

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

Filing Date: **1994-08-25** | Period of Report: **1994-08-25**  
SEC Accession No. **0000016095-94-000019**

([HTML Version](#) on [secdatabase.com](#))

FILER

**CAESARS WORLD INC**

CIK: **16095** | IRS No.: **590773674** | State of Incorp.: **FL** | Fiscal Year End: **0731**  
Type: **8-K** | Act: **34** | File No.: **001-05976** | Film No.: **94545968**  
SIC: **7990** Miscellaneous amusement & recreation

Mailing Address

*1801 CENTURY PARK EAST  
SUITE 2600  
LOS ANGELES CA 90067*

Business Address

*1801 CENTURY PARK E STE  
2600  
LOS ANGELES CA 90067  
3105522711*

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

August 25, 1994

CAESARS WORLD, INC.

(Exact name of issuer as specified in its charter)

|  |                                       |   |
|--|---------------------------------------|---|
| Florida<br>(State of Other<br>Jurisdiction<br>or Organization) | 1-5979<br>(Commission<br>File Number) | 59-0773674<br>(IRS Employer of<br>Identification<br>Number) |
|--|---------------------------------------|---|

|   |                     |
|---|---------------------|
| 1801 Century Park East<br>Suite 2600<br>Los Angeles, California<br>(Address of Principal<br>Executive Office) | 90067<br>(Zip Code) |
|---|---------------------|

(310) 552-2711

Registrant's telephone number, including area code

Item 5. Other Events.

On August 24, 1994, Registrant issued the following press release:

LOS ANGELES, CALIFORNIA -- Caesars World, Inc. (NYSE/CAW) today announced net income for fiscal 1994 was \$78,361,000, or \$3.19 per share, compared with \$83,215,000, or \$3.40 per share, for fiscal 1993.

Revenue for the fiscal year ended July 31, 1994, surpassed the billion dollar mark for the first time in the company's history, totaling \$1,015,766,000, compared with \$983,459,000 in fiscal 1993.

Henry Gluck, chairman and chief executive officer, said, "We are pleased to report that casino activity in both our Nevada and New Jersey operations achieved record levels in fiscal 1994. The decline in earnings principally reflects fiscal 1994 fourth quarter results which were down from the prior-year quarter due to significantly lower table-game win percentages in our Nevada operations." The company had announced in June 1994 that it anticipated a substantial reduction in profits as a result of unusually large losses during the middle of the month to a small number of long-term, table-game customers in Nevada.

Net income for the fiscal 1994 fourth quarter was \$16,905,000, or 69 cents per share, compared with \$25,686,000, or \$1.04 per share, during the fiscal 1993 fourth quarter. Revenue totaled \$251,458,000, compared with \$262,015,000 in the fiscal 1993 quarter.

For the full year, the company's Nevada table-game activity and win increased over fiscal 1993 despite a slightly lower table-game win percentage. The full-year slots activity and win results established all-time highs for the Nevada operations. However, operating income in Nevada declined due to higher marketing and payroll costs, and an increased provision for bad debts.

In New Jersey, increased contributions to income during the fiscal 1994 fourth quarter and full-year reporting periods resulted largely from casino operations at Caesars Atlantic City. Record slots revenue was realized in both reporting periods and there was a positive impact from the Simulcast Casino which opened in October 1993 and included high-tech horse race betting, a poker section and casino table games. Keno was introduced into this expanded area during June 1994. For the full year, the improved results in New Jersey were partially offset by slightly lower table-game win and by higher operating costs, notably the increased payroll for additional employees in the expanded casino.

During the fiscal 1994 fourth quarter, the company also realized a positive contribution to earnings from an unconsolidated affiliate in Windsor, Canada. Caesars World has a one-third interest in the joint venture which operates an interim Windsor casino which opened in May 1994.

