

EXHIBIT A

EXHIBIT A

UNITED STATES DISTRICT COURT

DISTRICT OF NEVADA

CAESARS WORLD, INC., a Florida
corporation,

Plaintiff,

v.

MARCEL JULY, and individual, and
OCTAVIUS TOWER LLC, a Nevada Limited
Liability Company,

Defendants.

CASE NO. 2:11-CV00536-GMN-PAL

DECLARATION OF GARY SELESNER

I, Gary Selesner, hereby declare as follows:

1. I am over eighteen years of age and suffer from no legal disability. I am knowledgeable of the matters set forth in this declaration, and, if called upon to do so, I could and would testify competently to the facts set forth herein.
2. I am Senior Vice President of Desert Palace, Inc., a corporate affiliate of Caesars World, Inc.
3. Caesars World Inc. ("Caesars"), through affiliates, is the owner and operator of the Caesars Palace casino hotel in Las Vegas, Nevada as well as CAESARS branded casinos or casino hotels located in Atlantic City, New Jersey; Ontario, Canada; and Cairo, Egypt.
4. The Caesars Palace casino is located in the heart of the strip in Las Vegas, Nevada and was opened on August 5, 1966. As a result of its location, quality of service, and size, the Caesars Palace casino and hotel has enjoyed and continues to enjoy widespread recognition and success, and is one of the most famous hotels in the world.

5. On average, approximately 1.5 million people stay at Caesars Palace each year. Millions more from around the world visit the casino, dine at Caesars' restaurants and cafes, or watch a show in Caesars' 4,100-seat theater named the Colosseum.

6. Built around a Greco-Roman theme, Caesars Palace features more than 3,300 hotel guest rooms and suites in five towers, which towers are named Augustus, Centurion, Forum, Palace, and Roman.

7. Caesars Palace boasts more than 220,000 square feet of meeting and ballroom space. Each of the ballrooms is named with a Roman theme, including Octavius, Augustus, Roman, Forum, Tiberius and Claudius. Caesars Palace's largest ballroom is named Octavius and is more than 50,000 square feet in size and can host meetings of up to 5,555 people.

8. On July 19, 2007, the parent company of Caesars, Harrah's Entertainment, Inc. (now known as Caesars Entertainment Corporation), issued a widely published press release that announced plans for a \$1 billion expansion of Caesars Palace. The announced centerpiece of this expansion was the building of a new 665 room tower named "Octavius Tower," for the great-nephew of Julius Caesar. Attached hereto as Exhibit 1 is a true and correct copy of the press release issued on July 19, 2007, by Harrah's Entertainment, Inc. Attached hereto as Exhibit 2 is a true and correct copy of a second press release issued by Caesars on April 7, 2010.

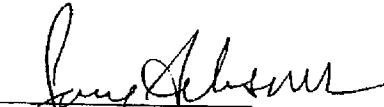
9. Caesars published a preview of the Octavius Tower in the November 2008 issue of Caesars' *CP Quarterly* publication. This publication was sent by direct mail to nearly 165,000 consumers, and was placed in all guest rooms at Caesars Palace. Attached hereto as Exhibit 3 is a true and correct copy of the November 2008 issue of *CP Quarterly*.

10. The exterior of Octavius Tower has been completed and stands prominently on East Flamingo Road. Attached hereto as Exhibit 4 is a true and correct photograph of the exterior of Octavius Tower as seen from Flamingo Road.
11. In March 2009, Caesars announced a delay in the completion of the Octavius Tower at Caesars Palace as a result of the weak economy and its impact on the Las Vegas economy. The announcement is reflected in a report entitled "Harrah's Entertainment Reports 2008 Fourth-Quarter, Full-Year Global Results," that was issued on March 13, 2009. A true and correct copy of this report is attached hereto as Exhibit 5.
12. Caesars moved forward with the development of three luxury villas in the tower that opened their doors to the public on September 11, 2009. The villas are each more than 8,000 square feet in size and a room night is valued at thousands of dollars per night.
13. The villas won the 2010 Hospitality Design Award in the Luxury/Upscale Guestrooms or Suites category issued by *Hospitality Design* magazine. Attached hereto as Exhibit 6 is a true and correct copy of *Hospitality Design* magazine's announcement.
14. Guests are directed to the Octavius Tower villas by three prominent signs in Caesars Palace that bear the OCTAVIUS TOWER mark. There is also a separate entrance to the villas marked with a sign that bears the mark OCTAVIUS VILLAS. Attached hereto as Exhibit 7 are true and correct copies of photographs of the foregoing signage.
15. The villas have been highly successful and have generated significant revenue for Caesars.
16. In early 2011, Caesars made the decision to move forward with the completion of the remaining rooms in Octavius Tower. Caesars announced its decision in a report entitled

"Caesars Entertainment Reports Results for 2011 First Quarter" that was issued on May 10, 2011. A true and correct copy of the report is attached hereto as Exhibit 8.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information and belief.

This 6th day of June, 2011.



GARY SELESNER

EXHIBIT A-1

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[Print Page](#) [Close Window](#)

News Release

Video: Harrah's Entertainment Announces \$1 Billion Expansion of Caesars Palace(R) in Las Vegas

Luxury Hotel Tower, Convention/Catering Facilities, Pools and Lavish Suites Highlight Resort Expansion

LAS VEGAS, July 19 /PRNewswire-FirstCall/ -- Harrah's Entertainment, Inc., (NYSE: HET) today announced an approximately \$1 billion expansion of Caesars Palace in Las Vegas, a key initiative in the development of the company's renowned Caesars brand. This expansion is another project in the extensive growth portfolio announced in the past 24 months by Harrah's, including: London Clubs International, Margaritaville Casino & Resort in Biloxi, Miss., The Pier at Caesars(R) Atlantic City, a new hotel tower at Harrah's Atlantic City, a new hotel at Harrah's New Orleans, and a substantial expansion to the Horseshoe Casino in Hammond, Ind.

The center piece of the expansion is the luxurious new 665-room hotel tower -- the Octavius Tower. The Octavius Tower will be located adjacent to a new 263,000-square-foot meeting and convention center. Three new luxurious pool villa suites will be built along the second floor of the new tower and will overlook three new swimming pools that will rim an expanded outdoor whirlpool spa retreat, a poolside cafe and nearby garden wedding venue. This expansion is slated for completion in early 2009.

"This billion dollar investment in our flagship property, Caesars Palace in Las Vegas, is an important part of our comprehensive global growth strategy," said Gary Loveman, chairman, chief executive officer and president of Harrah's Entertainment, Inc. "From the United Kingdom to Las Vegas and beyond, we will continue to enhance our network of branded properties to deliver unforgettable guest experiences and provide good jobs for our nearly 100,000 team members around the world."

"With 2006 operating income up 63% over the prior year and impressive increases in customer service scores during the same period, Caesars Palace hasn't just gotten bigger since the 2005 opening of the Augustus Tower, it's gotten better," said Tom Jenkin, president of the Western Division of Harrah's Entertainment, Inc. "Our expansion plans in Las Vegas are a reality thanks to the hard work of a great employee team."

Octavius Tower

The heart of the Caesars Palace expansion is the Octavius Tower, located along Flamingo Road on the southeast corner of the Caesars property. The new Octavius Tower will include:

- 665-room, 23-story hotel tower rising 350 feet;
- 594 hotel guest rooms (floor plans from 600 square feet);
- 19 1 1/2-bay suites;
- 41 two- or three-bay suites;
- 4 four-bay suites;
- 3 five-bay suites;
- 1 six-bay suite; and
- 3 lavish pool villa suites.

Named for the great-nephew of Julius Caesar, who later changed his name to Augustus, the \$375 million Octavius Tower will adjoin and resemble the resort's Augustus Tower that opened in August 2005 with a new hotel registration lobby and

VIP check-in lounges. In addition to convenient access from the hotel lobby and VIP reception areas, Octavius guests also will enjoy panoramic views and direct entry to swimming pools and gardens.

In addition to the new Octavius Tower, the resort's existing 512-room Forum Tower will undergo a major refurbishment. A regal new front entrance and expanded valet parking will open to expansive new casino interior decor, inviting guests to a remodeled buffet restaurant, redesigned Cypress Street Marketplace casual restaurant and enlarged Race & Sports Book.

Internationally acclaimed designer Wilson & Associates will create Octavius Tower interiors. Spacious guest rooms will offer the finest entertainment amenities, including large, flat-panel televisions and bedside clock radios with iPod(R) docking stations. Beds will be dressed with premium linens and bolster pillows; fashion-forward mattresses (mat lah SAYS) will replace traditional duvets. Luxurious marble bathrooms will feature generous dual-head showers and whirlpool tubs, with televisions above double vanities. Bathrooms will be bathed in natural light through doors that open into the bedrooms. With a nod to the resort's Greco-Roman heritage, guest room entry doors will be customized with Greek key patterns, where electronic doorbells and electronic "do not disturb" features will ensure guest privacy. Floors 21 through 23 will be comprised exclusively of suites; special key cards will be required to access these levels.

Scheduled to open in the first quarter of 2009, the Octavius Tower will increase the Caesars Palace room/suite offering from 3,348 to 4,013.

"Our guests have been thrilled with the Augustus Tower and its associated upscale services and amenities," said Gary Selesner, president of Caesars Palace. "This new expansion opens an exciting new chapter in the renaissance that began with opening of The Colosseum, and continues with the February 2008 debut of Bette Midler's all-new production, which will be presented a minimum of two years. With a spectacular new show, new guest rooms, suites and more, Caesars Palace will be well positioned to continue to welcome the world's most discriminating clientele."

Pool Villas - Villa Corridor - Swimming Pools - Wedding

Along the tower's second floor will be three pool villa suites designed to be the industry's most coveted hotel accommodations. Each of the palatial residences will span more than 10,000 square feet. These suites will be connected by a new Villa Promenade to the resort's existing two pool villas (10,000 and 11,000 square feet). New villas will be accessible via a private Octavius Tower entrance at Flamingo Road and by private elevator. Interior decor subtly inspired by the former Roman Empire regions of Spain, France or Greece, will feature exquisite custom furnishings and original works of art. Villa guests will be pampered with private butler service, advanced entertainment systems and private terraces overlooking the resort's Garden of the Gods swimming pools and gardens.

Three new swimming pools will replace the resort's Apollo pool and outdoor spas. The three will be elevated to set them apart from the Temple, Venus and Neptune pools. One (1,600 square feet) will be available only to invited guests and will offer premium amenities and services. Two 1,900-square-foot pools will adjoin the new meeting and convention addition. These pools will be created not only for hotel guest use, but also for private pool parties and catered functions.

Lush classically designed landscaping, replete with the resort's signature fountains and statuary, will surround the pools. Scheduled for completion in the second quarter of 2009, the pool expansion will accommodate added cabanas, chaise lounges and daybeds, along with a new poolside cafe, an expanded outdoor whirlpool spa retreat and a picturesque new garden wedding venue.

Meeting and Ballroom Addition

Underscoring Caesars commitment to prized convention and catering clientele, the expansion includes a 263,000-square-foot ballroom and meeting facility, constructed on two levels, and connected to the resort's Palace Tower meeting and convention center.

The 263,000-square-foot building will feature 110,000 square feet of flexible meeting, ballroom and exhibit space with additional breakout areas, grand promenades, banquet kitchens and support facilities. Included will be two regal

ballrooms, each expandable to 52,000 square feet, and two executive boardrooms. The upper tier will offer a large terrace overlooking two new swimming pools.

The addition will provide an ideal environment for product and entertainment productions, with ceiling heights of 26 and 28 feet and industry-leading audio visual and data systems. Direct access to fiber optics hubs and the perfect positioning for satellite transmission will provide efficient broadcast solutions.

Interiors will be designed by Marnell Interiors, a division of Marnell Corrao Associates of Las Vegas. These will complement the Palace Tower meeting center design. The addition will increase the property's total meeting room offerings from 240,000 square feet to 300,000 square feet.

Site improvements including central electrical plant expansion and relocation of power lines along Flamingo Road will take place near the convention addition and along the south property border.

Forum Tower

The complete remodel of the 24-story Forum Tower will include:

- 452 guest rooms;
- 10 two-story suites, which became widely known after the release of the movie "Rain Man";
- 60 two-bay suites; and
- 18 executive suites and two penthouses (9,500 and 12,500 square feet).

In-bedroom whirlpool bathtubs will be removed to provide more spacious sleeping and lounging environments. Like the Octavius Tower, guest accommodations will feature blissful bedding, dressed in premium linens and stylish mattresses, as well as large, flat panel televisions, iPod(R) docking stations, electronic doorbells and "do not disturb" messaging. Distinctive in the Forum Tower will be giant, marble, surround showers that can easily accommodate two people. These will be equipped with both rain shower and regular showerhead fixtures and bench seating.

The complete refurbishment of the Forum Tower is scheduled to be completed in January 2008 at a cost of \$83 million. The tower's two penthouses will be remodeled by the first quarter of 2008.

Renowned design firm Hirsch-Bedner Associates is creating all Forum Tower interiors except the two penthouses, which were created by, and will be remodeled by Wilson & Associates.

Front Entrance - Casino Remodel

The existing Caesars Palace front entrance will be expanded in breadth and height, opening to palatial new casino interiors, created by globally renowned design firm Allard & Conversano. The central ellipse will remain, highlighted by new decor and flanked by grand ceiling heights, raised to 20 feet. New interiors will extend to the Casino Cashier and Cleopatra's Barge corridors, inviting guests to explore new dining, entertainment and gaming offerings. During the transformation of the central front entry, Caesars guests will enter and exit through resort entrances a few steps on either side of the central doors.

The construction team will be led by long-established builders and architects:

Marnell Architecture, Executive Architect
Bergman Walls, Architect of Record.
Marnell - Keating, Joint Venture, Contractor
About Caesars Palace

Caesars Palace is the world's best known resort-casino, celebrating the glory that was Greece and the grandeur that was Rome in an 85-acre destination location that sets the standard for entertainment, dining and luxury. Reigning at the heart of the Las Vegas Strip, Caesars Palace features 3,348 hotel guest rooms and suites, 25 unique restaurants and cafes, 4.5-acre Garden of the Gods pools and gardens, 50,000-square-foot Qua Baths & Spa and 240,000 square feet of premium meeting and convention space. The 4,100-seat Colosseum sits just steps from celebrity chef restaurants and the acclaimed Forum Shops at Caesars and spotlights world-class entertainers such as Celine Dion, Elton John and

Jerry Seinfeld; and debuting February 20, 2008, Bette Midler.

About Harrah's Entertainment

Harrah's Entertainment, Inc. is the world's largest provider of branded casino entertainment. Since its beginning in Reno, Nevada nearly 70 years ago, Harrah's has grown through development of new properties, expansions and acquisitions, and now owns or manages casinos on four continents. The company's properties operate primarily under the Harrah's (R), Caesars(R) and Horseshoe(R) brand names; Harrah's also owns the London Clubs International family of casinos. Harrah's Entertainment is focused on building loyalty and value with its customers through a unique combination of great service, excellent products, unsurpassed distribution, operational excellence and technology leadership.

For more information about Harrah's, please visit: <http://www.harrahs.com>.

This release includes "forward-looking statements" intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. You can identify these statements by the fact that they do not relate strictly to historical or current facts. These statements contain words such as "may," "will," "project," "might," "expect," "believe," "anticipate," "intend," "could," "would," "estimate," "continue" or "pursue," or the negative or other variations thereof or comparable terminology. In particular, they include statements relating to, among other things, future actions, new projects, strategies, future performance, the outcomes of contingencies and future financial results of Harrah's. These forward-looking statements are based on current expectations and projections about future events.

Investors are cautioned that forward-looking statements are not guarantees of future performance or results and involve risks and uncertainties that cannot be predicted or quantified and, consequently, the actual performance of Harrah's may differ materially from those expressed or implied by such forward-looking statements. Such risks and uncertainties include, but are not limited to, the following factors, as well as other factors described from time to time in our reports filed with the Securities and Exchange Commission (including the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained therein): the occurrence of any event, change or other circumstances that could give rise to the termination of the merger agreement with TPG and Apollo; the outcome of any legal proceedings that have been, or will be, instituted against the Company related to the merger agreement; the inability to complete the merger due the failure to satisfy conditions to completion of the merger, including the receipt of all regulatory approvals related to the merger; the failure to obtain the necessary financing arrangements set forth in the debt and equity commitment letters delivered pursuant to the merger agreement; risks that the proposed transaction disrupts current plans and operations and the potential difficulties in employee retention as a result of the merger; the impact of the substantial indebtedness to be incurred to finance the consummation of the merger; the effects of local and national economic, credit and capital market conditions on the economy in general, and on the gaming and hotel industries in particular; construction factors, including delays, increased costs for 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; the effects of environmental and structural building conditions relating to our properties; access to available and reasonable financing on a timely basis; the ability to timely and cost-effectively integrate acquisition into our operations, including London Clubs; changes in laws, including increased tax rates, regulations or accounting standards, third-party relations and approvals, and decisions of courts, regulators and governmental bodies; litigation outcomes and judicial actions, including gaming legislative action, referenda and taxation; the ability of our customer-tracking, customer loyalty and yield-management programs to continue to increase customer loyalty and same store sales or hotel sales; our ability to recoup costs of capital investments through higher revenues; acts of war or terrorist incidents or natural disasters; abnormal gaming holds; and the effects of competition, including locations of competitors and operating and market competition.

Any forward-looking statements are made pursuant to the Private Securities Litigation Reform Act of 1995 and, as such, speak only as of the date made. Harrah's disclaims any obligation to update the forward-looking statements. You are cautioned not to place undue reliance on these forward-looking statements which speak only as of the date stated, or if no date is stated, as of the date of this press release.

SOURCE Harrah's Entertainment

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EXHIBIT A-2

EXHIBIT A-2



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LENGTH: 1086 words

HEADLINE: Caesars Palace Las Vegas Introduces Breathtaking Octavius Pool Villas Reflecting Thematic Designs From France, Greece, Spain;
Recently Opened Villas Epitomize Opulence and Luxury

DATELINE: LAS VEGAS, NV; Apr 07, 2010

BODY:

Caesars Palace Las Vegas once again raises the standard for luxury with the unveiling of the lavish Octavius Villas. Located in the recently constructed Octavius Tower, the three 'Villas' are a trifecta of architectural perfection. The villas average 8,800 square feet, each one with a thematic design scheme from France, Greece and Spain and named for a Roman emperor who resided in the region. The villas overlook the Garden of the Gods, the resort's newly-expanded pool complex that made its debut in March 2010.

"The Octavius Villas were constructed to accommodate the discerning guests of Caesars Palace," said Gary Selesner, president of Caesars Palace. "The accommodations offer an immaculately designed residential experience that is enhanced by our highly-trained team of professionals."

Michael Medeiros, lead project designer of renowned interior architectural design firm Wilson Associates, created each villa to reveal magnificent architecture, yet radiate residential warmth and comfort throughout the space.

"Wilson Associates values our long standing relationship with Caesars Palace and has created many beautiful environments for the brand," said Medeiros. "Our goal for this latest addition was to design three unique luxury grand villas, each providing a comfortable escape for the high-end guests from the vibrant casino environment."

