited Patrons' Checks....................................	$5,131		
2	Returned Patrons' Checks....................................	14,490		
3	Total Patrons' Checks....................................	19,621	$11,037	$8,584
4	Hotel Receivables....................................	1,245	125	$1,120
	Other Receivables:			
5	Receivables Due from Officers and Employees....	11		
6	Receivables Due from Affiliates..........................			
7	Other Accounts and Notes Receivables................	4,898		
8	Total Other Receivables....................................	4,909		$4,909
9	Totals (Form DGE-205)....................................	$25,775	$11,162	$14,613

UNDEPOSITED PATRONS' CHECKS ACTIVITY		
Line (f)	**Description (g)**	**Amount (h)**
10	Beginning Balance (January 1)....................................	$8,121
11	Counter Checks Issued....................................	185,266
12	Checks Redeemed Prior to Deposit....................................	(117,521)
13	Checks Collected Through Deposits....................................	(61,636)
14	Checks Transferred to Returned Checks....................................	(9,099)
15	Other Adjustments....................................	
16	Ending Balance....................................	$5,131
17	"Hold" Checks Included in Balance on Line 16....................................	0
18	Provision for Uncollectible Patrons' Checks....................................	$2,430
19	Provision as a Percent of Counter Checks Issued....................................	1.3%

HARRAH'S RESORT, ATLANTIC CITY
ANNUAL EMPLOYMENT AND PAYROLL REPORT

AT DECEMBER 31, 2012

($ IN THOUSANDS)

Line (a)	Department (b)	Number of Employees (c)	Salaries and Wages		
			Other Employees (d)	Officers & Owners (e)	Totals (f)
	CASINO:				
1	Table and Other Games	979			
2	Slot Machines	85			
3	Administration				
4	Casino Accounting	117			
5	Simulcasting	3			
6	Other	222			
7	Total - Casino	1,406	$27,584	$321	$27,905
8	ROOMS	538	10,857	247	11,104
9	FOOD AND BEVERAGE	1,097	21,071		21,071
10	GUEST ENTERTAINMENT	226	1,530		1,530
11	MARKETING	2	324	97	421
12	OPERATION AND MAINTENANCE	245	8,932		8,932
	ADMINISTRATIVE AND GENERAL:				
13	Executive Office	2	64	1,027	1,091
14	Accounting and Auditing	25	534	169	703
15	Security	141	3,981		3,981
16	Other Administrative and General	158	4,840	110	4,950
	OTHER OPERATED DEPARTMENTS:				
17	Retail	49	1,211		1,211
18	Communications	25	345		345
19	Employee Cafeteria	10	741		741
20		0			0
21		0			0
22		0			0
23	TOTALS - ALL DEPARTMENTS	3,924	$82,014	$1,971	$83,985