

Caesars 3Q loss worse than expected

By AP

LAS VEGAS – Caesars Entertainment Corp. said Tuesday that its third-quarter loss expanded by more than 50 percent due to weakness in the U.S. gambling market and stiffer competition.

Casino revenue fell 7 percent because of fewer visitors to its properties in Atlantic City and other U.S. markets outside of Nevada. Caesars also lost revenue from selling part of its stake in a casino in Uruguay.

Caesars is the parent company of Harrah's Lake Tahoe and Harveys in Stateline.

The company lost \$761.4 million, or \$6.03 per share, for the quarter that ended Sept. 30. A year earlier its loss was \$505.5 million, or \$4.03 per share.

The loss from continuing operations came to \$6.12 per share, far short of Wall Street's prediction of \$1.28 per share. The company absorbed an accounting charge of \$930.9 million for writing down the value of assets in Atlantic City and other U.S. markets outside of Las Vegas. That compared with a similar charge a year ago of \$419 million.

Revenue fell less than 1 percent, to \$2.18 billion from \$2.2 billion. Analysts surveyed by FactSet expected \$2.24 billion.

In Las Vegas, however, revenue rose about 5 percent to \$773.5 million, as Caesars brought in more money from gambling, hotel rooms and food.

The casino business was among the industries hardest hit by the economic downturn, and has been slow to recover. Visitor numbers are only now returning to 2007 levels in Las Vegas.

Also Tuesday, Caesars said that private equity firms Apollo Global Management and TPG Global are adding to their investment in a company called Caesars Acquisition Co., which has applied to trade on the Nasdaq. Their total investment now comes to about \$600 million, Caesars said.

Caesars Entertainment and Caesars Acquisition plan a joint venture called Caesars Growth Partners, which will acquire assets for online gambling.

Caesars shares had fallen 16 cents to close at \$18.40 before the results were released. They fell another 50 cents, or 2.7 percent, to \$17.90 in after-market trading.