Each villa includes imported marble floors; a private elevator; hand-distressed wood parquet and inlaid wood floors; hand-painted wall murals and ceiling designs; wood and stone archways and casings; a billiard room; a plush home entertainment theatre; whirlpool bathtubs in the master and guest baths; steam mist showers in all bathrooms; fully integrated audio visual systems with televisions in nearly every room and custom contemporary artwork. Step outside and experience a spacious private terrace, with spa tub, fire pit, seating and dining area with a gas lantern and wall sconces. Villa guests may also enjoy the luxury of private butler and concierge services.

THE FRENCH VILLA: "CLAUDIUS" The French Villa is 8,500 square feet inside with a 1,150 square foot terrace. The four bedroom villa also includes a living room, lounge, sitting room, billiard room, custom-designed fish

Caesars Palace Las Vegas Introduces Breathtaking Octavius Pool Villas Reflecting Thematic Designs From France, Greece, Spain; Recently Opened Villas Epitomize Opulence and Luxury Marketwire April 7, 2

tank and grand piano.

Upon entry, guests are enticed by the warmly colored and textured creme decor, accented with yellow Sienna marble walls and a European-styled wall-mounted water fountain. A majestic powder room features hand-painted, finely finished walls with gilded moldings and an imported hand-carved marble sink. The master suite showcases finely upholstered walls, and an 8-foot custom bed draped with Anichini bed linens and situated beneath a grand chandelier. A hand-carved Crema Marfil stone bathtub imported from Italy rests on the marble mosaic floor of the master bath.

The media room boasts custom millwork and an inset 65-inch flat panel television with diamond button tufted upholstered walls. The dining room features hand-painted and metal-leafed wall coverings and a custom-made walnut dining table that comfortably seats ten.

THE SPANISH VILLA: "MARCUS AURELIUS" This villa is 8,170 square feet with three bedrooms and a 1,250 square foot terrace. The old world design showcases classic furnishings and rich, earthy tones. The grand entry gallery has groin vaulted barrel ceilings and a custom-designed fish tank clad with elaborate wood millwork that is evident throughout the space.

The Spanish Villa's master suite flaunts sophisticated wood and leather inset panel walls, a custom 8-foot bed with Anichini linens, sitting room and walk-in closet. The master bath features stunning marble walls and a bathtub and steam shower with a marble mosaic floor.

The dining area includes a custom-made dining room table that seats ten and features finely detailed, hand-embroidered and applied leather chairs. The Spanish Villa living room features a cozy, imported marble double-sided fireplace and grand piano, a custom carved walnut Adler pool table and a media room complete with wood and suede walls. A custom curved sofa and massage chairs round out the space.

THE GREEK VILLA, "CONSTANTINE" The Greek-inspired villa is 9,930 square feet with four bedrooms and a 1,380 square foot terrace. Guests are greeted with grandeur as they step into the entry gallery that showcases custom marble embellishments and Doric, hand-painted columns. An inviting living room boasts a grand piano, carved marble fireplace and an eclectic mix of the finest furnishings and accessories.

In the master suite, custom Greek-styled wainscot paneling with upholstered and nail head studded walls complement the custom 8-foot bed that resides beneath a gold-plated chandelier. The master bath includes his and her water closets adorned with travertine walls and decorative Greek columns.

The Constantine Villa is equipped with an exercise room and a distinguishably designed media room, complete with a 120-inch screen television, and rich-toned custom millwork.

ABOUT CAESARS PALACE Caesars Palace is the world's best known resort-casino, celebrating the grandeur that was Rome in an 85-acre destination location that sets the standard for entertainment, dining and luxury. Reigning at the heart of the Las Vegas Strip, Caesars Palace ranks among the world's top luxury resorts known for its originality and beauty and features 3,300 hotel guest rooms and suites, 23 diverse restaurants and cafes, five-acre Garden of the Gods pools and gardens, 50,000 square foot Qua Baths & Spa and 300,000 square feet of premium meeting and convention space. The 4,300-seat Colosseum sits just steps from celebrity chef restaurants and the acclaimed Forum Shops at Caesars and spotlights world class entertainers such as Cher, and Jerry Seinfeld, and returning March 15, 2011, Celine Dion. Journalists may access media materials and request high-resolution images at media.harrahs.com. Find Caesars Palace on Facebook at <http://www.facebook.com/caesarspalacelv#!/caesarspalace?ref=ts> and follow [@caesarspalace](http://www.twitter.com/caesarspalace).

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Caesars Palace Las Vegas Introduces Breathtaking Octavius Pool Villas Reflecting Thematic Designs From France, Greece, Spain; Recently Opened Villas Epitomize Opulence and Luxury Marketwire April 7, 2

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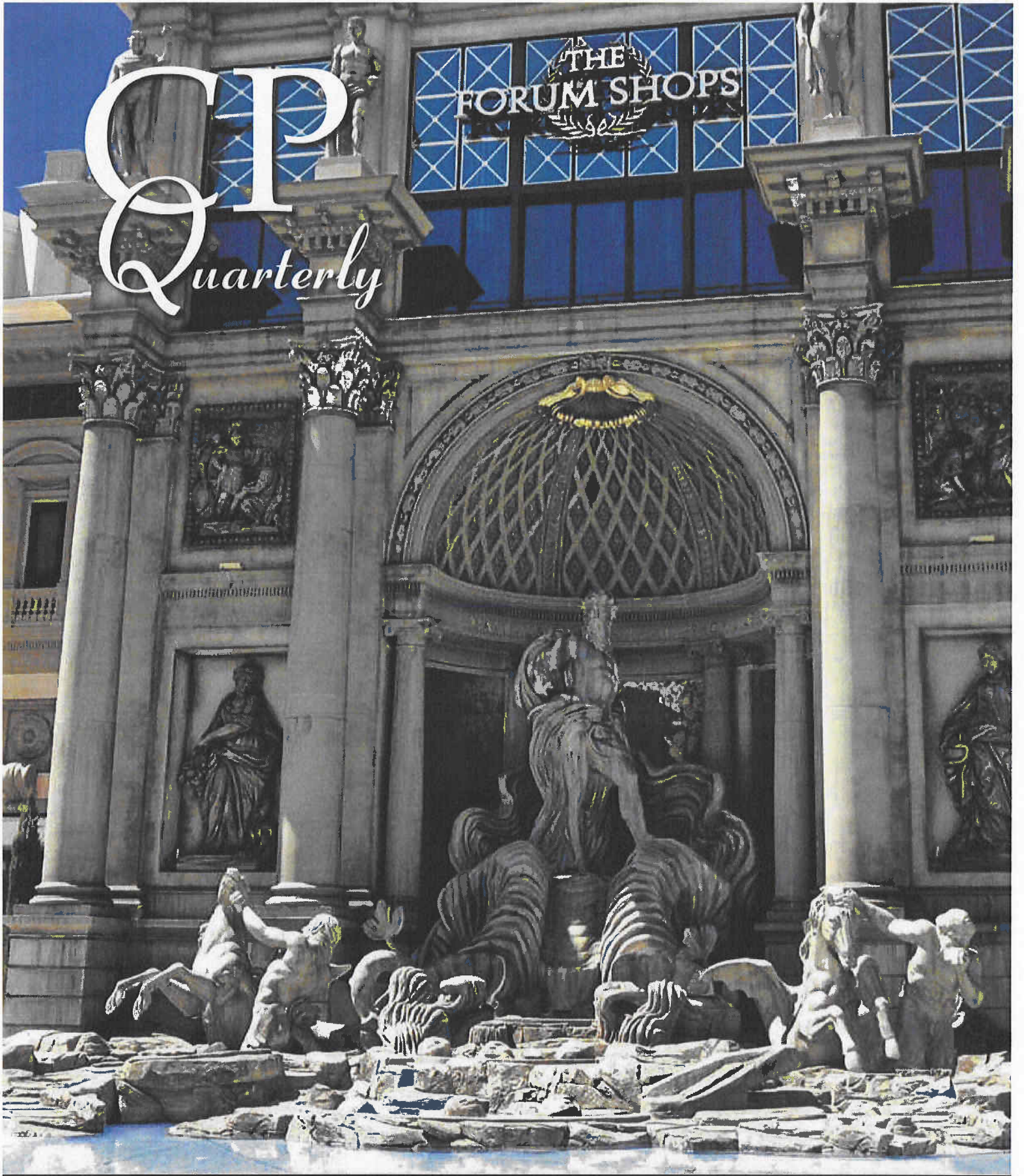
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SOURCE: **Caesars Palace**

LOAD-DATE: April 8, 2010

EXHIBIT A-3

EXHIBIT A-3



THE FORUM SHOPS

CP
Quarterly

LATE FALL 2008 • A PUBLICATION FOR THE CAESARS PALACE ENTHUSIAST



The World's Most Exciting SHOPPING DESTINATION.

Dear <first name>,

Every day, 36,000 visitors experience the magic of "shopertainment" at the Forum Shops. It's one of the most exclusive, sought-after shopping destinations in the world, attracting people from Asia, Europe and Latin America. And it's right here at Caesars Palace. This issue's feature story takes you on a personal tour of the Forum Shops as well as Appian Way, providing an intimate perspective as you've never experienced.

Once again, this issue is packed with generous offers. I make it my personal priority to take good care of our best players. With that in mind, I take pleasure in presenting you with:

- TBD
- TBD
- TBD
- TBD

Of course, there's plenty more to explore in this issue. You'll meet Dawn Noble of the inimitable Neros steakhouse. And also Michelle Dattilo and Vicki Savini-Sirringham, who are unofficially billed as the "group parties duo." You'll get a firsthand glimpse of the newly opened Sea Harbour restaurant, a taste of Payard's delectable gift baskets, and a coveted spot at "Sundays on the Balcony" at PURE Nightclub.

And there's so much more! Read on, and discover all the new, delightful diversions that await when you return. You'll maximize your upcoming visit with a little pre-planning; just head over to www.caesarspalace.com, or call your Casino Host, Branch Office or Regional Representative. As always, I personally thank you for choosing Caesars Palace, and for your continued loyalty.

Warmest personal regards,

Gary Alexander

Gary Alexander
President
Caesars Palace

PS: I'm thrilled to announce that Octavius Tower opens in June of 2009. Read the latest details in this issue – then stay tuned for more on how you can be among the very first to experience it.

"It's one of the most exclusive, sought-after shopping destinations in the world"



Photo: Jeffery M. Rosenblatt/Photo.com; Photo: Jeffery M. Rosenblatt/Photo.com; Photo: Jeffery M. Rosenblatt/Photo.com; Photo: Jeffery M. Rosenblatt/Photo.com; Photo: Jeffery M. Rosenblatt/Photo.com; Photo: Jeffery M. Rosenblatt/Photo.com; Photo: Jeffery M. Rosenblatt/Photo.com; Photo: Jeffery M. Rosenblatt/Photo.com; Photo: Jeffery M. Rosenblatt/Photo.com; Photo: Jeffery M. Rosenblatt/Photo.com



CP Quarterly

CITIZEN

4 Dawn Noble has been serving up exceptional dining experiences at Caesars Palace for the past 33 years. Meet Dawn and learn how she keeps guests coming back to her tables at Neros time and again.

CONFECTIONS

5 What's the perfect gift for a chocolate lover? A luscious signature gift basket from Payard Pâtisserie, of course! Create your very own basket or pick from our selection of scrumptious choices.

DINING

6 The husband and wife team of Frankie and Carla Pellegrino continue the 100-year family tradition at Rao's Caesars Palace.

ENTERTAINMENT

7 It's no joke! The biggest names in comedy come to Caesars Palace for the 4th annual Comedy Festival, Nov. 20-22.

NIGHTLIFE

13 There's no place to party into the early morning hours like the PURE terrace.

IN THE NEWS

14 Feast on the newest addition to the array of fine dining choices at Caesars Palace – Sea Harbour.

LET'S GO SHOPPING 8

For the past 15 years, The Forum Shops® have brought the best of Fifth Avenue and Rodeo Drive to Caesars Palace, hubbly in a virtual stroll through one of the world's most lavish shopping destinations.

OCTAVIUS TOWER 10

Enjoy a sneak preview of the luxurious new guest rooms in the Octavius Tower, which recently celebrated a topping-off milestone on the way to its anticipated completion in mid-2009.

ASK THE LEGEND 12

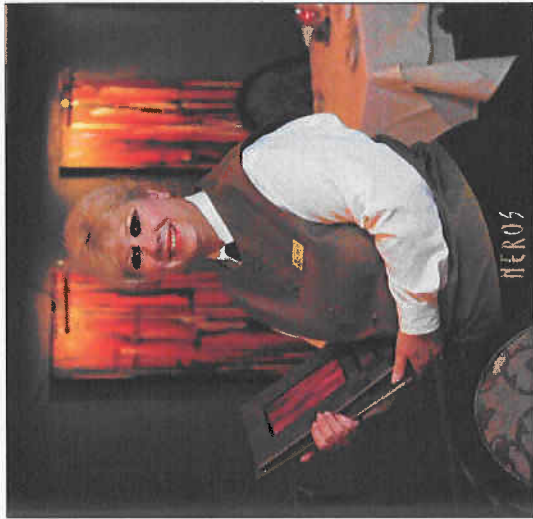
For groups from 14 to 4,000, Michelle Dattilo and Vicki Savini-Sirringham can make magic happen. Find out their secrets and how they can make your next group event one to remember.

On the cover Enter into a shopper's paradise at The Forum Shops, where you'll find more than 160 boutiques and shops as well as 18 delicious dining choices.

Citizen

Dawn Nobile

FOOD SERVER



Dawn Nobile is almost as much a part of Caesars Palace as its iconic Venus de Milo statue. With her 33-year career at the property, Dawn has become a favorite server at Nerros, as someone guests come back to see again and again. "I'm serving guests now who used to come with their parents," she notes. "One of my longest repeat customers has been coming back for close to 25 years, and one couple who started visiting in their early 40s is now telling me about their grandchildren," she adds.

But let's start at the beginning. Dawn had been working at her first-ever job, in the coffee shop at the Stardust, when she set her sights on Caesars Palace. "Everyone wanted to work at Caesars Palace," she remembers. "It was — and is — truly the 'palace' of the Strip." When she went for an interview at the "Noshorium" coffee shop on Nov. 1, 1973, Dawn must have made a great first impression. She was told she could start that night on the graveyard shift. Not long after, she began working in fine dining at the property's Palace Court French restaurant. "It was a beautiful room, and had a view overlooking the whole city — you could

see all the way to the mountains," she says. Caesars Palace later opened a steakhouse called "Spanish Steps," the predecessor to Nerros. "I moved to Spanish Steps to serve dinner — it must have been around 1978 — and I've been there ever since."

Dawn has a treasure trove of memories from back in the day; she has also seen tremendous growth and change at the property as well as on the famed Las Vegas Strip. At a time when familiar hotel names were Dunes, Sands, Aladdin and Hacienda, Dawn remembers: "We used to walk out to the parking lot right near to Nerros. The building ended right there." Since those early days, Dawn has almost lost count of the expansions and enhancements at Caesars Palace that have kept the property fresh and exciting throughout the years... the numerous hotel towers, casino expansions, new entertainment venues and Forum Shops. "Oh yes, and the parking garages," she adds. "When I started, there was one level of parking for employees. Now there's a garage with eight levels, and even then it's not easy to find a parking space."

While the property and the city may have changed, one thing about Dawn remains constant over the years: her dedication to service excellence. Dawn carefully chooses her words when describing her work to her, she isn't simply serving a meal, she is creating an exceptional dining experience. Staying on top of her game, even after 33 years, isn't difficult for Dawn: "Knowing that I make my guests happy by being friendly and attentive, and that they are taking this experience home with them — that keeps me motivated."

She sums up: "I love hearing my guests say 'you made our dinner special.' With all of the new hotels in Las Vegas, the great restaurants and the celebrity chefs, that's quite a compliment."

A chocolate dream come true

Payard Pâtisserie signature gift baskets



Looking for that perfect gift for the chocolate with discriminating taste? Payard signature gift baskets from Payard Pâtisserie & Bistro combine luscious creations of everything chocolate: truffles, ganache, hot chocolate, choccodette, fondue, chocolate dipped rice crispies, and more Payard signature chocolates. Add a Chef Payard Simply Sensational Desserts cookbook or a specially selected bottle of champagne to top it off — and you'll have an unforgettable gift for the holidays or any occasion that's worth celebrating with chocolate. Create your very own custom-designed basket, or order from our decadent collection — from Petite to Grande.

Baskets can be shipped locally or nationally, and can also be delivered to your guest room at Caesars Palace. To place your order, call Payard Pâtisserie at 702-731-7849, or stop by for more details.





That's Amore!



Frank & Carla A MATCH MADE IN RAO'S HEAVEN

FRANK PELLEGRINO JR., or "Frankie" as he is known to Rao's regulars, along with his wife—and executive chef—Carla are the youngest of the four generations to continue the Rao's family tradition. It's a match made in heaven, and one that has created a Rao's home in Las Vegas.

Frankie grew up helping his father and family at the New York restaurant—waiting tables, working in the kitchen, managing the restaurant and learning the family business. A continent away, Carla was born in Rio de Janeiro to a Portuguese father and a second-generation Italian mother. She had an early start in the food business as well—cooking daily for her family as early as age 10 and helping run her mother's catering business. Carla moved to Italy at 17, where she owned



Clockwise from top left: Frankie and Carla Pellegrino stand shoulder to shoulder outside Rao's main entrance. Uncle Vincent's popular Lemon Chicken. Aunt Anna's savory Meatballs with Pasta.

and ran a fish store, and conducted cooking demonstrations. She later graduated from the French Culinary Institute, met Frankie, and as they say, "the rest is history"—now part of Rao's family history.

Carla keeps Rao's time-honored traditions alive by preparing the same food as in New York. Simple, honest, Italian: signature family dishes such as Aunt Anna's meatballs, and Uncle Vincent's lemon chicken. All served in surroundings that replicate the intimacy of the famous 10-table New York restaurant on the corner of 114th Street and Pleasant Avenue in East Harlem.

Rao's is open for dinner daily from 5 p.m.–11 p.m. A new private dining room seats 15, and is available for small parties. For reservations, call 702-731-RAOS.

Ellen & Jerry, Dane

WALK INTO A BAR AT CAESARS PALACE...

... but it's no joke—it's The Comedy Festival Las Vegas, Nov. 20-22. More than 70 performances and special events will feature headliners including Jerry Seinfeld, Ellen DeGeneres, Dane Cook, Jeff Dunham, Karr Williams, Tracy Morgan, Russell Peters, Andrew Dice Clay, and a roast of comedic legends Cheech & Chong.