The company's other expenses decreased from the fiscal 1993 fourth quarter, primarily due to a reduction in legal expenses, expense accruals and lower costs associated with

stock appreciation rights. These reduced expenses were partially offset by higher costs related to the pursuit of expansion opportunities in potential new gaming venues.

During both fiscal 1994 reporting periods, when compared with the same fiscal 1993 periods, Caesars World's net interest expenses decreased due to lower outstanding debt and a debt refinancing which was substantially completed during the fiscal 1993 first quarter.

<TABLE>

CAESARS WORLD, INC.  
CONSOLIDATED INCOME STATEMENT DATA  
(Unaudited)

(In thousands, except net income per share)

<CAPTION>

| For the periods ended July 31                                     | Three Months |           | Twelve Months |            |
|---|--------------|-----------|---------------|------------|
| <S>   | 1994         | 1993      | 1994          | 1993       |
| <S>   | <C>          | <C>       | <C>           | <C>        |
| Revenue   |              |           |               |            |
| Nevada  | \$131,256    | \$151,173 | \$ 596,685    | \$ 574,507 |
| New Jersey  | 100,054      | 93,947    | 350,527       | 345,088    |
| Earnings of unconsolidated affiliate (a)                          | 1,958        | -         | 1,958         | -          |
| Casino/hotel operations   | 233,268      | 245,120   | 949,170       | 919,595    |
| Pocono Resorts  | 13,116       | 12,533    | 46,288        | 44,177     |
| Other (a)   | 5,074        | 4,362     | 20,308        | 19,687     |
| Total revenue   | \$251,458    | \$262,015 | \$1,015,766   | \$ 983,459 |
| Contributions to Operating Income                                 |              |           |               |            |
| Nevada  | \$ 4,618     | \$ 27,899 | \$ 85,107     | \$ 106,489 |
| New Jersey  | 22,936       | 19,513    | 63,732        | 60,681     |
| Earnings of unconsolidated affiliate (a)                          | 1,958        | -         | 1,958         | -          |
| Casino/hotel operations   | 29,512       | 47,412    | 150,797       | 167,170    |
| Pocono Resorts  | 3,089        | 2,950     | 9,539         | 9,100      |
| Other expenses (b)  | (1,230)      | (4,377)   | (15,831)      | (17,159)   |
| Operating income  | 31,371       | 45,985    | 144,505       | 159,111    |
| Interest income   | 942          | 490       | 3,345         | 1,748      |
| Interest expense  | (4,824)      | (5,287)   | (19,295)      | (26,883)   |
| Income before income taxes  | 27,489       | 41,188    | 128,555       | 133,976    |
| Income taxes (c)  | 10,584       | 15,502    | 50,194        | 50,761     |
| Net income  | \$ 16,905    | \$ 25,686 | \$ 78,361     | \$ 83,215  |
| Net income per share  | \$ 0.69      | \$ 1.04   | \$ 3.19       | \$ 3.40    |
| Average number of common and common equivalent shares outstanding | 24,528       | 24,583    | 24,567        | 24,475     |

<FN>

(a) Represents Caesars proportionate share of unconsolidated affiliate in Windsor, Canada which began operations on May 17, 1994.

(b) Other revenue is primarily from merchandising operations. Other expenses include the contribution from merchandising operations and corporate expenses.

(c) The effective income tax rate during the nine months ended April 30, 1994, was higher than the same period in 1993. In August 1993, the Federal tax rate increased, retroactive to January 1, 1993, from 34 to 35 percent. The company also changed its method for income tax accounting by adopting FASB 109 effective August 1, 1993. The impact of this cumulative change in accounting and the retroactive change in the corporate tax rate aggregated a net charge of approximately \$750,000 in the first quarter of fiscal 1994.

</TABLE>

#### SIGNATURES

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

CAESARS WORLD, INC.

By /s/Philip L. Ball  
Philip L. Ball  
Senior Vice President,  
Secretary & General Counsel

August 25, 1994