SHOW HIGHLIGHTS

ELLEN'S EVEN BIGGER REALLY BIG SHOW
Nov. 20, 7PM
The Colosseum®

JERRY SEINFELD
Nov. 21 and Nov. 22, 7:30PM
The Colosseum

CHEECH & CHONG ROAST
Nov. 21, 8PM
Palace Ballroom

ANDREW DICE CLAY
Nov. 22, 9:30PM
Palace Ballroom

DANE COOK
Nov. 21, 11PM
The Colosseum

JEFF DUNHAM
Nov. 22, 10PM
The Colosseum

MIKE EPPS
Nov. 22, 12:30AM
Augustus Ballroom

DAVID ALAN GRIER
Nov. 21, 10:30PM
Palace Ballroom

LAFFALOZZA HOSTED BY TRACY MORGAN
Nov. 22, 7PM
Palace Ballroom

RUSSELL PETERS & FRIENDS
Nov. 21, 11:50PM
Augustus Ballroom

KARR WILLIAMS
Nov. 20, 10PM
The Colosseum



As a special bonus, DeGeneres will broadcast her Emmy-winning hit talk show *The Ellen DeGeneres Show* live from The Colosseum on Nov. 21. That's in addition to presenting Ellen's *Even Bigger Really Big Show*, a one-hour variety special from the festival recorded for broadcast on TBS.

The festival brings together the biggest names and cutting-edge comedy talent in a broad range of programming, from star-level performances and special events to stand-up and sketch comedy. TBS presented three prime-time specials from last year's edition of The Comedy Festival, including Ellen's *Really Big Show*, *Blue Collar Comedy: The Next Generation* and *Frank Callando: All Over the Place*.

Caesars Palace joins forces with TBS, television's No. 1 comedy network, and AEG Live, one of the world's largest concert promotion and touring companies, to present the 4th annual edition of The Comedy Festival.

If "laugh until you cry" is on your personal bucket list, don't miss the biggest names in comedy combined with the best of the new generation for an unforgettable—and hilarious—event exclusively at Caesars Palace. Check for the complete schedule at www.caesarspalace.com or www.thecomedyfestival.com. Tickets are available at the Caesars Palace box office.

LET'S GO SHOPPING

Wondrous watches from Harry Winston. Lustrous luggage from Louis Vuitton. Sassy shoes from Jimmy Choo. Still more to explore from Fendi, Ferragamo, Pucci and Gucci. Whatever you've ever wanted to adorn yourself with, be seen in or be envied over, you'll find it at the Forum Shops. Sure, maybe you'd discover it along Rodco Drive, or on Manhattan's Fifth Avenue, but the experience just wouldn't be the same. The Forum Shops have a *je ne sais quoi* that simply can't be duplicated.



Shopping at its most luxurious. The Forum Shops features more than 160 ultra-exclusive boutiques and shops and 13 restaurants. The recent expansion includes a grand pedestrian plaza with a signature entrance from the Strip, plus a three-level spiral escalator surrounded by elaborate murals and statues. Appian Way Shops host 17 boutiques and 7 dining venues and such attractions as the Atrium Garden of the Gods, the Statue of David (an exact replica) and a 7-foot statue of Joe Louis.

Perhaps it's those cobblestone streets below, and that luminous sky-ceilng above. Or the many magical touches, such as the ornamented pillars, the bubbling fountains, the spiraling escalator, and "the Fall of Atlantis" re-enacted every hour. Or the intimate accessibility of everything... where you can lift from shop to shop without walking forever - or hailing a cab. It all adds up to a shopper's high that's hard to describe. It has been compared with the euphoria every child experiences upon visiting Disneyland for the first time.

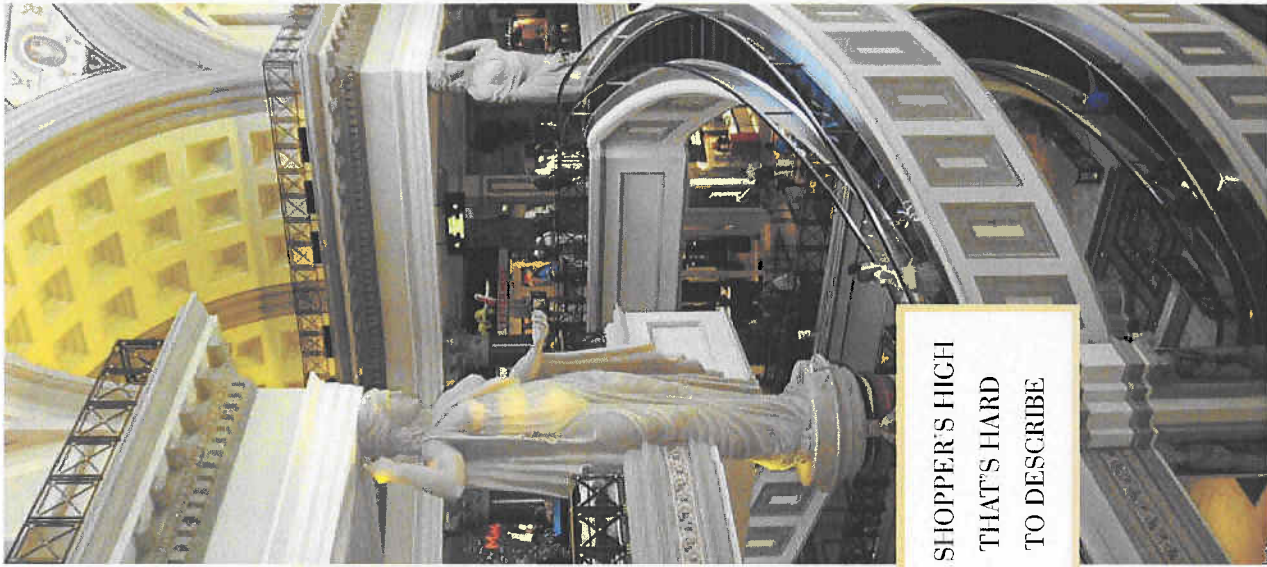
The Forum Shops are also one of the prime celebrity-sighting spots in Las Vegas - or anywhere, for that matter. Just as the experience draws an average of 56,000 "regular Joe" shoppers each day, it also attracts the most recognized faces from the worlds of movies, music and sports. For any shopper, nothing beats the rush of seeing a familiar face and thinking, "Could that be...? No, it can't be. Hey, it is!"

Ironically, when the notion of opening The Forum Shops first emerged more than fifteen years ago, many considered the idea preposterous. "You can't bring upscale shopping to the heart of the Strip," pronounced the naysayers. At the time, Las Vegas was still synonymous with "gaming." So when the Simon Property Group, Inc. (who owns and operates The Forum Shops, and lesses the land from Caesars Palace) moved forward, they were extra thorough in their due diligence.

Initially, 70 brave retailers signed on, intrigued by the vision, but not knowing how the grand experiment would turn out. Wolfgang Puck took the leap of faith, too, and preceded the waves of celebrity chefs who would collectively transform Las Vegas into a culinary Mecca. At the time, Puck had never even opened a restaurant outside Los Angeles. However, mere months after The Forum Shops opened (during a lull in the economy, no less), it became obvious the venture was a smashing success.

With all the acclaim and attention The Forum Shops receive, it's easy to overlook that other place for upscale shopping at Caesars Palace. Winding through the property, lined with imported marble and sculptural masterpieces, is the Appian Way. Here, you'll find the finest in apparel, accessories, art and edibles. The overall flavor may be different from that of the Forum Shops. But the exclusivity is the same.

A SHOPPER'S HIGH THAT'S HARD TO DESCRIBE



Octavius Tower

RAISES THE BAR



Octavius Tower celebrated another major milestone this past October, further revving anticipation of its grand opening in June 2009. One of the tower's final structural elements, a massive steel I-beam, was hoisted into position and secured as part of a formal event known as a "topping off" ceremony.

For several weeks prior to the event, the I-beam had been on display in an employee common space. This gave Caesars Palace associates the opportunity to sign their names to it, so they could forever be a part of the history of Caesars Palace. The personnel then attended the ceremony, along with members of the construction team, representatives from the architecture and engineering firms, and members of the news media.

The "topping off" ceremony was symbolic in more ways than one, as Octavius Tower itself will raise the bar in terms of luxury. Costing \$375 million, the 350-foot structure will feature 602 standard-defining rooms and 60 suites created by the acclaimed design firm Wilson & Associates.

Octavius Tower's guest rooms will feature expansive layouts of 600 square feet and upwards. Every inch will be lavished with the finest materials and textures, arranged into a

composition that is pleasing to the eye – and to the touch. Spacious beds will be enveloped in the finest linens and bolster pillows, with stylish mattresses in lieu of traditional duvets. Yet the most comfortable space may actually be the bathroom. Adorned with gorgeous marble, and bathed with natural light, each will be outfitted with a skin-care-savvy whirlpool tub and dual-head shower.

An even higher standard of luxury will be found amid the suites that exclusively populate floors 21 through 23. Of course, the most coveted accommodations of all will be the three pool villa suites, each of which will span more than 10,000 square feet. Each will feature exquisite custom furnishings, original works of art, and décor that is distinctly inspired by ancient

Roman territories in Spain, France or Greece. Villa guests will enjoy private butler services as they relax in private terraces overlooking the Garden of the Gods pools and gardens.

Octavius Tower will raise the bar in another way, too – by pursuing the U.S. Green Building Council's LEED® (Leadership in Energy and Environmental Design) Silver classification. Every aspect of the structure has been rigorously planned to meet LEED criteria, in areas that include energy efficiency, water usage reduction, selection of materials and sustainable site development. Guestrooms will feature compact fluorescent lighting and low-flow fixtures, and the overall building will include materials with recycled content, window glazing, and high-quality insulation. The real achievement, however, is that the guest experience will in no way be compromised.

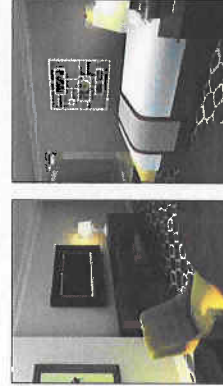


The I-beam gave associates the opportunity to forever be a part of Caesars Palace history



Opposite Rendition of the lower facade and pool area.

Left and opposite Renditions of Octavius Tower's sumptuous accommodations. **Above** Caesars Palace employee Wendy Keyano signs the ceremonial I-beam.



Vicki & Michelle

GROUP PARTIES



If you're planning a group trip to Las Vegas, then the two people you absolutely must get to know are Michelle Dattilo and Vicki Savini-Sringham. Referred to by colleagues as the "group parties duo," they can make magic happen for any group of 14 or more visiting Las Vegas, for any occasion, for any budget. They've been working together on and off (but mostly on) since 1998, when both were catering managers in the convention department.

CPQ >> Could you explain what you two do?

V&M >> Well, Michelle handles F&B Group Sales. She helps groups plan their entire stay at Caesars Palace or any Harrah's property throughout Las Vegas, and arranges transportation, spa treatments, everything. Much of it is working with our restaurants to customize menus, select the wine, and so forth. Vicki handles Entertainment Group Sales for groups of 14 on up to 4,000 to come for Colosseum events. There's a lot of overlap between us, because any group that needs dining arrangements will often want entertainment options. And vice versa.

CPQ >> What kind of groups do you work with?

V&M >> On the F&B side, we handle wedding receptions, corporate and convention-related events, anniversaries, and everything in between. On the entertainment side, we also handle lots of corporate groups, though fewer wedding or anniversary groups. On the other hand, we often get groups of fans, such as BETE Midler fans coming in from New York to see her perform.

CPQ >> What's the biggest group you can accommodate at one restaurant?

V&M >> We can put together a "reception-style" meal for up to 500 people at Rao's, which is the largest dining venue at Caesars Palace.



CPQ >> What if you have more than 500 people?

V&M >> In that case, we'd put together a "dine-around." Let's say you had a group of 2,500 in town for a convention. And let's assume you wanted all 2,500 people to dine at the same time, and then catch a show together at The Colosseum. To make that work, we'd divide the group into sub-groups, and fit the sub-groups in at multiple restaurants.

CPQ >> What's the most interesting event you've put together recently?

V&M >> Last February, Michelle handled a red-carpet NBA reception for 500 guests, which included lots of famous basketball players. We held it at Rao's. We put together a menu with pastas, meats, Italian cuisine... and we coordinated gifts, audio/visual, and all the logistics. A well-known software company brought out 2,500 people to see Elton John. We put together an Elton John-themed party in the pool area. We even handed out Elton John-style sunglasses and bows. It must have been cool for Elton John to see more than half the audience dressed like him.

CPQ >> Let's say you threw yourselves a birthday at Caesars Palace. What would you do?

V&M >> Wow, good question. Well... we'd bring everyone to Qua. And we'd have breakfast at Bayard. Then we'd lounge at the pool. Then we'd plan a fun, family-style dinner at Rao's. Then we'd see Cher at The Colosseum. Afterwards, we'd enjoy Kobe burgers and drinks at Bradley Ogden. Then we'd head to PURE.

If you're planning a group trip to Las Vegas, call 866-462-5982. Or, contact Michelle Dattilo at 702.591.6213 or Vicki Savini-Sringham at 702.731.7164. You may also visit www.dinneranddrinks.com.

PURE PARTY TIME

WHEN YOU'RE IN THE MOOD to party, there's no sexier spot than the nation's Number One nightclub - PURE. The festivities move up to the chic rooftop terrace on Thursdays and Sundays - four stories high, with unrivaled panoramic views of The Strip. PURE's terrace features an elegant mix of private cabanas, tables, a dance floor and a full bar, complete with bottle service. Dance to resident DJs mixing it up on the turntables from 10 pm until the early morning hours.

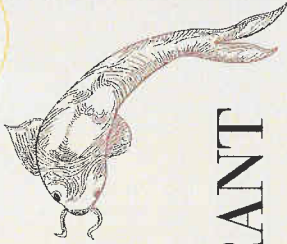
Every Tuesday is industry night at PURE, where the party goes full tilt with locals and guest DJs, surprise performances, fashion showcases and celebrity hosts. With four distinct experiences enveloped into 40,000 square feet and two stories of decadence, PURE is not just a nightclub; it's a nightlife destination you have to experience for yourself.

PURE opens at 10 pm, Tuesday and Thursday - Sunday. On Thursday and Sunday, only the terrace is open. Closing time? The party goes on not quite "til dawn, but almost!



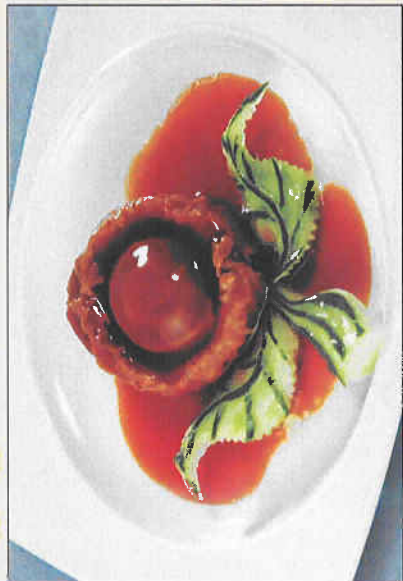
EXPERIENCE THE NEW

SEA HARBOUR SEAFOOD RESTAURANT



FEAST ON THE NEWEST addition to the array of fine dining choices at Caesars Palace. Guests can enjoy authentic gourmet Cantonese seafood, exquisitely prepared by Chinese chefs including traditional delicacies such as abalone, shark fin and sea cucumber. In addition to the main dining area, Sea Harbor features three private dining rooms and intimate terraces overlooking the magnificent Garden of the Gods.

The Sea Harbour name is clearly one of the most famous Cantonese seafood restaurant brands in all of mainland China. With eight restaurants in mainland China, one in Vancouver and one in California, Master Chef Tony Ho is now bringing his famed culinary expertise to Caesars Palace.

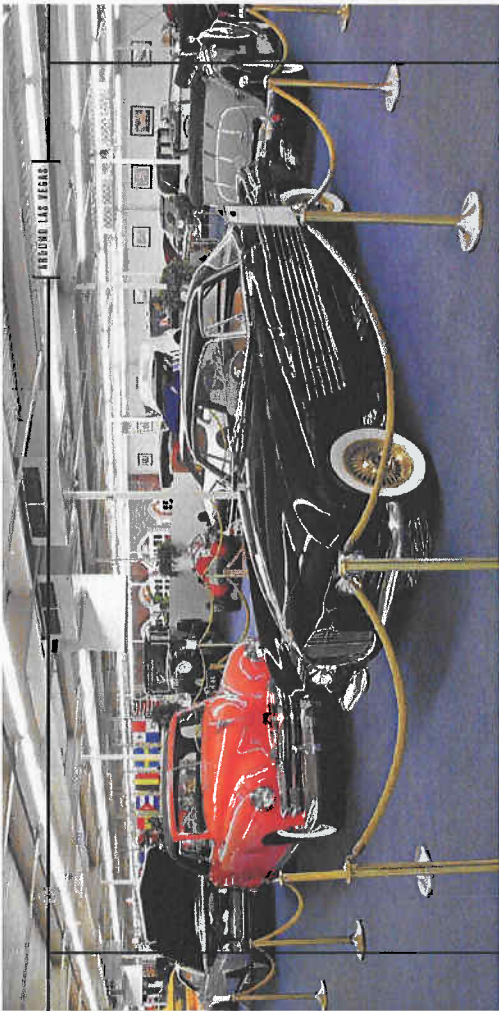


凯撒宫历来为贵宾设立众多美食场所，现又奉献最新佳肴餐厅——海港大酒楼，由顶级华人厨师精心烹制正宗海鲜粤菜，包括传统名贵海味鲍鱼、鱼翅、海参等，海港大酒楼不仅菜式精美，且有三个贵宾房与华丽阳台，俯瞰秀丽的天神花园。

首席厨师 Tony Ho 创建海港大酒楼，遍布全球十个地点，包括中国大陆、温哥华、加州。这家连锁餐馆备受好评，名列中国十大连锁餐馆，如今 Tony Ho 又把他的名扬四海的粤菜精粹带到了凯撒宫。



Picture: Traditional Alabare dish



THE Auto Collections

AT IMPERIAL PALACE

It's the world's largest, most impressive showroom of classic and exotic cars. And they're all for sale! If you venture across the street from Caesars Palace, to the Imperial Palace parking structure's fifth floor, you'll discover something quite unexpected: the world's largest showroom of classic and exotic cars.

Delicately parked throughout its 125,000 square feet of exhibit space are 250 of the most amazing, uncommon cars you'll ever see under one roof. If you see one you like, you can buy it.

So, What's for sale? Well, there are classic cars, antique cars, sports cars, hot rods, muscle cars, racecars and concept cars. There are cars once owned by celebrities, including Al Capone's 1930 V-16 Cadillac, W.C. Fields' 1938 Cadillac V-16 (with built-in bar), Marilyn

There are even cars once owned by dictators, including Czar Nicholas II's 1914 Rolls Royce, Juan Peron's 1939 Packard, Emperor Hirohito's 1935 Packard, Mussolini's 1939 Alfa Romeo, and Hitler's bullet-proof, mine-proof 1936 Mercedes-Benz 770K.

Of all these cars, the most expensive is a 1928 Mercedes-Benz S Tourer. The price? A cool \$5.5 million.

But hey, it'll probably go up in value. The Auto Collections at Imperial Palace Las Vegas is open seven days a week, from 10:00 a.m. to 6:00 p.m. It's located on the fifth floor of the parking structure of the Imperial Palace. Admission is \$8.95 for adults, \$5.00 for seniors and children 12 and under, and free for children under three with an adult. To learn more, visit www.autocollections.com, or call 702.794.3174.



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EXHIBIT A-4

EXHIBIT A-4

Caesars Palace - Octavius Tower

[« Previous](#)

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[Tiffany Brown](#)

The Octavius tower at Caesars Palace is the newest addition to the hotel-casino, located on the southwest part of the property, seen on Thursday, Jan. 14, 2010.

EXHIBIT A-5

EXHIBIT A-5



Contact: **Gary Thompson – Media** **Jonathan Halkyard – Investors**
 Harrah’s Entertainment, Inc. **Harrah’s Entertainment, Inc.**
 (702) 407-6529 **(702) 407-6080**

Harrah’s Entertainment Reports 2008 Fourth-Quarter, Full-Year Global Results

- *Revenues decline 13.3 percent from 2007 fourth quarter*
- *Fourth-Quarter Property EBITDA declines 23.2 percent from prior year*
- *Goodwill impairment charge impacts results*

LAS VEGAS – March 13, 2009 – Harrah's Entertainment, Inc. today reported the following financial results for the 2008 fourth quarter and full year:

HARRAH'S ENTERTAINMENT, INC.

Company-wide Results

<u>(In millions)</u>	<u>Fourth Quarter</u>		<u>Percent Increase/ (Decrease)</u>
	<u>2008</u>	<u>2007</u>	
Total revenues	\$ 2,278.4	\$2,627.5	(13.3)%
(Loss)/income from operations.....	(5,348.0)	145.8	N/M
Loss from continuing operations	(4,784.0)	(56.1)	N/M
Property EBITDA.....	478.0	622.8	(23.2)%
Adjusted EBITDA ^(a)	453.6	618.1	(26.6)%

In accordance with Generally Accepted Accounting Principles, we have separated our historical financial results for the Successor period from January 28, 2008 through December 31, 2008, and the Predecessor period from January 1, 2008 through January 27, 2008; however, we have also combined the Successor and Predecessor periods' results for the year

ended December 31, 2008, in the presentations included herein because company management believes that it enables a meaningful presentation and comparison of results.

<u>(In millions)</u>	Successor	Predecessor	Full Year		Increase/ (Decrease)
	through Dec. 31, 2008	Through Jan. 27, 2008	2008	2007	
Total revenues	\$ 9,366.9	\$ 760.1	\$ 10,127.0	\$ 10,825.2	(6.4)%
(Loss)/income from operations	(4,237.5)	(36.8)	(4,274.3)	1,652.0	N/M
(Loss)/income from continuing operations.....	(5,186.7)	(101.0)	(5,287.7)	527.2	N/M
Property EBITDA.....	2,244.9	171.2	2,416.1	2,825.5	(14.5)%
Adjusted EBITDA ^(a)	2,183.8	172.0	2,355.8	2,812.8	(16.2)%

^(a) Does not include the pro forma effect of yet-to-be-realized cost savings from our profitability program.

Property Earnings Before Interest, Taxes, Depreciation and Amortization (Property EBITDA) and Adjusted EBITDA are not Generally Accepted Accounting Principles (GAAP) measurements but are commonly used in the gaming industry as measures of performance and as bases for valuation of gaming companies and, in the case of Adjusted EBITDA, as a measure of compliance with certain debt covenants. Reconciliations of Property EBITDA to (loss)/income from operations and Adjusted EBITDA to (loss)/income from continuing operations are attached to this release.

On January 28, 2008, Harrah's Entertainment was acquired by affiliates of Apollo Global Management, LLC and TPG Capital, LP in a transaction valued at \$30.7 billion, including assumption of \$12.4 billion of debt and approximately \$1.0 billion of acquisition costs. Harrah's stockholders received \$90 cash for each share of common stock, or a total of \$17.3 billion.

The company's fourth-quarter loss from operations was \$5.35 billion, compared with income from operations of \$145.8 million in the 2007 fourth quarter. The loss from continuing

operations for the 2008 fourth quarter was \$4.78 billion, compared with a loss of \$56.1 million in the year-ago quarter.

For the full year 2008, revenues declined 6.5 percent to \$10.13 billion from \$10.83 billion in 2007. Loss from operations totaled \$4.27 billion in 2008, compared with income from operations of \$1.65 billion in 2007. The loss from continuing operations for 2008 was \$5.29 billion, compared with income from continuing operations of \$527.2 million in 2007.

The company performed its annual assessment of intangible assets for impairment during the 2008 fourth quarter, as required by Statement of Financial Accounting Standards No. 142. The company's annual budget and forecasting process was used in the impairment analysis, which concluded that a significant adverse change occurred in the business climate during the 2008 third quarter.

As a result of the analysis, the 2008 fourth-quarter and full-year net losses reflect a \$5.49 billion charge for impairment of goodwill and other intangible assets that are not subject to amortization. In calculating the impairment, the company considered current market conditions, including lower valuation multiples for gaming assets; higher discount rates resulting from credit-market turmoil, and current cash-flow projections. Other factors impacting 2008 fourth-quarter results included increased interest expense resulting from the acquisition and turbulent economic conditions in the United States that have led to reduced customer visitation and spend at the company's casinos, partially offset by a \$946 million gain resulting from the extinguishment of debt in an exchange offer completed in December 2008.

"While the faltering economy that's affecting virtually every business in America was the primary factor in the impairment charge and continued to impact our operating results during the fourth quarter, we ended the year with some significant accomplishments," said Gary

Loveman, Harrah's chairman, president and chief executive officer. "During the year, we reduced labor and marketing costs substantially and completed two of the largest capital projects in the company's history, putting the bulk of our planned capital-spending activities behind us.

"In keeping with our determination to align capacity with demand, we announced a delay in the completion of an additional 660 rooms in the new Octavius Tower at Caesars Palace," Loveman said. "We made this decision because the weak economy is expected to continue to impact demand for rooms in the Las Vegas market over the next several months even as additional supply is added by other operators. Once demand improves, the additional rooms in the Octavius Tower can be completed in a matter of months. Meanwhile, we continued to move forward with plans to open the new convention center under construction at Caesars Palace by mid-summer 2009 due to strong advance bookings for that facility.

"We successfully launched a pilot of LEAN operations management, the efficiency-enhancement process pioneered by Toyota, at several of our properties during the fourth quarter and will roll out the program across the enterprise this year," Loveman said. "We've been particularly pleased at the resultant efficiency improvements thus far, as well as the enthusiasm exhibited by front-line employees who participated in the program at the test properties.

"In December 2008, we completed an exchange offer that enabled us to reduce our overall principal debt from the 2008 third-quarter levels by approximately \$1.16 billion, and we subsequently launched a second exchange offer this month in an effort to reduce the outstanding debt of Harrah's Operating Company and extend the maturity of that debt," Loveman said. "As we move into a year likely to present continuing economic challenges, we

are focused on the need to remain flexible in our staffing and marketing requirements and to be nimble in responding to changes in customer and competitor behavior.”

A substantial portion of the debt of Harrah's Entertainment's consolidated group is issued by Harrah's Operating Company, Inc., (HOC) a wholly-owned subsidiary of Harrah's Entertainment, Inc. Therefore, the company believes it is meaningful to also provide information pertaining solely to the results of operations of HOC. The information for HOC assumes that a post-January 2008 swap of certain properties between HOC and Harrah's Entertainment that was consummated during the 2008 second quarter actually occurred on January 1, 2007.

HARRAH'S OPERATING COMPANY

Overall

(In millions)	Fourth Quarter		Percent Increase/ (Decrease)
	2008	2007	
Total revenues	\$ 1,752.8	\$ 1,979.5	(11.5)%
Loss from operations.....	(3,632.0)	(3.8)	N/M
Loss from continuing operations	(2,980.9)	(163.8)	N/M
Property EBITDA.....	346.1	391.6	(11.6)%
Adjusted EBITDA ^(a)	324.0	388.1	(16.5)%

(In millions)	Successor	Predecessor	Combined	Predecessor	Percent Increase/ (Decrease)
	Jan. 28, 2008 through Dec. 31, 2008	Jan. 1, 2008 through Jan. 27, 2008	Full Year 2008	Full Year 2007	
Total revenues	\$ 7,117.7	\$ 577.5	\$ 7,695.2	\$ 8,143.8	(5.5)%
(Loss)/income from operations	(2,836.4)	(43.2)	(2,879.6)	1,084.2	N/M
(Loss)/income from continuing operations.....	(3,396.9)	(107.6)	(3,504.5)	166.8	N/M
Property EBITDA.....	1,590.4	109.6	1,700.0	1,988.9	(14.5)%
Adjusted EBITDA ^(a)	1,511.9	143.0	1,654.9	1,993.5	(17.0)%

^(a) Does not include the pro forma effect of yet-to-be-realized cost savings from our profitability program.

Summaries of results by region follow:

Las Vegas Region

Driven in part by the company's Total Rewards customer-loyalty program, Las Vegas Region hotel occupancy rates remained relatively strong during the fourth quarter, but room rates and spend per visitor declined and, coupled with weakness in the corporate-meeting business, led to lower revenues in the Las Vegas Region. The fourth-quarter loss from operations resulted from lower visitor spend and a \$2.6 billion charge recorded in the quarter for impairment of goodwill and other non-amortizing intangible assets in the region. Full-year declines were driven by the impairment charge, lower spend per trip and fewer hotel rooms available due to room remodeling and remediation projects at three Harrah's properties.

HARRAH'S ENTERTAINMENT, INC.

Las Vegas Region

(In millions)	Fourth Quarter		Percent Increase/ (Decrease)
	2008	2007	
Total revenues	\$ 721.4	\$ 905.2	(20.3)%
(Loss)/income from operations.....	(2,485.3)	199.2	N/M
Property EBITDA.....	189.6	284.6	(33.4)%

(In millions)	Successor	Predecessor	Combined	Predecessor	Percent Increase/ (Decrease)
	Jan. 28, 2008 Through Dec. 31, 2008	Jan. 1, 2008 through Jan. 27, 2008	Full Year		
			2008	2007	
Total revenues	\$ 3,000.6	\$ 253.6	\$ 3,254.2	\$ 3,626.7	(10.3)%
(Loss)/income from operations.....	(1,988.0)	51.9	(1,936.1)	886.4	N/M
Property EBITDA.....	905.4	76.0	981.4	1,164.5	(15.7)%

Las Vegas Region properties include Harrah's Las Vegas, Rio, Bally's Las Vegas, Paris, Flamingo Las Vegas, Caesars Palace, Imperial Palace and Bill's Gamblin' Hall & Saloon.

HARRAH'S OPERATING COMPANY

Las Vegas Region

(In millions)	Fourth Quarter		Percent Increase/ (Decrease)
	2008	2007	
Total revenues	\$ 322.4	\$ 418.8	(23.0)%
(Loss)/income from operations.....	(1,076.4)	110.4	N/M
Property EBITDA.....	76.1	140.9	(46.0)%

(In millions)	Successor	Predecessor	Combined	Predecessor	Percent Increase/ (Decrease)
	Jan. 28, 2008 Through Dec. 31, 2008	Jan. 1, 2008 through Jan. 27, 2008	Full Year		
			2008	2007	
Total revenues	\$ 1,318.9	\$ 118.5	\$ 1,437.4	\$ 1,626.7	(11.6)%

(In millions)	Successor	Predecessor	Combined	Predecessor	Percent
	Jan. 28, 2008 Through Dec. 31, 2008	Jan. 1, 2008 through Jan. 27, 2008			
(Loss)/income from operations.....	(869.3)	29.7	(839.6)	417.2	N/M
Property EBITDA.....	364.6	38.1	402.7	536.3	(24.9)%

Las Vegas Region properties include Bally's Las Vegas, Caesars Palace, Imperial Palace and Bill's Gamblin' Hall & Saloon since its acquisition on February 27, 2007.

Atlantic City Region

Competition from gaming operations in Pennsylvania, smoking restrictions and the impact of the weak economy led to reduced visitation and customer spend per trip during the fourth quarter. The 2008 fourth-quarter loss from operations included a charge of \$699.9 million for impairment of goodwill and other intangible assets in the Atlantic City Region.

The decline in full-year revenues was partially offset by improved results from Harrah's Chester and relatively strong results from Harrah's Atlantic City, which benefited from its expansion. Full-year loss from operations was affected by the impairment charge, Atlantic City smoking restrictions, competition from slot parlors in feeder markets and higher operating costs.

HARRAH'S ENTERTAINMENT, INC.

Atlantic City Region

(In millions)	Fourth Quarter		Percent Increase/ (Decrease)
	2008	2007	
Total revenues	\$ 492.8	\$ 561.8	(12.3)%
(Loss)/income from operations.....	(669.4)	61.1	N/M
Property EBITDA.....	86.7	123.3	(29.7)%

(In millions)	Successor	Predecessor	Combined	Predecessor	Percent
	Jan. 28, 2008 Through Dec. 31, 2008	Jan. 1, 2008 through Jan. 27, 2008			
Total revenues	\$ 2,156.0	\$ 160.8	\$ 2,316.8	\$ 2,372.0	(2.3)%

<u>(In millions)</u>	Successor	Predecessor	Combined	Predecessor	Percent Increase/ (Decrease)
	Jan. 28, 2008 Through Dec. 31, 2008	Jan. 1, 2008 through Jan. 27, 2008	Full Year		
			2008	2007	
(Loss)/income from operations	(415.4)	18.7	(396.7)	351.4	N/M
Property EBITDA.....	484.0	36.4	520.4	602.1	(13.6)%

Atlantic City Region properties include Harrah's Atlantic City, Showboat Atlantic City, Caesars Atlantic City, Bally's Atlantic City and Harrah's Chester.

HARRAH'S OPERATING COMPANY

Atlantic City Region

<u>(In millions)</u>	Fourth Quarter		Percent Increase/ (Decrease)
	2008	2007	
Total revenues	\$ 374.8	\$ 442.6	(15.3)%
(Loss)/income from operations.....	(493.1)	41.1	N/M
Property EBITDA.....	61.7	90.0	(31.4)%

<u>(In millions)</u>	Successor	Predecessor	Combined	Predecessor	Percent Increase/ (Decrease)
	Jan. 28, 2008 through Dec. 31, 2008	Jan. 1, 2008 through Jan. 27, 2008	Full Year		
			2008	2007	
Total revenues	\$ 1,650.8	\$ 125.8	\$ 1,776.6	\$ 1,872.6	(5.1)%
(Loss)/income from operations.....	(308.7)	8.0	(300.7)	263.2	N/M
Property EBITDA.....	348.8	21.9	370.7	455.4	(18.6)%

Atlantic City Region properties include Showboat Atlantic City, Caesars Atlantic City, Bally's Atlantic City and Harrah's Chester.

Louisiana/Mississippi Region

The impact of the weak economy, which was particularly evident in the unrated-customer segment, led to lower fourth-quarter results for the Louisiana/Mississippi Region. The fourth-quarter loss from operations included a \$328.9 million intangible-asset impairment charge. The 2007 fourth-quarter income from operations included \$13.4 million of insurance proceeds in excess of the net book value of impacted assets, costs and expenses related to 2005 hurricanes.

Combined full-year revenues decreased due to lower visitor volume in the Tunica market and the impact of disruptions from renovations at the former Grand Tunica, which was rebranded Harrah's Tunica in the 2008 second quarter. The full-year loss from operations included the fourth-quarter impairment charge and \$185.4 million of insurance proceeds in excess of the net book value of impacted assets, costs and expenses related to 2005 hurricanes, while 2007 income from operations includes \$130.3 million of such insurance proceeds. All proceeds from claims related to the 2005 storms have now been received.

HARRAH'S ENTERTAINMENT, INC.

Louisiana/Mississippi Region

<i>(In millions)</i>	Fourth Quarter		Percent Increase/ (Decrease)
	2008	2007	
Total revenues	\$ 329.9	\$ 367.6	(10.3)%
(Loss)/income from operations.....	(299.7)	59.3	N/M
Property EBITDA.....	58.3	77.0	(24.3)%

<i>(In millions)</i>	Successor	Predecessor	Combined		Percent Increase/ (Decrease)
	Jan. 28, 2008	Jan. 1, 2008	Full Year		
	through	through	2008	2007	
	Dec. 31, 2008	Jan. 27, 2008			
Total revenues	\$ 1,340.8	\$ 106.1	\$ 1,446.9	\$ 1,538.7	(6.0)%
Income from operations.....	28.3	10.1	38.4	352.1	(89.1)%
Property EBITDA.....	276.2	18.6	294.8	342.8	(14.0)%

Louisiana/Mississippi Region properties include Harrah's New Orleans, Horseshoe Bossier City, Louisiana Downs, Horseshoe Tunica, Harrah's Tunica, Sheraton Tunica and Grand Casino Biloxi.

Iowa/Missouri Region

Cost-management efforts helped partially offset fourth-quarter and full-year revenue declines, which were due primarily to competition from a new facility that opened in the St. Louis market. The fourth-quarter loss from operations included a \$49.0 million impairment charge, offset by the effect of cost savings.

HARRAH'S ENTERTAINMENT, INC.

Iowa/Missouri Region

<i>(In millions)</i>	Fourth Quarter		Percent Increase/ (Decrease)
	2008	2007	

HARRAH'S ENTERTAINMENT, INC.

Iowa/Missouri Region

<u>(In millions)</u>	<u>Fourth Quarter</u>		<u>Percent Increase/ (Decrease)</u>
	<u>2008</u>	<u>2007</u>	
Total revenues	\$ 189.6	\$ 197.5	(4.0)%
(Loss)/income from operations.....	(4.6)	33.6	(113.7)%
Property EBITDA.....	58.1	55.8	4.1 %

<u>(In millions)</u>	<u>Successor</u>	<u>Predecessor</u>	<u>Combined</u>	<u>Predecessor</u>	<u>Percent Increase/ (Decrease)</u>
	<u>Jan. 28, 2008</u>	<u>Jan. 1, 2008</u>	<u>Full Year</u>		
	<u>through</u>	<u>through</u>	<u>2008</u>	<u>2007</u>	
	<u>Dec. 31, 2008</u>	<u>Jan. 27, 2008</u>			
Total revenues	\$ 727.0	\$ 55.8	\$ 782.8	\$ 811.4	(3.5)%
Income from operations.....	108.2	7.7	115.9	143.6	(19.3)%
Property EBITDA.....	206.1	13.0	219.1	225.3	(2.8)%

Iowa/Missouri/Kansas Region properties include Harrah's St. Louis, Harrah's Council Bluffs, Horseshoe Council Bluffs and Harrah's North Kansas City.

Illinois/Indiana Region

The opening of a major renovation and expansion at Horseshoe Hammond on August 8, 2008, helped partially offset the impact of a smoking ban in Illinois that led to lower 2008 fourth-quarter and full-year revenues in the Illinois/Indiana Region. The fourth-quarter loss from operations included a \$617.1 million impairment charge. The full-year results were also impacted by the Illinois smoking ban.

HARRAH'S ENTERTAINMENT, INC.

Illinois/Indiana Region

<u>(In millions)</u>	<u>Fourth Quarter</u>		<u>Percent Increase/ (Decrease)</u>
	<u>2008</u>	<u>2007</u>	
Total revenues	\$ 294.3	\$ 311.1	(5.4)%
Loss from operations.....	(597.2)	(23.6)	N/M
Property EBITDA.....	44.7	54.0	(17.2)%

<u>(In millions)</u>	<u>Successor</u>	<u>Predecessor</u>	<u>Combined</u>	<u>Predecessor</u>	<u>Percent Increase/ (Decrease)</u>
	<u>Jan. 28, 2008</u>	<u>Jan. 1, 2008</u>	<u>Full Year</u>		
	<u>through</u>	<u>through</u>	<u>2008</u>	<u>2007</u>	
	<u>Dec. 31, 2008</u>	<u>Jan. 27, 2008</u>			
Total revenues	\$ 1,098.7	\$ 85.5	\$ 1,184.2	\$ 1,285.8	(7.9)%
(Loss)/income from operations.....	(505.9)	8.7	(497.2)	135.3	N/M
Property EBITDA.....	195.4	13.6	209.0	258.1	(19.0)%

Illinois/Indiana properties include Horseshoe Hammond, Harrah's Joliet, Harrah's Metropolis and Horseshoe Southern Indiana.

Other Nevada Region

Fourth-quarter and full-year results for the Other Nevada Region declined from 2007 due to lower spend per trip and higher promotional costs in the Reno, Lake Tahoe and Laughlin markets, and increased competition in Reno. The 2008 fourth-quarter and full-year results also reflected a \$318.5 million impairment charge.

HARRAH'S ENTERTAINMENT, INC.

Other Nevada

(In millions)	Fourth Quarter		Percent Increase/ (Decrease)
	2008	2007	
Total revenues	\$ 115.0	\$ 148.2	(22.4)%
(Loss)/income from operations.....	(315.6)	13.4	N/M
Property EBITDA.....	16.0	31.0	(48.4)%

(In millions)	Successor	Predecessor	Combined	Predecessor	Percent Increase/ (Decrease)
	Jan. 28, 2008 through Dec. 31, 2008	Jan. 1, 2008 through Jan. 27, 2008	Full Year		
	2008	2008	2008	2007	
Total revenues	\$ 534.0	\$ 38.9	\$ 572.9	\$ 632.4	(9.4)%
(Loss)/income from operations.....	(255.9)	0.5	(255.4)	93.0	N/M
Property EBITDA.....	109.0	4.5	113.5	148.4	(23.5)%

Other Nevada properties include Harrah's Reno, Harrah's Lake Tahoe, Harveys Lake Tahoe, Bill's Casino and Harrah's Laughlin.

HARRAH'S OPERATING COMPANY

Other Nevada

(In millions)	Fourth Quarter		Percent Increase/ (Decrease)
	2008	2007	
Total revenues	\$ 79.7	\$ 107.0	(25.5)%
(Loss)/income from operations.....	(219.0)	4.2	N/M
Property EBITDA.....	6.4	18.7	(65.8)%

(In millions)	Successor	Predecessor	Combined	Predecessor	Percent Increase/ (Decrease)
	Jan. 28, 2008 through Dec. 31, 2008	Jan. 1, 2008 through Jan. 27, 2008	Full Year		
	2008	2008	2008	2007	
Total revenues	\$ 379.5	\$ 26.8	\$ 406.3	\$ 454.2	(10.5)%
(Loss)/income from	(178.5)	(1.9)	(180.4)	48.1	N/M

(In millions)	Successor	Predecessor	Combined	Predecessor	Percent
	Jan. 28, 2008 through Dec. 31, 2008	Jan. 1, 2008 through Jan. 27, 2008			
operations.....					
Property EBITDA.....	66.7	1.2	67.9	92.4	(26.5)%

Other Nevada properties include Harrah's Reno, Harrah's Lake Tahoe, Harveys Lake Tahoe, and Bill's Casino.

Managed/International/Other

Improved fourth-quarter results were due largely to improved cost management at the company's London Clubs International properties.

Full-year 2008 results were impacted by a \$12.6 million charge taken in the third quarter to recognize the remaining exposure under a lease agreement for office space no longer utilized by the company in Memphis, and a smoking ban in the United Kingdom, a lower table-games hold percentage and higher gaming taxes, all of which affected London Clubs International operations. The results also included a \$896.8 million impairment charge, lower management fees due to the impact of the economy on our managed properties and a change in the fee structure at one of our managed properties. Full-year 2008 results were also affected by termination of a Native American management contract in June 2007.

HARRAH'S ENTERTAINMENT, INC.

Managed/International/Other

(In millions)	Fourth Quarter		Percent Increase/ (Decrease)
	2008	2007	
Total revenues.....	\$ 135.4	\$ 136.1	(0.5)%
Loss from operations.....	(939.4)	(151.7)	N/M
Property EBITDA.....	24.6	(2.9)	N/M

(In millions)	Successor	Predecessor	Combined	Predecessor	Percent
	Jan. 28, 2008 through Dec. 31, 2008	Jan. 1, 2008 Through Jan. 27, 2008			
Total revenues.....	\$ 509.8	\$ 59.4	\$ 569.2	\$ 558.2	2.0%
Loss from operations.....	(1,053.0)	(0.3)	(1,053.3)	(158.3)	N/M
Property EBITDA.....	68.8	9.1	77.9	84.3	(7.6)%

	Successor	Predecessor	Combined	Predecessor	Percent
	Jan. 28, 2008	Jan. 1, 2008	Full Year	2007	Increase/
	through	Through	2008	2007	(Decrease)
(In millions)	Dec. 31, 2008	Jan. 27, 2008	2008	2007	
Managed/International/Other results include income from our managed properties, results of our international properties and certain marketing and administrative expenses, including development costs, and income from our non-consolidated subsidiaries.					

Other items

Interest expense increased significantly from the 2007 fourth quarter and full-year due to higher debt levels associated with the company's acquisition, which was consummated in the 2008 first quarter. Interest expense in the 2008 fourth quarter and full year included a charge of \$37.4 million and \$104.3 million, respectively, representing changes in the fair-market values of derivative instruments. The average interest rate on the company's variable-rate debt, including the impact of the derivative instruments, was 4.47 percent at December 31, 2008.

Fourth-quarter 2008 results also included gains of \$946.0 million due to early extinguishments of debt. During the 2008 fourth quarter, the company completed an exchange offer that extended certain debt maturities and reduced overall debt.

For the full year 2008, tax benefits were generated by operating losses at an effective rate after minority interests of 6.8 percent, whereas in the full year 2007, operating income resulted in tax expense at an effective rate after minority interests of 39.9 percent.

Due to the launch of the exchange offer by Harrah's Operating Company, the company will not host a conference call to discuss the 2008 results reported in this release.

Harrah's Entertainment, Inc. is the world's largest provider of branded casino entertainment. Since its beginning in Reno, Nevada, more than 70 years ago, Harrah's has grown through development of new properties, expansions and acquisitions, and now operates casinos on four continents. The company's properties operate primarily under the Harrah's®, Caesars® and Horseshoe® brand names; Harrah's also owns the London Clubs International family of casinos and the World Series of Poker®. Harrah's Entertainment is focused on building loyalty and value with its customers through a unique combination of great service, excellent products, unsurpassed distribution, operational excellence and technology leadership. For more information, please visit www.harrahs.com.

This release includes "forward-looking statements" intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. You can identify these statements by the fact that they do not relate strictly to historical or current facts. These statements contain words such as "may," "will," "project," "might," "expect," "believe," "anticipate," "intend," "could," "would," "estimate," "continue" or "pursue," or the negative or other variations thereof or comparable terminology. In particular, they include statements relating to, among other things, future actions, new projects, strategies, future performance, the outcomes of contingencies and future financial results of Harrah's. These forward-looking statements are based on current expectations and projections about future events.

Investors are cautioned that forward-looking statements are not guarantees of future performance or results and involve risks and uncertainties that cannot be predicted or quantified and, consequently, the actual performance of Harrah's may differ materially from those expressed or implied by such forward-looking statements. Such risks and uncertainties

include, but are not limited to, the following factors, as well as other factors described from time to time in our reports filed with the Securities and Exchange Commission (including the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained therein): the outcome of any legal proceedings that have been, or will be, instituted against the company related to the acquisition of the company by affiliates of TPG Capital and Apollo Management; the impact of the company's significant indebtedness; the effects of local and national economic, credit and capital market conditions on the economy in general, and on the gaming and hotel industries in particular; construction factors, including delays, increased costs for 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; the effects of environmental and structural building conditions relating to our properties; access to available and reasonable financing on a timely basis; the ability to timely and cost-effectively integrate acquisitions into our operations; changes in laws, including increased tax rates, smoking bans, regulations or accounting standards, third-party relations and approvals, and decisions of courts, regulators and governmental bodies; litigation outcomes and judicial actions, including gaming legislative action, referenda and taxation; the ability of our customer-tracking, customer loyalty and yield-management programs to continue to increase customer loyalty and same store sales or hotel sales; our ability to recoup costs of capital investments through higher revenues; acts of war or terrorist incidents or natural disasters; abnormal gaming holds; the potential difficulties in employee retention as a result of the sale of the company to affiliates of TPG Capital and Apollo Management; and the effects of competition, including locations of competitors and operating and market competition.

Any forward-looking statements are made pursuant to the Private Securities Litigation Reform Act of 1995 and, as such, speak only as of the date made. Harrah's disclaims any obligation to

update the forward-looking statements. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date stated, or if no date is stated, as of the date of this press release.

HARRAH'S ENTERTAINMENT, INC.
CONSOLIDATED SUMMARY OF OPERATIONS
(UNAUDITED)

<u>(In millions)</u>	<u>Successor</u> <u>Fourth Quarter Ended</u> <u>Dec. 31, 2008</u>	<u>Predecessor</u> <u>Dec. 31, 2007</u>	<u>Successor</u> <u>Jan. 28, 2008</u> <u>Through</u> <u>Dec. 31, 2008</u>	<u>Predecessor</u> <u>Jan. 1, 2008</u> <u>Through</u> <u>Jan. 27, 2008</u>	<u>Combined</u> <u>Year Ended</u> <u>Dec. 31,</u> <u>2008</u>	<u>Predecessor</u> <u>Year Ended</u> <u>Dec. 31,</u> <u>2007</u>
Revenues	\$ 2,278.4	\$ 2,627.5	\$ 9,366.9	\$ 760.1	\$10,127.0	\$10,825.2
Property operating expenses	(1,800.4)	(2,004.7)	(7,122.0)	(588.9)	(7,710.9)	(7,999.7)
Depreciation and amortization	(174.5)	(215.9)	(626.9)	(63.5)	(690.4)	(817.2)
Operating profit	303.5	406.9	1,618.0	107.7	1,725.7	2,008.3
Corporate expense	(35.8)	(40.4)	(131.8)	(8.5)	(140.3)	(138.1)
Acquisition and integration costs	(1.0)	(5.1)	(24.0)	(125.6)	(149.6)	(13.4)
(Loss)/income on interests in nonconsolidated affiliates	(0.8)	0.4	(2.1)	0.5	(1.6)	3.9
Amortization of intangible assets	(43.7)	(20.0)	(162.9)	(5.5)	(168.4)	(73.5)
Impairment of intangible assets	(5,489.6)	(169.6)	(5,489.6)	-	(5,489.6)	(169.6)
Project opening costs and other items	(80.6)	(26.4)	(45.1)	(5.4)	(50.5)	34.4
(Loss)/income from operations	(5,348.0)	145.8	(4,237.5)	(36.8)	(4,274.3)	1,652.0
Interest expense, net of interest capitalized	(605.6)	(222.3)	(2,074.9)	(89.7)	(2,164.6)	(800.8)
Gains/(losses) on early extinguishments of debt	946.0	-	742.1	-	742.1	(2.0)
Other income, including interest income	16.6	14.5	35.2	1.1	36.3	43.3
(Loss)/income from continuing operations before income taxes and minority interests	(4,991.0)	(62.0)	(5,535.1)	(125.4)	(5,660.5)	892.5
Income tax benefit/(provision)	212.8	4.0	360.4	26.0	386.4	(350.1)
Minority interests	(5.8)	1.9	(12.0)	(1.6)	(13.6)	(15.2)
(Loss)/income from continuing operations	(4,784.0)	(56.1)	(5,186.7)	(101.0)	(5,287.7)	527.2
Discontinued operations, net of tax	1.9	8.3	90.4	0.1	90.5	92.2
Net (loss)/income	<u>\$ (4,782.1)</u>	<u>\$ (47.8)</u>	<u>\$ (5,096.3)</u>	<u>\$ (100.9)</u>	<u>\$ (5,197.2)</u>	<u>\$ 619.4</u>

HARRAH'S ENTERTAINMENT, INC.
SUPPLEMENTAL OPERATING INFORMATION
(UNAUDITED)

(In millions)	<u>Successor</u> <u>Fourth Quarter Ended</u> <u>Dec. 31, 2008</u>	<u>Predecessor</u> <u>Dec. 31, 2007</u>	<u>Successor</u> <u>Jan. 28, 2008</u> <u>Through</u> <u>Dec. 31, 2008</u>	<u>Predecessor</u> <u>Jan. 1, 2008</u> <u>Through</u> <u>Jan. 27, 2008</u>	<u>Combined</u> <u>Year Ended</u> <u>2008</u>	<u>Predecessor</u> <u>Dec. 31,</u> <u>2007</u>
Revenues						
Las Vegas Region	\$ 721.4	\$ 905.2	\$ 3,000.6	\$ 253.6	\$ 3,254.2	\$ 3,626.7
Atlantic City Region	492.8	561.8	2,156.0	160.8	2,316.8	2,372.0
Louisiana/Mississippi Region	329.9	367.6	1,340.8	106.1	1,446.9	1,538.7
Iowa/Missouri Region	189.6	197.5	727.0	55.8	782.8	811.4
Illinois/Indiana Region	294.3	311.1	1,098.7	85.5	1,184.2	1,285.8
Other Nevada Region	115.0	148.2	534.0	38.9	572.9	632.4
Managed/International/Other	135.4	136.1	509.8	59.4	569.2	558.2
Total Revenues	<u>\$ 2,278.4</u>	<u>\$ 2,627.5</u>	<u>\$ 9,366.9</u>	<u>\$ 760.1</u>	<u>\$10,127.0</u>	<u>\$10,825.2</u>
(Loss)/income from operations						
Las Vegas Region	\$(2,485.3)	\$ 199.2	\$(1,988.0)	\$ 51.9	\$(1,936.1)	\$ 886.4
Atlantic City Region	(669.4)	61.1	(415.4)	18.7	(396.7)	351.4
Louisiana/Mississippi Region	(299.7)	59.3	28.3	10.1	38.4	352.1
Iowa/Missouri Region	(4.6)	33.6	108.2	7.7	115.9	143.6
Illinois/Indiana Region	(597.2)	(23.6)	(505.9)	8.7	(497.2)	135.3
Other Nevada Region	(315.6)	13.4	(255.9)	0.5	(255.4)	93.0
Managed/International/Other	(939.4)	(151.7)	(1,053.0)	(0.3)	(1,053.3)	(158.3)
Corporate Expense	(35.8)	(40.4)	(131.8)	(8.5)	(140.3)	(138.1)
Acquisition and integration costs	(1.0)	(5.1)	(24.0)	(125.6)	(149.6)	(13.4)
Total (loss)/income from operations	<u>\$(5,348.0)</u>	<u>\$ 145.8</u>	<u>\$(4,237.5)</u>	<u>\$ (36.8)</u>	<u>\$(4,274.3)</u>	<u>\$ 1,652.0</u>
Property EBITDA ^(a)						
Las Vegas Region	\$ 189.6	\$ 284.6	\$ 905.4	\$ 76.0	\$ 981.4	\$ 1,164.5
Atlantic City Region	86.7	123.3	484.0	36.4	520.4	602.1
Louisiana/Mississippi Region	58.3	77.0	276.2	18.6	294.8	342.8
Iowa/Missouri Region	58.1	55.8	206.1	13.0	219.1	225.3
Illinois/Indiana Region	44.7	54.0	195.4	13.6	209.0	258.1
Other Nevada Region	16.0	31.0	109.0	4.5	113.5	148.4
Managed/International/Other	24.6	(2.9)	68.8	9.1	77.9	84.3
Total Property EBITDA	<u>\$ 478.0</u>	<u>\$ 622.8</u>	<u>\$ 2,244.9</u>	<u>\$ 171.2</u>	<u>\$ 2,416.1</u>	<u>\$ 2,825.5</u>
Project opening costs and other items						
Project opening costs	\$ (2.6)	\$ (3.4)	\$ (28.9)	\$ (0.7)	\$ (29.6)	\$ (25.5)
Insurance proceeds for hurricane losses	-	13.4	185.4	-	185.4	130.3
Other write-downs, reserves and recoveries	(78.0)	(36.4)	(201.6)	(4.7)	(206.3)	(70.4)
Total Project opening costs and other items	<u>\$ (80.6)</u>	<u>\$ (26.4)</u>	<u>\$ (45.1)</u>	<u>\$ (5.4)</u>	<u>\$ (50.5)</u>	<u>\$ 34.4</u>

(a) Property EBITDA (earnings before interest, taxes, depreciation and amortization) consists of Income from operations before depreciation and amortization, write-downs, reserves and recoveries, project opening costs, corporate expense, merger and integration costs, income/(losses) on interests in non-consolidated affiliates and amortization of intangible assets. Property EBITDA is a supplemental financial measure used by management, as well as industry analysts, to evaluate our operations. However, Property EBITDA should not be construed as an alternative to Income from operations (as an indicator of our operating performance) or to Cash flows from operating activities (as a measure of liquidity) as determined in accordance with generally accepted accounting principles. All companies do not calculate EBITDA in the same manner. As a result, Property EBITDA as presented by our Company may not be comparable to similarly titled measures presented by other companies.

HARRAH'S ENTERTAINMENT, INC.
SUPPLEMENTAL INFORMATION
RECONCILIATION OF PROPERTY EBITDA TO (LOSS)/INCOME FROM OPERATIONS
(UNAUDITED)

Successor
Fourth Quarter Ended Dec. 31, 2008

<u>(In millions)</u>	Las Vegas Region	Atlantic City Region	Louisiana/ Mississippi Region	Iowa/ Missouri Region	Illinois/ Indiana Region	Other Nevada Region	Other	Total
Revenues	\$ 721.4	\$ 492.8	\$ 329.9	\$ 189.6	\$ 294.3	\$ 115.0	\$ 135.4	\$ 2,278.4
Property operating expenses	(531.8)	(406.1)	(271.6)	(131.5)	(249.6)	(99.0)	(110.8)	(1,800.4)
Property EBITDA	189.6	86.7	58.3	58.1	44.7	16.0	24.6	478.0
Depreciation and amortization	(46.2)	(47.0)	(20.4)	(13.2)	(21.6)	(8.7)	(17.4)	(174.5)
Operating profit	143.4	39.7	37.9	44.9	23.1	7.3	7.2	303.5
Amortization of intangible assets	(18.9)	(3.8)	(5.5)	-	(0.4)	(3.5)	(11.6)	(43.7)
Income/(losses) on interests in nonconsolidated affiliates	-	-	0.2	-	-	-	(1.0)	(0.8)
Impairment of intangible assets	(2,579.4)	(699.9)	(328.9)	(49.0)	(617.1)	(318.5)	(896.8)	(5,489.6)
Project opening costs and other items	(30.4)	(5.4)	(3.4)	(0.5)	(2.8)	(0.9)	(37.2)	(80.6)
Corporate expense	-	-	-	-	-	-	(35.8)	(35.8)
Acquisition and integration costs	-	-	-	-	-	-	(1.0)	(1.0)
(Loss)/income from operations*	<u>\$ (2,485.3)</u>	<u>\$ (669.4)</u>	<u>\$ (299.7)</u>	<u>\$ (4.6)</u>	<u>\$ (597.2)</u>	<u>\$ (315.6)</u>	<u>\$ (976.2)</u>	<u>\$ (5,348.0)</u>

Predecessor
Fourth Quarter Ended Dec. 31, 2007

<u>(In millions)</u>	Las Vegas Region	Atlantic City Region	Louisiana/ Mississippi Region	Iowa/ Missouri Region	Illinois/ Indiana Region	Other Nevada Region	Other	Total
Revenues	\$ 905.2	\$ 561.8	\$ 367.6	\$ 197.5	\$ 311.1	\$ 148.2	\$ 136.1	\$ 2,627.5
Property operating expenses	(620.6)	(438.5)	(290.6)	(141.7)	(257.1)	(117.2)	(139.0)	(2,004.7)
Property EBITDA	284.6	123.3	77.0	55.8	54.0	31.0	(2.9)	622.8
Depreciation and amortization	(64.2)	(55.1)	(27.4)	(17.9)	(15.1)	(12.8)	(23.4)	(215.9)
Operating profit	220.4	68.2	49.6	37.9	38.9	18.2	(26.3)	406.9
Amortization of intangible assets	(3.5)	(6.4)	(2.0)	(0.7)	(2.0)	(0.2)	(5.2)	(20.0)
Income on interests in nonconsolidated affiliates	-	-	-	-	-	-	0.4	0.4
Impairment of intangible assets	-	-	-	-	(60.4)	-	(109.2)	(169.6)
Project opening costs and other items	(17.7)	(0.7)	11.7	(3.6)	(0.1)	(4.6)	(11.4)	(26.4)
Corporate expense	-	-	-	-	-	-	(40.4)	(40.4)
Acquisition and integration costs	-	-	-	-	-	-	(5.1)	(5.1)
Income/(loss) from operations*	<u>\$ 199.2</u>	<u>\$ 61.1</u>	<u>\$ 59.3</u>	<u>\$ 33.6</u>	<u>\$ (23.6)</u>	<u>\$ 13.4</u>	<u>\$ (197.2)</u>	<u>\$ 145.8</u>

* Total Income from operations as reported on this schedule corresponds with the amounts reported for the respective periods on our CONSOLIDATED SUMMARY OF OPERATIONS. See our CONSOLIDATED SUMMARY OF OPERATIONS for the additional income and expenses recorded in the determination of Net income.

HARRAH'S ENTERTAINMENT, INC.
SUPPLEMENTAL INFORMATION
RECONCILIATION OF PROPERTY EBITDA TO (LOSS)/INCOME FROM OPERATIONS
(UNAUDITED)

	Successor							
	Jan. 28, 2008 Through Dec. 31, 2008							
(In millions)	Las Vegas Region	Atlantic City Region	Louisiana/ Mississippi Region	Iowa/ Missouri Region	Illinois/ Indiana Region	Other Nevada Region	Other	Total
Revenues	\$ 3,000.6	\$ 2,156.0	\$ 1,340.8	\$ 727.0	\$ 1,098.7	\$ 534.0	\$ 509.8	\$ 9,366.9
Property operating expenses	(2,095.2)	(1,672.0)	(1,064.6)	(520.9)	(903.3)	(425.0)	(441.0)	(7,122.0)
Property EBITDA	905.4	484.0	276.2	206.1	195.4	109.0	68.8	2,244.9
Depreciation and amortization	(170.0)	(175.4)	(74.2)	(48.1)	(61.7)	(32.7)	(64.8)	(626.9)
Operating profit	735.4	308.6	202.0	158.0	133.7	76.3	4.0	1,618.0
Amortization of intangible assets	(69.6)	(13.8)	(20.2)	-	(1.2)	(12.7)	(45.4)	(162.9)
Income/(losses) on interests in nonconsolidated affiliates	-	-	0.4	-	-	-	(2.5)	(2.1)
Impairment of intangible assets	(2,579.4)	(699.9)	(328.9)	(49.0)	(617.1)	(318.5)	(896.8)	(5,489.6)
Project opening costs and other items	(74.4)	(10.3)	175.0	(0.8)	(21.3)	(1.0)	(112.3)	(45.1)
Corporate expense	-	-	-	-	-	-	(131.8)	(131.8)
Acquisition and integration costs	-	-	-	-	-	-	(24.0)	(24.0)
(Loss)/income from operations*	<u>\$ (1,988.0)</u>	<u>\$ (415.4)</u>	<u>\$ 28.3</u>	<u>\$ 108.2</u>	<u>\$ (505.9)</u>	<u>\$ (255.9)</u>	<u>\$ (1,208.8)</u>	<u>\$ (4,237.5)</u>

	Predecessor							
	Jan. 1, 2008 Through Jan. 27, 2008							
(In millions)	Las Vegas Region	Atlantic City Region	Louisiana/ Mississippi Region	Iowa/ Missouri Region	Illinois/ Indiana Region	Other Nevada Region	Other	Total
Revenues	\$ 253.6	\$ 160.8	\$ 106.1	\$ 55.8	\$ 85.5	\$ 38.9	\$ 59.4	\$ 760.1
Property operating expenses	(177.6)	(124.4)	(87.5)	(42.8)	(71.9)	(34.4)	(50.3)	(588.9)
Property EBITDA	76.0	36.4	18.6	13.0	13.6	4.5	9.1	171.2
Depreciation and amortization	(18.7)	(15.7)	(8.6)	(5.1)	(4.3)	(3.9)	(7.2)	(63.5)
Operating profit	57.3	20.7	10.0	7.9	9.3	0.6	1.9	107.7
Amortization of intangible assets	(1.0)	(1.9)	(0.5)	(0.2)	(0.6)	(0.1)	(1.2)	(5.5)
Income on interests in nonconsolidated affiliates	-	-	-	-	-	-	0.5	0.5
Project opening costs and other items	(4.4)	(0.1)	0.6	-	-	-	(1.5)	(5.4)
Corporate expense	-	-	-	-	-	-	(8.5)	(8.5)
Acquisition and integration costs	-	-	-	-	-	-	(125.6)	(125.6)
Income/(loss) from operations*	<u>\$ 51.9</u>	<u>\$ 18.7</u>	<u>\$ 10.1</u>	<u>\$ 7.7</u>	<u>\$ 8.7</u>	<u>\$ 0.5</u>	<u>\$ (134.4)</u>	<u>\$ (36.8)</u>

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HARRAH'S ENTERTAINMENT, INC.
SUPPLEMENTAL INFORMATION
RECONCILIATION OF PROPERTY EBITDA TO (LOSS)/INCOME FROM OPERATIONS
(UNAUDITED)

Combined
Year Ended Dec. 31, 2008

(In millions)	Las Vegas Region	Atlantic City Region	Louisiana/ Mississippi Region	Iowa/ Missouri Region	Illinois/ Indiana Region	Other Nevada Region	Other	Total
Revenues	\$ 3,254.2	\$ 2,316.8	\$ 1,446.9	\$ 782.8	\$ 1,184.2	\$ 572.9	\$ 569.2	\$10,127.0
Property operating expenses	<u>(2,272.8)</u>	<u>(1,796.4)</u>	<u>(1,152.1)</u>	<u>(563.7)</u>	<u>(975.2)</u>	<u>(459.4)</u>	<u>(491.3)</u>	<u>(7,710.9)</u>
Property EBITDA	981.4	520.4	294.8	219.1	209.0	113.5	77.9	2,416.1
Depreciation and amortization	<u>(188.7)</u>	<u>(191.1)</u>	<u>(82.8)</u>	<u>(53.2)</u>	<u>(66.0)</u>	<u>(36.6)</u>	<u>(72.0)</u>	<u>(690.4)</u>
Operating profit	792.7	329.3	212.0	165.9	143.0	76.9	5.9	1,725.7
Amortization of intangible assets	(70.6)	(15.7)	(20.7)	(0.2)	(1.8)	(12.8)	(46.6)	(168.4)
Income/(losses) on interests in nonconsolidated affiliates	-	-	0.4	-	-	-	(2.0)	(1.6)
Impairment of intangible assets	(2,579.4)	(699.9)	(328.9)	(49.0)	(617.1)	(318.5)	(896.8)	(5,489.6)
Project opening costs and other items	(78.8)	(10.4)	175.6	(0.8)	(21.3)	(1.0)	(113.8)	(50.5)
Corporate expense	-	-	-	-	-	-	(140.3)	(140.3)
Acquisition and integration costs	-	-	-	-	-	-	(149.6)	(149.6)
(Loss)/income from operations*	<u>\$(1,936.1)</u>	<u>\$ (396.7)</u>	<u>\$ 38.4</u>	<u>\$ 115.9</u>	<u>\$ (497.2)</u>	<u>\$ (255.4)</u>	<u>\$(1,343.2)</u>	<u>\$(4,274.3)</u>

Predecessor
Year Ended Dec. 31, 2007

	Las Vegas Region	Atlantic City Region	Louisiana/ Mississippi Region	Iowa/ Missouri Region	Illinois/ Indiana Region	Other Nevada Region	Other	Total
Revenues	\$ 3,626.7	\$ 2,372.0	\$ 1,538.7	\$ 811.4	\$ 1,285.8	\$ 632.4	\$ 558.2	\$10,825.2
Property operating expenses	<u>(2,462.2)</u>	<u>(1,769.9)</u>	<u>(1,195.9)</u>	<u>(586.1)</u>	<u>(1,027.7)</u>	<u>(484.0)</u>	<u>(473.9)</u>	<u>(7,999.7)</u>
Property EBITDA	1,164.5	602.1	342.8	225.3	258.1	148.4	84.3	2,825.5
Depreciation and amortization	<u>(241.3)</u>	<u>(212.9)</u>	<u>(102.7)</u>	<u>(73.3)</u>	<u>(57.7)</u>	<u>(49.7)</u>	<u>(79.6)</u>	<u>(817.2)</u>
Operating profit	923.2	389.2	240.1	152.0	200.4	98.7	4.7	2,008.3
Amortization of intangible assets	(13.8)	(25.6)	(8.1)	(3.0)	(8.0)	(0.8)	(14.2)	(73.5)
Income on interests in nonconsolidated affiliates	-	-	-	-	-	-	3.9	3.9
Impairment of intangible assets	-	-	-	-	(60.4)	-	(109.2)	(169.6)
Project opening costs and other items	(23.0)	(12.2)	120.1	(5.4)	3.3	(4.9)	(43.5)	34.4
Corporate expense	-	-	-	-	-	-	(138.1)	(138.1)
Acquisition and integration costs	-	-	-	-	-	-	(13.4)	(13.4)
Income/(loss) from operations*	<u>\$ 886.4</u>	<u>\$ 351.4</u>	<u>\$ 352.1</u>	<u>\$ 143.6</u>	<u>\$ 135.3</u>	<u>\$ 93.0</u>	<u>\$(309.8)</u>	<u>\$ 1,652.0</u>

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HARRAH'S ENTERTAINMENT, INC.
SUPPLEMENTAL INFORMATION
RECONCILIATION OF LOSS FROM CONTINUING OPERATIONS TO ADJUSTED EBITDA
(UNAUDITED)

Adjusted EBITDA is defined as EBITDA further adjusted to exclude unusual items and other adjustments required or permitted in calculating covenant compliance under the indenture governing the senior notes and senior toggle notes, the interim loan agreement and/or our new senior credit facilities. We believe that the inclusion of supplementary adjustments to EBITDA applied in presenting Adjusted EBITDA are appropriate to provide additional information to investors about certain material non-cash items and about unusual items that we do not expect to continue at the same level in the future. Because not all companies use identical calculations, our presentation of Adjusted EBITDA may not be comparable to other similarly titled measures of other companies.

The following table reconciles Loss from continuing operations and Adjusted EBITDA of Harrah's Entertainment, Inc. for the Successor period for three months ended December 31, 2008, and the Predecessor period for three months ended December 31, 2007.

<u>(In millions)</u>	<u>Successor</u> <u>Three months ended</u> <u>December 31, 2008</u>	<u>Predecessor</u> <u>Three months ended</u> <u>December 31, 2007</u>
Loss from continuing operations.....	\$ (4,784.0)	\$ (56.1)
Interest expense, net of interest income.....	590.1	208.1
Benefit for income taxes.....	(212.8)	(4.0)
Depreciation and amortization.....	221.7	247.8
EBITDA ^(a)	<u>(4,185.0)</u>	<u>395.8</u>
Project opening costs, abandoned projects and development costs ^(b)	2.9	4.5
Acquisition and integration costs.....	1.0	5.1
Gains on early extinguishments of debt ^(c)	(946.0)	-
Minority interests, net of distributions ^(d)	(3.8)	(9.4)
Impairment of goodwill and intangible assets.....	5,489.6	169.6
Non-cash expense for stock compensation benefits ^(e)	4.0	13.6
Income from insurance claims for hurricane losses ^(f)	-	(13.4)
Other non-recurring or non-cash items ^(g)	90.9	52.8
Pro forma adjustment for acquired, new or disposed properties ^(h)	-	(0.5)
Adjusted EBITDA ⁽ⁱ⁾	<u>\$ 453.6</u>	<u>\$ 618.1</u>

- a) 2008 includes the impairment of goodwill and intangible assets.
- b) Represents (i) project opening costs incurred in connection with expansion and renovation projects at various properties; (ii) write-off of abandoned development projects; and (iii) non-recurring strategic planning and restructuring costs.
- c) Represents (i) the difference between the net book value and cash paid for notes exchanged and retired for cash; (ii) the difference between the net book value of the old notes and the fair market value of new notes issued; and (iii) the write-off of historical unamortized deferred financing costs and unamortized market value premiums/discounts.
- d) Represents minority owners' share of income from our majority-owned subsidiaries, net of cash distributions to minority owners.
- e) Represents non-cash compensation expense related to stock options.
- f) Represents non-recurring insurance recoveries related to Hurricane Katrina.
- g) Represents the elimination of other non-recurring and non-cash items such as litigation awards and settlements, severance and relocation costs, excess gaming taxes, gains and losses from disposal of assets, equity in non-consolidated subsidiaries (net of distributions) and one-time costs relating to new state gaming legislation.
- h) Represents the full period estimated impact of newly completed construction projects.
- i) Does not include the yet-to-be-realized cost savings from our profitability improvement program.

HARRAH'S ENTERTAINMENT, INC.
SUPPLEMENTAL INFORMATION
RECONCILIATION OF INCOME/(LOSS) FROM CONTINUING OPERATIONS TO LTM ADJUSTED EBITDA
(UNAUDITED)

Last twelve months (LTM) Adjusted EBITDA is defined as EBITDA further adjusted to exclude unusual items and other adjustments required or permitted in calculating covenant compliance under the indenture governing the senior notes and senior toggle notes, the interim loan agreement and/or our new senior credit facilities. We believe that the inclusion of supplementary adjustments to EBITDA applied in presenting LTM Adjusted EBITDA are appropriate to provide additional information to investors about certain material non-cash items and about unusual items that we do not expect to continue at the same level in the future. Because not all companies use identical calculations, our presentation of LTM Adjusted EBITDA may not be comparable to other similarly titled measures of other companies.

The following table reconciles Income/(loss) from continuing operations and LTM Adjusted EBITDA of Harrah's Entertainment, Inc. for the Predecessor period from January 1, 2008 through January 27, 2008, and for the Successor period from January 28, 2008 through December 31, 2008.

(In millions)	Predecessor		Successor	Combined
	Dec. 31, 2007	Jan. 1, 2008 Through Jan. 27, 2008	Jan. 28, 2008 Through Dec. 31 2008	Jan. 1, 2008 Through Dec. 31, 2008
Income/(loss) from continuing operations	\$ 527.2	\$ (101.0)	\$ (5,186.7)	\$ (5,287.7)
Interest expense, net of interest income	780.8	89.7	2,041.2	2,130.9
Provision/(benefit) for income taxes	350.1	(26.0)	(360.4)	(386.4)
Depreciation and amortization	934.7	72.7	805.2	877.9
EBITDA ^(a)	2,592.8	35.4	(2,700.7)	(2,665.3)
Project opening costs, abandoned projects and development costs ^(b)	29.8	0.9	31.6	32.5
Acquisition and integration costs	13.4	125.6	24.0	149.6
(Gains)/losses on early extinguishments of debt ^(c)	2.0	-	(742.1)	(742.1)
Minority interests, net of distributions ^(d)	(4.8)	1.0	(7.4)	(6.4)
Impairment of goodwill, intangible assets and investment securities	169.6	-	5,489.6	5,489.6
Non-cash expense for stock compensation benefits ^(e)	53.0	2.4	16.3	18.7
Income from insurance claims for hurricane losses ^(f)	(130.3)	-	(185.4)	(185.4)
Other non-recurring or non-cash items ^(g)	84.0	6.7	249.9	256.6
Pro forma adjustment for acquired, new or disposed properties ^(h)	3.3	-	8.0	8.0
Pro forma adjustment for yet-to-be realized cost savings ⁽ⁱ⁾ ..	-	-	-	501.5
LTM Adjusted EBITDA				<u>\$ 2,857.3</u>

- a) 2008 includes the impairment of goodwill and intangible assets.
- b) Represents (i) project opening costs incurred in connection with expansion and renovation projects at various properties; (ii) write-off of abandoned development projects; and (iii) non-recurring strategic planning and restructuring costs.
- c) Represents (i) the difference between the net book value and cash paid for notes exchanged and retired for cash; (ii) the difference between the net book value of the old notes and the fair market value of new notes issued; and (iii) the write-off of historical unamortized deferred financing costs and unamortized market value premiums/discounts.
- d) Represents minority owners' share of income from our majority-owned subsidiaries, net of cash distributions to minority owners.
- e) Represents non-cash compensation expense related to stock options.
- f) Represents non-recurring insurance recoveries related to Hurricane Katrina.
- g) Represents the elimination of other non-recurring and non-cash items such as litigation awards and settlements, severance and relocation costs, excess gaming taxes, gains and losses from disposal of assets, equity in non-consolidated subsidiaries (net of distributions) and one-time costs relating to new state gaming legislation.
- h) Represents the full period estimated impact of newly completed construction projects.
- i) Represents the cost savings realized from our profitability improvement program.

**HARRAH'S OPERATING COMPANY, INC., A WHOLLY-OWNED SUBSIDIARY OF
HARRAH'S ENTERTAINMENT, INC.
SUPPLEMENTAL INFORMATION
RECONCILIATION OF PROPERTY EBITDA TO (LOSS)/INCOME FROM OPERATIONS
(UNAUDITED)**

**Successor
Fourth Quarter Ended Dec. 31, 2008**

(In millions)

	Las Vegas Region	Atlantic City Region	Louisiana/ Mississippi Region	Iowa/ Missouri Region	Illinois/ Indiana Region	Other Nevada Region	Other	Total
Revenues	\$ 322.4	\$ 374.8	\$ 329.9	\$ 189.6	\$ 294.3	\$ 79.7	\$ 162.1	\$ 1,752.8
Property operating expenses	(246.3)	(313.1)	(271.6)	(131.5)	(249.6)	(73.3)	(121.3)	(1,406.7)
Property EBITDA	76.1	61.7	58.3	58.1	44.7	6.4	40.8	346.1
Depreciation and amortization	(20.9)	(33.0)	(20.4)	(13.2)	(21.6)	(6.6)	(17.5)	(133.2)
Operating profit	55.2	28.7	37.9	44.9	23.1	(0.2)	23.3	212.9
Amortization of intangible assets	(8.1)	(2.7)	(5.5)	-	(0.4)	(0.6)	(11.5)	(28.8)
Income/(losses) on interests in nonconsolidated affiliates	-	-	0.2	-	-	-	(1.0)	(0.8)
Impairment of intangible assets	(1,121.4)	(514.5)	(328.9)	(49.0)	(617.1)	(217.5)	(896.8)	(3,745.2)
Project opening costs and other items	(2.1)	(4.6)	(3.5)	(0.5)	(2.8)	(0.7)	(37.2)	(51.4)
Corporate expense	-	-	-	-	-	-	(17.7)	(17.7)
Acquisition and integration costs	-	-	-	-	-	-	(1.0)	(1.0)
Loss from operations*	<u>\$ (1,076.4)</u>	<u>\$ (493.1)</u>	<u>\$ (299.8)</u>	<u>\$ (4.6)</u>	<u>\$ (597.2)</u>	<u>\$ (219.0)</u>	<u>\$ (941.9)</u>	<u>\$ (3,632.0)</u>

**Predecessor
Fourth Quarter Ended Dec. 31, 2007**

	Las Vegas Region	Atlantic City Region	Louisiana/ Mississippi Region	Iowa/ Missouri Region	Illinois/ Indiana Region	Other Nevada Region	Other	Total
Revenues	\$ 418.8	\$ 442.6	\$ 367.6	\$ 197.5	\$ 311.1	\$ 107.0	\$ 134.9	\$ 1,979.5
Property operating expenses	(277.9)	(352.6)	(290.6)	(141.7)	(257.1)	(88.3)	(179.7)	(1,587.9)
Property EBITDA	140.9	90.0	77.0	55.8	54.0	18.7	(44.8)	391.6
Depreciation and amortization	(27.1)	(41.6)	(27.4)	(17.9)	(15.1)	(10.0)	(23.4)	(162.5)
Operating profit	113.8	48.4	49.6	37.9	38.9	8.7	(68.2)	229.1
Amortization of intangible assets	(3.3)	(6.4)	(2.0)	(0.7)	(2.0)	(0.2)	(5.3)	(19.9)
Income on interests in nonconsolidated affiliates	-	-	-	-	-	-	0.5	0.5
Impairment of intangible assets	-	-	-	-	(60.4)	-	(109.2)	(169.6)
Project opening costs and other items	(0.1)	(0.9)	11.7	(3.6)	(0.1)	(4.3)	(11.3)	(8.6)
Corporate expense	-	-	-	-	-	-	(30.2)	(30.2)
Acquisition and integration costs	-	-	-	-	-	-	(5.1)	(5.1)
Income/(loss) from operations*	<u>\$ 110.4</u>	<u>\$ 41.1</u>	<u>\$ 59.3</u>	<u>\$ 33.6</u>	<u>\$ (23.6)</u>	<u>\$ 4.2</u>	<u>\$ (228.8)</u>	<u>\$ (3.8)</u>

* Total Income from operations as reported on this schedule corresponds with the amounts reported for the respective periods on our CONSOLIDATED SUMMARY OF OPERATIONS. See our CONSOLIDATED SUMMARY OF OPERATIONS for the additional income and expenses recorded in the determination of Net income.

**HARRAH'S OPERATING COMPANY, INC., A WHOLLY-OWNED SUBSIDIARY OF
HARRAH'S ENTERTAINMENT, INC.
SUPPLEMENTAL INFORMATION
RECONCILIATION OF PROPERTY EBITDA TO (LOSS)/INCOME FROM OPERATIONS
(UNAUDITED)**

**Successor
Jan. 28, 2008 Through Dec. 31, 2008**

(In millions)

	Las Vegas Region	Atlantic City Region	Louisiana/ Mississippi Region	Iowa/ Missouri Region	Illinois/ Indiana Region	Other Nevada Region	Other	Total
Revenues	\$ 1,318.9	\$ 1,650.8	\$ 1,340.8	\$ 727.0	\$ 1,098.7	\$ 379.5	\$ 602.0	\$ 7,117.7
Property operating expenses	(954.3)	(1,302.0)	(1,064.6)	(520.9)	(903.3)	(312.8)	(469.4)	(5,527.3)
Property EBITDA	364.6	348.8	276.2	206.1	195.4	66.7	132.6	1,590.4
Depreciation and amortization	(74.6)	(125.2)	(74.2)	(48.1)	(61.7)	(25.0)	(64.8)	(473.6)
Operating profit	290.0	223.6	202.0	158.0	133.7	41.7	67.8	1,116.8
Amortization of intangible assets	(29.5)	(10.0)	(20.2)	-	(1.2)	(2.0)	(45.3)	(108.2)
Income/(loss) on interests in nonconsolidated affiliates	-	-	0.4	-	-	-	(2.4)	(2.0)
Impairment of intangible assets	(1,121.4)	(514.5)	(328.9)	(49.0)	(617.1)	(217.5)	(896.8)	(3,745.2)
Project opening costs and other items	(8.4)	(7.8)	175.0	(0.8)	(21.3)	(0.7)	(103.5)	32.5
Corporate expense	-	-	-	-	-	-	(106.3)	(106.3)
Acquisition and integration costs	-	-	-	-	-	-	(24.0)	(24.0)
(Loss)/income from operations*	\$ (869.3)	\$ (308.7)	\$ 28.3	\$ 108.2	\$ (505.9)	\$ (178.5)	\$ (1,110.5)	\$ (2,836.4)

**Predecessor
Jan. 1, 2008 Through Jan. 27, 2008**

	Las Vegas Region	Atlantic City Region	Louisiana/ Mississippi Region	Iowa/ Missouri Region	Illinois/ Indiana Region	Other Nevada Region	Other	Total
Revenues	\$ 118.5	\$ 125.8	\$ 106.1	\$ 55.8	\$ 85.5	\$ 26.8	\$ 59.0	\$ 577.5
Property operating expenses	(80.4)	(103.9)	(87.5)	(42.8)	(71.9)	(25.6)	(55.8)	(467.9)
Property EBITDA	38.1	21.9	18.6	13.0	13.6	1.2	3.2	109.6
Depreciation and amortization	(7.4)	(11.9)	(8.6)	(5.1)	(4.3)	(3.0)	(7.2)	(47.5)
Operating profit	30.7	10.0	10.0	7.9	9.3	(1.8)	(4.0)	62.1
Amortization of intangible assets	(1.0)	(1.9)	(0.5)	(0.2)	(0.6)	(0.1)	(1.2)	(5.5)
Income on interests in nonconsolidated affiliates	-	-	-	-	-	-	0.5	0.5
Project opening costs and other items	-	(0.1)	0.6	-	-	-	(1.4)	(0.9)
Corporate expense	-	-	-	-	-	-	26.2	26.2
Acquisition and integration costs	-	-	-	-	-	-	(125.6)	(125.6)
Income/(loss) from operations*	\$ 29.7	\$ 8.0	\$ 10.1	\$ 7.7	\$ 8.7	\$ (1.9)	\$ (105.5)	\$ (43.2)

* Total Income from operations as reported on this schedule corresponds with the amounts reported for the respective periods on our CONSOLIDATED SUMMARY OF OPERATIONS. See our CONSOLIDATED SUMMARY OF OPERATIONS for the additional income and expenses recorded in the determination of Net income and Earnings per share for the periods presented.

**HARRAH'S OPERATING COMPANY, INC., A WHOLLY-OWNED SUBSIDIARY OF
HARRAH'S ENTERTAINMENT, INC.
SUPPLEMENTAL INFORMATION
RECONCILIATION OF PROPERTY EBITDA TO (LOSS)/INCOME FROM OPERATIONS
(UNAUDITED)**

**Combined
Year Ended Dec. 31, 2008**

<u>(In millions)</u>	Las Vegas Region	Atlantic City Region	Louisiana/ Mississippi Region	Iowa/ Missouri Region	Illinois/ Indiana Region	Other Nevada Region	Other	Total
Revenues	\$ 1,437.4	\$ 1,776.6	\$ 1,446.9	\$ 782.8	\$ 1,184.2	\$ 406.3	\$ 661.0	\$ 7,695.2
Property operating expenses	<u>(1,034.7)</u>	<u>(1,405.9)</u>	<u>(1,152.1)</u>	<u>(563.7)</u>	<u>(975.2)</u>	<u>(338.4)</u>	<u>(525.2)</u>	<u>(5,995.2)</u>
Property EBITDA	402.7	370.7	294.8	219.1	209.0	67.9	135.8	1,700.0
Depreciation and amortization	<u>(82.0)</u>	<u>(137.1)</u>	<u>(82.8)</u>	<u>(53.2)</u>	<u>(66.0)</u>	<u>(28.0)</u>	<u>(72.0)</u>	<u>(521.1)</u>
Operating profit	320.7	233.6	212.0	165.9	143.0	39.9	63.8	1,178.9
Amortization of intangible assets	(30.5)	(11.9)	(20.7)	(0.2)	(1.8)	(2.1)	(46.5)	(113.7)
Income/(loss) on interests in nonconsolidated affiliates	-	-	0.4	-	-	-	(1.9)	(1.5)
Impairment of intangible assets	(1,121.4)	(514.5)	(328.9)	(49.0)	(617.1)	(217.5)	(896.8)	(3,745.2)
Project opening costs and other items	(8.4)	(7.9)	175.6	(0.8)	(21.3)	(0.7)	(104.9)	31.6
Corporate expense	-	-	-	-	-	-	(80.1)	(80.1)
Acquisition and integration costs	-	-	-	-	-	-	(149.6)	(149.6)
(Loss)/income from operations*	<u>\$ (839.6)</u>	<u>\$ (300.7)</u>	<u>\$ 38.4</u>	<u>\$ 115.9</u>	<u>\$ (497.2)</u>	<u>\$ (180.4)</u>	<u>\$ (1,216.0)</u>	<u>\$ (2,879.6)</u>

**Predecessor
Year Ended Dec. 31, 2007**

	Las Vegas Region	Atlantic City Region	Louisiana/ Mississippi Region	Iowa/ Missouri Region	Illinois/ Indiana Region	Other Nevada Region	Other	Total
Revenues	\$ 1,626.7	\$ 1,872.6	\$ 1,538.7	\$ 811.4	\$ 1,285.8	\$ 454.2	\$ 554.4	\$ 8,143.8
Property operating expenses	<u>(1,090.4)</u>	<u>(1,417.2)</u>	<u>(1,195.9)</u>	<u>(586.1)</u>	<u>(1,027.7)</u>	<u>(361.8)</u>	<u>(475.8)</u>	<u>(6,154.9)</u>
Property EBITDA	536.3	455.4	342.8	225.3	258.1	92.4	78.6	1,988.9
Depreciation and amortization	<u>(100.9)</u>	<u>(159.5)</u>	<u>(102.7)</u>	<u>(73.3)</u>	<u>(57.7)</u>	<u>(38.8)</u>	<u>(79.5)</u>	<u>(612.4)</u>
Operating profit	435.4	295.9	240.1	152.0	200.4	53.6	(0.9)	1,376.5
Amortization of intangible assets	(13.3)	(25.7)	(8.1)	(3.0)	(8.0)	(0.7)	(14.2)	(73.0)
Income on interests in nonconsolidated affiliates	-	-	-	-	-	-	4.0	4.0
Impairment of intangible assets	-	-	-	-	(60.4)	-	(109.2)	(169.6)
Project opening costs and other items	(4.9)	(7.0)	120.1	(5.4)	3.3	(4.8)	(42.5)	58.8
Corporate expense	-	-	-	-	-	-	(99.1)	(99.1)
Acquisition and integration costs	-	-	-	-	-	-	(13.4)	(13.4)
Income/(loss) from operations*	<u>\$ 417.2</u>	<u>\$ 263.2</u>	<u>\$ 352.1</u>	<u>\$ 143.6</u>	<u>\$ 135.3</u>	<u>\$ 48.1</u>	<u>\$ (275.3)</u>	<u>\$ 1,084.2</u>

* Total Income from operations as reported on this schedule corresponds with the amounts reported for the respective periods on our CONSOLIDATED SUMMARY OF OPERATIONS. See our CONSOLIDATED SUMMARY OF OPERATIONS for the additional income and expenses recorded in the determination of Net income and Earnings per share for the periods presented.

**HARRAH'S OPERATING COMPANY, INC., A WHOLLY-OWNED SUBSIDIARY OF
HARRAH'S ENTERTAINMENT, INC.
SUPPLEMENTAL INFORMATION
CALCULATION OF ADJUSTED EBITDA
(UNAUDITED)**

Adjusted EBITDA is defined as EBITDA further adjusted to exclude unusual items and other adjustments required or permitted in calculating covenant compliance under the indenture governing the senior notes and senior toggle notes, the interim loan agreement and/or our new senior credit facilities. We believe that the inclusion of supplementary adjustments to EBITDA applied in presenting Adjusted EBITDA are appropriate to provide additional information to investors about certain material non-cash items and about unusual items that we do not expect to continue at the same level in the future. Because not all companies use identical calculations, our presentation of Adjusted EBITDA may not be comparable to other similarly titled measures of other companies.

In connection with the acquisition of the Company by affiliates of Apollo Global Management, LLC and TPG Capital, LP, eight of our properties and their related operating assets were spun off from Harrah's Operating Company to Harrah's Entertainment through a series of distributions, liquidations, transfers and contributions, collectively referred to as "the CMBS Spin-Off." The eight properties, as of the closing, are Harrah's Las Vegas, Rio, Flamingo Las Vegas, Harrah's Atlantic City, Showboat Atlantic City, Harrah's Lake Tahoe, Harveys Lake Tahoe and Bill's Lake Tahoe. Subsequent to the closing and subject to regulatory approval, Paris Las Vegas and Harrah's Laughlin and their related operating assets will be spun off from Harrah's Operating Company and its subsidiaries to Harrah's Entertainment, and Harrah's Lake Tahoe, Harveys Lake Tahoe, Bill's Lake Tahoe and Showboat Atlantic City and their related operating assets will be transferred to subsidiaries of Harrah's Operating Company from Harrah's Entertainment (the "Post-Close CMBS Exchange"). The properties spun off from Harrah's Operating Company and owned by Harrah's Entertainment, whether at closing or after the subsequent transfer, will collectively be referred to as "the CMBS properties." Also in connection with the acquisition by affiliates of Apollo and TPG, London Clubs International Limited ("London Clubs") and its subsidiaries, with the exception of the subsidiaries related to the South Africa operations, became subsidiaries of Harrah's Operating Company ("the London Clubs Transfer"). London Clubs and its subsidiaries were previously subsidiaries of Harrah Entertainment.

The following table reconciles Loss from continuing operations and Adjusted EBITDA for Harrah's Operating Company, Inc., for the Successor period for three months ended December 31, 2008, and the Predecessor period for three months ended December 31, 2007.

**HARRAH'S OPERATING COMPANY, INC., A WHOLLY-OWNED SUBSIDIARY OF
HARRAH'S ENTERTAINMENT, INC.
SUPPLEMENTAL INFORMATION
RECONCILIATION OF LOSS FROM CONTINUING OPERATIONS TO ADJUSTED EBITDA
(UNAUDITED)**

(In millions)	Successor Three months ended December 31, 2008	Predecessor Three months ended December 31, 2007
Loss from continuing operations	\$ (2,980.9)	\$ (163.8)
Interest expense, net of interest income	482.3	217.4
Benefit for income taxes	(191.9)	(42.7)
Depreciation and amortization	165.5	194.3
EBITDA ^(a)	<u>(2,525.0)</u>	<u>205.2</u>
Project opening costs, abandoned projects and development costs ^(b)	2.9	4.5
Acquisition and integration costs	1.0	3.6
Gains on early extinguishments of debt ^(c)	(946.0)	-
Minority interests, net of distributions ^(d)	(3.3)	(9.0)
Impairment of goodwill, intangible assets and investment securities	3,745.2	155.9
Non-cash expense for stock compensation benefits ^(e)	2.9	10.1
Income from insurance claims for hurricane losses ^(f)	-	(13.4)
Other non-recurring or non-cash items ^(g)	46.3	31.7
Pro forma adjustment for acquired, new or disposed properties ^(h)	-	(0.5)
Adjusted EBITDA ⁽ⁱ⁾	<u>\$ 324.0</u>	<u>\$ 388.1</u>

- a) 2008 includes the impairment of goodwill and intangible assets.
- b) Represents (i) project opening costs incurred in connection with expansion and renovation projects at various properties; (ii) write-off of abandoned development projects; and (iii) non-recurring strategic planning and restructuring costs.
- c) Represents (i) the difference between the net book value and cash paid for notes exchanged and retired for cash; (ii) the difference between the net book value of the old notes and the fair market value of new notes issued; and (iii) the write-off of historical unamortized deferred financing costs and unamortized market value premiums/discounts.
- d) Represents minority owners' share of income from our majority-owned subsidiaries, net of cash distributions to minority owners.
- e) Represents expense allocated by the parent related to stock option programs.
- f) Represents non-recurring insurance recoveries related to Hurricane Katrina.
- g) Represents the elimination of other non-recurring and non-cash items such as litigation awards and settlements, severance and relocation costs, excess gaming taxes, gains and losses from disposal of assets, equity in non-consolidated subsidiaries (net of distributions) and one-time costs relating to new state gaming legislation.
- h) Represents the full period estimated impact of newly completed construction projects.
- i) Does not include the yet-to-be-realized cost savings from our profitability improvement program.

**HARRAH'S OPERATING COMPANY, INC., A WHOLLY-OWNED SUBSIDIARY OF
HARRAH'S ENTERTAINMENT, INC.
SUPPLEMENTAL INFORMATION
RECONCILIATION OF INCOME/(LOSS) FROM CONTINUING OPERATIONS TO LTM ADJUSTED EBITDA
(UNAUDITED)**

LTM Adjusted EBITDA is defined as EBITDA further adjusted to exclude unusual items and other adjustments required or permitted in calculating covenant compliance under the indenture governing the senior notes and senior toggle notes, the interim loan agreement and/or our new senior credit facilities. We believe that the inclusion of supplementary adjustments to EBITDA applied in presenting LTM Adjusted EBITDA are appropriate to provide additional information to investors about certain material non-cash items and about unusual items that we do not expect to continue at the same level in the future. Because not all companies use identical calculations, our presentation of LTM Adjusted EBITDA may not be comparable to other similarly titled measures of other companies.

The following table reconciles Income/(loss) from continuing operations and LTM Adjusted EBITDA of Statement of operations of Harrah's Operating Company, Inc., for the Predecessor period from January 1, 2008 through January 27, 2008 and for the Successor period from January 28, 2008 through December 31, 2008.

(In millions)	Predecessor		Successor	Combined
	Dec. 31, 2007	Jan. 1, 2008 Through Jan. 27, 2008	Jan. 28, 2008 Through Dec. 31, 2008	Jan. 1, 2008 Through Dec. 31, 2008
Income/(loss) from continuing operations	\$ 166.8	\$ (107.6)	\$ (3,396.9)	\$ (3,504.5)
Interest expense, net of interest income	787.5	85.7	1,675.4	1,761.1
Provision/(benefit) for income taxes	152.6	(21.6)	(378.5)	(400.1)
Depreciation and amortization	729.4	56.7	597.2	653.9
EBITDA ^(a)	1,836.3	13.2	(1,502.8)	(1,489.6)
Project opening costs, abandoned projects and development costs ^(b)	26.8	0.9	30.0	30.9
Acquisition and integration costs	9.4	125.6	24.0	149.6
Losses/(gains) on early extinguishments of debt ^(c)	2.0	-	(742.1)	(742.1)
Minority interests, net of distributions ^(d)	(3.7)	0.8	(7.2)	(6.4)
Impairment of goodwill, intangible assets and investment securities	155.9	-	3,745.2	3,745.2
Non-cash expense for stock compensation benefits ^(e)	38.2	1.7	12.1	13.8
Income from insurance claims for hurricane losses ^(f)	(130.3)	-	(185.4)	(185.4)
Other non-recurring or non-cash items ^(g)	55.6	0.8	130.1	130.9
Pro forma adjustment for acquired, new or disposed properties ^(h)	3.3	-	8.0	8.0
Pro forma adjustment for yet-to-be realized cost savings ⁽ⁱ⁾ ..				361.1
LTM Adjusted EBITDA				<u>\$ 2,016.0</u>

- a) 2008 includes the impairment of goodwill and intangible assets.
- b) Represents (i) project opening costs incurred in connection with expansion and renovation projects at various properties; (ii) write-off of abandoned development projects; and (iii) non-recurring strategic planning and restructuring costs.
- c) Represents (i) the difference between the net book value and cash paid for notes exchanged and retired for cash; (ii) the difference between the net book value of the old notes and the fair market value of new notes issued; and (iii) the write-off of historical unamortized deferred financing costs and premiums/discounts.
- d) Represents minority owners' share of income from our majority-owned subsidiaries, net of cash distributions to minority owners.
- e) Represents expense allocated by the parent related to stock option programs.
- f) Represents non-recurring insurance recoveries related to Hurricane Katrina.
- g) Represents the elimination of other non-recurring and non-cash items such as litigation awards and settlements, severance and relocation costs, excess gaming taxes, gains and losses from disposal of assets, equity in non-consolidated subsidiaries (net of distributions) and one-time costs relating to new state gaming legislation.
- h) Represents the full period estimated impact of newly completed construction projects.
- i) Represents the yet-to-be-realized cost savings from our profitability improvement program.

The following tables present the condensed combined statement of operations of Harrah's Operating Company, Inc. for the Predecessor period from January 1, 2008 through January 27, 2008 and for the Successor period from January 28, 2008 through December 31, 2008, taking into consideration the CMBS Spin-Off, the London Clubs Transfer and the Post-Close CMBS Transactions:

**HARRAH'S OPERATING COMPANY, INC., A WHOLLY-OWNED SUBSIDIARY OF
HARRAH'S ENTERTAINMENT, INC.
CONDENSED COMBINED STATEMENT OF OPERATIONS
(SUCCESSOR)
FOR THE THREE MONTHS ENDED DEC. 31, 2008
(UNAUDITED)**

(In millions)	<u>Harrah's Entertainment</u> ^(a)	<u>HET Parent and Other Harrah's Subsidiaries and Accounts</u> ^(b)	<u>Harrah's Operating</u> ^(c)
Revenues	\$ 2,278.4	\$ (525.6)	\$ 1,752.8
Property operating expenses	(1,800.4)	393.7	(1,406.7)
Depreciation and amortization	<u>(174.5)</u>	<u>41.3</u>	<u>(133.2)</u>
Operating profit	303.5	(90.6)	212.9
Corporate expense	(35.8)	18.1	(17.7)
Acquisition and integration costs	(1.0)	-	(1.0)
Loss on interests in nonconsolidated affiliates	(0.8)	-	(0.8)
Amortization of intangible assets	(43.7)	14.9	(28.8)
Impairment of intangible assets	(5,489.6)	1,744.4	(3,745.2)
Project opening costs and other items	<u>(80.6)</u>	<u>29.2</u>	<u>(51.4)</u>
Loss from operations	(5,348.0)	1,716.0	(3,632.0)
Interest expense, net of interest capitalized	(605.6)	109.4	(496.2)
Gain on early extinguishment of debt	946.0	-	946.0
Other income, including interest income	<u>16.6</u>	<u>(2.4)</u>	<u>14.2</u>
Loss from continuing operations before income taxes and minority interests	(4,991.0)	1,823.0	(3,168.0)
Income tax benefit	212.8	(20.9)	191.9
Minority interests	<u>(5.8)</u>	<u>1.0</u>	<u>(4.8)</u>
Loss from continuing operations	<u>\$ (4,784.0)</u>	<u>\$ 1,803.1</u>	<u>\$ (2,980.9)</u>

(a) Represents the financial information of Harrah's Entertainment.

(b) Represents the financial information of (i) all subsidiaries of Harrah's Entertainment that are not a component of HOC, namely, captive insurance companies and the CMBS properties, pursuant to the CMBS Spin-Off; and (ii) accounts at Harrah's Entertainment.

(c) Represents the financial information of HOC.

**HARRAH'S OPERATING COMPANY, INC., A WHOLLY-OWNED SUBSIDIARY OF
HARRAH'S ENTERTAINMENT, INC.
CONDENSED COMBINED STATEMENT OF OPERATIONS
(PREDECESSOR)
FOR THE THREE MONTHS ENDED DEC. 31, 2007
(UNAUDITED)**

(In millions)	Harrah's Entertainment ^(a)	HET Parent and Other Harrah's Entertainment Subsidiaries and Accounts ^(b)	Historical HOC ^(c)	CMBS Transactions ^(d)	London Clubs Transfer ^(e)	HOC Restructured
Revenues	\$ 2,627.5	\$ (73.2)	\$ 2,554.3	\$ (646.8)	\$ 72.0	\$ 1,979.5
Property operating expenses	(2,004.7)	48.9	(1,955.8)	455.5	(87.6)	(1,587.9)
Depreciation and amortization	(215.9)	6.4	(209.5)	53.4	(6.4)	(162.5)
Operating profit/(loss)	406.9	(17.9)	389.0	(137.9)	(22.0)	229.1
Corporate expense.....	(40.4)	0.1	(40.3)	10.1	-	(30.2)
Acquisition and integration costs	(5.1)	-	(5.1)	-	-	(5.1)
Income/(loss) on interests in nonconsolidated affiliates.....	0.4	1.0	1.4	0.1	(1.0)	0.5
Amortization of intangible assets	(20.0)	2.2	(17.8)	0.1	(2.2)	(19.9)
Impairment of intangible assets	(169.6)	109.2	(60.4)	-	(109.2)	(169.6)
Project opening costs and other items.....	(26.4)	2.1	(24.3)	17.8	(2.1)	(8.6)
Income/(loss) from operations	145.8	96.7	242.5	(109.8)	(136.5)	(3.8)
Interest expense, net of interest capitalized ..	(222.3)	6.5	(215.8)	-	(6.5)	(222.3)
Other income, including interest income	14.5	(11.7)	2.8	2.1	11.7	16.6
(Loss)/income from continuing operations before income taxes and minority interests	(62.0)	91.5	29.5	(107.7)	(131.3)	(209.5)
Income tax benefit/(provision).....	4.0	(42.9)	(38.9)	37.6	44.0	42.7
Minority interests	1.9	(5.2)	(3.3)	1.1	5.2	3.0
(Loss)/income from continuing operations.....	\$ (56.1)	\$ (43.4)	\$ (12.7)	\$ (69.0)	\$ (82.1)	\$ (163.8)

(a) Represents the financial information of Harrah's Entertainment.

(b) Represents the financial information of (i) all subsidiaries of Harrah's Entertainment that are not a component of HOC, namely, captive insurance companies and London Clubs and its subsidiaries; and (ii) accounts at Harrah's Entertainment.

(c) Represents the historical financial information of HOC.

(d) Reflects the removal of the operating results of the CMBS properties, pursuant to the CMBS Transactions in which certain properties and operations of HOC were spun-off into a separate borrowing structure and held side-by-side with HOC under Harrah's Entertainment. The historical operating expenses of HOC include unallocated costs attributable to services that have been performed by HOC on behalf of the CMBS properties. These costs are primarily related to corporate functions such as accounting, tax, treasury, payroll and benefits administration, risk management, legal, and information management and technology. The CMBS Transactions reflect the push-down of corporate expense of \$10.1 million that was unallocated at December 31, 2007. Following the Acquisition, many of these services will continue to be provided by HOC pursuant to a shared services agreement with the CMBS properties.

(e) Reflects the inclusion of the London Clubs operating results pursuant to the London Clubs Transfer, in which London Clubs and its subsidiaries became subsidiaries of HOC.

**HARRAH'S OPERATING COMPANY, INC., A WHOLLY-OWNED SUBSIDIARY OF
HARRAH'S ENTERTAINMENT, INC.
CONDENSED COMBINED STATEMENT OF OPERATIONS
(SUCCESSOR)
FOR THE PERIOD FROM JAN. 28, 2008 THROUGH DEC. 31, 2008
(UNAUDITED)**

<u>(In millions)</u>	<u>Harrah's Entertainment ^(a)</u>	<u>HET Parent and Other Harrah's Entertainment Subsidiaries and Accounts ^(b)</u>	<u>Harrah's Operating ^(c)</u>
Revenues	\$ 9,366.9	\$ (2,249.2)	\$ 7,117.7
Property operating expenses	(7,122.0)	1,594.7	(5,527.3)
Depreciation and amortization	<u>(626.9)</u>	<u>153.3</u>	<u>(473.6)</u>
Operating profit	1,618.0	(501.2)	1,116.8
Corporate expense	(131.8)	25.5	(106.3)
Acquisition and integration costs	(24.0)	-	(24.0)
Loss on interests in nonconsolidated affiliates	(2.1)	0.1	(2.0)
Amortization of intangible assets	(162.9)	54.7	(108.2)
Impairment of intangible assets	(5,489.6)	1,744.4	(3,745.2)
Project opening costs and other items	<u>(45.1)</u>	<u>77.6</u>	<u>32.5</u>
Loss from operations	(4,237.5)	1,401.1	(2,836.4)
Interest expense, net of interest capitalized	(2,074.9)	370.6	(1,704.3)
Gain on early extinguishment of debt	742.1	-	742.1
Other income, including interest income	<u>35.2</u>	<u>(5.6)</u>	<u>29.6</u>
Loss from continuing operations before income taxes and minority interests	(5,535.1)	1,766.1	(3,769.0)
Income tax benefit/(provision)	360.4	18.1	378.5
Minority interests	<u>(12.0)</u>	<u>5.6</u>	<u>(6.4)</u>
Loss from continuing operations	<u>\$ (5,186.7)</u>	<u>\$ 1,789.8</u>	<u>\$ (3,396.9)</u>

(a) Represents the financial information of Harrah's Entertainment.

(b) Represents the financial information of (i) all subsidiaries of Harrah's Entertainment that are not a component of HOC, namely, captive insurance companies and the CMBS properties, pursuant to the CMBS Spin-Off; and (ii) accounts at Harrah's Entertainment.

(c) Represents the financial information of HOC.

**HARRAH'S OPERATING COMPANY, INC., A WHOLLY-OWNED SUBSIDIARY OF
HARRAH'S ENTERTAINMENT, INC.
CONDENSED COMBINED STATEMENT OF OPERATIONS
(PREDECESSOR)
FOR THE PERIOD FROM JAN. 1, 2008 THROUGH JAN. 27, 2008
(UNAUDITED)**

(In millions)	Harrah's Entertainment ^(a)	HET Parent and Other Harrah's Entertainment Subsidiaries and Accounts ^(b)	Historical HOC ^(c)	CMBS Transactions ^(d)	London Clubs Transfer ^(e)	HOC Restructured
Revenues	\$ 760.1	\$ (34.3)	\$ 725.8	\$(182.3)	\$ 34.0	\$ 577.5
Property operating expenses	(588.9)	28.5	(560.4)	126.5	(34.0)	(467.9)
Depreciation and amortization	(63.5)	1.6	(61.9)	16.0	(1.6)	(47.5)
Operating profit/(loss)	107.7	(4.2)	103.5	(39.8)	(1.6)	62.1
Corporate expense.....	(8.5)	-	(8.5)	34.7	-	26.2
Acquisition and integration costs	(125.6)	-	(125.6)	-	-	(125.6)
Income on interests in nonconsolidated affiliates	0.5	-	0.5	-	-	0.5
Amortization of intangible assets	(5.5)	0.2	(5.3)	-	(0.2)	(5.5)
Project opening costs and other items.....	(5.4)	0.7	(4.7)	4.5	(0.7)	(0.9)
(Loss)/income from operations	(36.8)	(3.3)	(40.1)	(0.6)	(2.5)	(43.2)
Interest expense, net of interest capitalized .	(89.7)	-	(89.7)	-	-	(89.7)
Other income, including interest income.....	1.1	(3.3)	(2.2)	4.0	3.3	5.1
(Loss)/income from continuing operations before income taxes and minority interests	(125.4)	(6.6)	(132.0)	3.4	0.8	(127.8)
Income tax benefit.....	26.0	(4.1)	21.9	(1.2)	0.9	21.6
Minority interests	(1.6)	0.9	(0.7)	0.2	(0.9)	(1.4)
(Loss)/income from continuing operations....	<u>\$ (101.0)</u>	<u>\$ (9.8)</u>	<u>\$ (110.8)</u>	<u>\$ 2.4</u>	<u>\$ 0.8</u>	<u>\$ (107.6)</u>

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(c) Represents the historical financial information of HOC.

(d) Reflects the removal of the operating results of the CMBS properties, pursuant to the CMBS Transactions in which certain properties and operations of HOC were spun-off into a separate borrowing structure and held side-by-side with HOC under Harrah's Entertainment. The historical operating expenses of HOC include unallocated costs attributable to services that have been performed by HOC on behalf of the CMBS properties. These costs are primarily related to corporate functions such as accounting, tax, treasury, payroll and benefits administration, risk management, legal, and information management and technology. The CMBS spin-off reflects the push-down of corporate expense of \$34.7 million that was unallocated at January 27, 2008. Following the Acquisition, many of these services will continue to be provided by HOC pursuant to a shared services agreement with the CMBS properties.

(e) Reflects the inclusion of the London Clubs operating results pursuant to the London Clubs Transfer, in which London Clubs and its subsidiaries became subsidiaries of HOC.

**HARRAH'S OPERATING COMPANY, INC., A WHOLLY-OWNED SUBSIDIARY OF
HARRAH'S ENTERTAINMENT, INC.
CONDENSED COMBINED STATEMENT OF OPERATIONS
(PREDECESSOR)
FOR THE YEAR ENDED DEC. 31, 2007
(UNAUDITED)**

(In millions)	Harrah's Entertainment ^(a)	HET Parent and Other Harrah's Entertainment Subsidiaries and Accounts ^(b)	Historical HOC ^(c)	CMBS Transactions ^(d)	London Clubs Transfer ^(e)	HOC Restructured
Revenues	\$10,825.2	\$ (297.6)	\$10,527.6	\$(2,677.7)	\$ 293.9	\$ 8,143.8
Property operating expenses	(7,999.7)	294.5	(7,705.2)	1,844.0	(293.7)	(6,154.9)
Depreciation and amortization	(817.2)	14.2	(803.0)	204.8	(14.2)	(612.4)
Operating profit/(loss)	2,008.3	11.1	2,019.4	(628.9)	(14.0)	1,376.5
Corporate expense	(138.1)	0.2	(137.9)	38.8	-	(99.1)
Acquisition and integration costs	(13.4)	-	(13.4)	-	-	(13.4)
Income/(loss) on interests in nonconsolidated affiliates	3.9	0.5	4.4	0.1	(0.5)	4.0
Amortization of intangible assets	(73.5)	2.2	(71.3)	0.5	(2.2)	(73.0)
Impairment of intangible assets	(169.6)	109.2	(60.4)	-	(109.2)	(169.6)
Project opening costs and other items	34.4	15.6	50.0	24.4	(15.6)	58.8
Income/(loss) from operations	1,652.0	138.8	1,790.8	(565.1)	(141.5)	1,084.2
Interest expense, net of interest capitalized ..	(800.8)	15.5	(785.3)	-	(15.5)	(800.8)
Loss on early extinguishment of debt	(2.0)	2.0	-	-	(2.0)	(2.0)
Other income, including interest income	43.3	(12.4)	30.9	3.9	12.5	47.3
Income/(loss) from continuing operations before income taxes and minority interests	892.5	143.9	1,036.4	(561.2)	(146.5)	328.7
Income tax (provision)/benefit	(350.1)	(44.6)	(394.7)	195.7	46.4	(152.6)
Minority interests	(15.2)	(3.7)	(18.9)	5.9	3.7	(9.3)
Income/(loss) from continuing operations	<u>\$ 527.2</u>	<u>\$ 95.6</u>	<u>\$ 622.8</u>	<u>\$ (359.6)</u>	<u>\$ (96.4)</u>	<u>\$ 166.8</u>

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(c) Represents the historical financial information of HOC.

(d) Reflects the removal of the operating results of the CMBS properties, pursuant to the CMBS Transactions in which certain properties and operations of HOC were spun-off into a separate borrowing structure and held side-by-side with HOC under Harrah's Entertainment. The historical operating expenses of HOC include unallocated costs attributable to services that have been performed by HOC on behalf of the CMBS properties. These costs are primarily related to corporate functions such as accounting, tax, treasury, payroll and benefits administration, risk management, legal, and information management and technology. The CMBS Transactions reflect the push-down of corporate expense of \$38.8 million that was unallocated at December 31, 2007. Following the Acquisition, many of these services will continue to be provided by HOC pursuant to a shared services agreement with the CMBS properties.

(e) Reflects the inclusion of the London Clubs operating results pursuant to the London Clubs Transfer, in which London Clubs and its subsidiaries became subsidiaries of HOC.