

pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. / /

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. / /

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. / /

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PROSPECTUS

\$200,000,000
HARRAH'S ENTERTAINMENT, INC.
COMMON STOCK
HARRAH'S OPERATING COMPANY, INC.
DEBT SECURITIES
PREFERRED STOCK

Harrah's Entertainment, Inc., a Delaware corporation ("Harrah's Entertainment"), may offer from time to time shares of its common stock, par value \$0.10 per share (the "Common Stock"), and its wholly-owned subsidiary, Harrah's Operating Company, Inc., a Delaware corporation ("Harrah's Operating"), may offer from time to time in one or more series (i) its debt securities consisting of debentures, notes or other evidence of indebtedness (the "Debt Securities") or (ii) shares of its preferred stock, par value \$0.10 per share (the "Preferred Stock"), in amounts as may be sold for an aggregate public offering price of up to \$200,000,000 on terms to be determined at the time of the offering. At the option of Harrah's Operating, the Debt Securities may be issued as senior secured Debt Securities, as senior unsecured Debt Securities, as senior subordinated Debt Securities or as subordinated Debt Securities, and in any combination thereof. The payment of principal and interest with respect to the Debt Securities will be unconditionally guaranteed by Harrah's Entertainment. See "Description of Debt Securities--Guarantee." With respect to the Preferred Stock, the payment of dividends, if and to the extent declared out of monies held by Harrah's Operating and legally available therefor, and payments on liquidation or redemption will be guaranteed by Harrah's Entertainment to the extent described herein. See "Description of Preferred Stock--Guarantee." The Common Stock, Debt Securities and Preferred Stock (collectively, the "Securities") may be offered separately or together, in separate series, in amounts, at prices and on terms determined by market conditions at the time of sale and to be set forth in one or more supplements to this Prospectus (each, a "Prospectus Supplement").

The specific terms of the Securities for which this Prospectus is being delivered will be set forth in the applicable Prospectus Supplement which will include, where applicable: (i) in the case of Common Stock, any initial public offering price; (ii) in the case of Debt Securities, the specific title, aggregate principal amount, form (which may be certificated or global), authorized denominations, maturity (which may be fixed or extendible), interest rate or rates (which may be fixed or variable) (or manner of calculation thereof), if any, the time of payment of interest, if any, any terms of redemption at the option of Harrah's Operating or repayment at the option of the holder, any terms for sinking fund payments, additional covenants, initial public offering price, purchase price and other terms with respect to the Debt Securities; and (iii) in the case of Preferred Stock, the specific designation and stated value per share, any dividend, liquidation, redemption, voting and other rights, the terms of Harrah's Entertainment's guarantee and any initial public offering price. The Debt Securities may be issued as Original Issue Discount Securities to be sold at a substantial discount below their principal amount and, if issued, certain terms thereof will be set forth in the Prospectus Supplement related thereto. See "Description of Debt Securities."

The applicable Prospectus Supplement will also contain information, where applicable, about certain United States federal income tax considerations relating to, and any listing on a securities exchange of, the Securities covered by such Prospectus Supplement.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

NO GAMING REGULATORY AUTHORITY HAS PASSED
UPON THE ACCURACY OR ADEQUACY
OF THIS PROSPECTUS.

The Securities may be offered directly to one or more purchasers, through agents designated from time to time by the offeror or to or through underwriters or dealers. If any agents or underwriters are involved in the sale of the Securities, their names, and any applicable purchase price, fee, commission or discount arrangement between or among them, will be set forth, or will be calculable from the information set forth, in the applicable Prospectus Supplement. See "Plan of Distribution." No Securities may be sold without delivery of a Prospectus Supplement describing the method and terms of the offering of such Securities.

THE DATE OF THIS PROSPECTUS IS OCTOBER 11, 1995

AVAILABLE INFORMATION

Harrah's Entertainment and Harrah's Operating have filed with the Securities and Exchange Commission (the "Commission") a Registration Statement on Form S-3 under the Securities Act of 1933, as amended (the "Securities Act"), for the registration of the Securities offered hereby. This Prospectus, which constitutes a part of the Registration Statement, does not contain all of the information set forth in the Registration Statement, certain items of which are contained in exhibits and schedules to, or incorporated by reference in, the Registration Statement as permitted by the rules and regulations of the Commission. For further information with respect to Harrah's Entertainment and Harrah's Operating and the Securities offered hereby, reference is made to the Registration Statement, including the exhibits thereto, and financial statements and notes filed as a part thereof or incorporated by reference therein. Statements made in this Prospectus concerning the contents of any document referred to herein are not necessarily complete. With respect to each such document filed with the Commission as an exhibit to, or incorporated by reference in, the Registration Statement, reference is made to the exhibit for a more complete description of the matter involved, and each such statement shall be deemed qualified in its entirety by such reference.

Harrah's Entertainment and Harrah's Operating are subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). In accordance therewith, Harrah's Entertainment files consolidated reports, proxy statements and other information with the Commission. Reports, proxy statements and other information filed by Harrah's Entertainment may be inspected and copied at the public reference facilities maintained by the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549, and at the Commission's Regional Offices located at 500 West Madison Street, Suite 1400, Chicago, Illinois 60606, and 7 World Trade Center, 13th Floor, New York, New York 10048. Copies of such material may be obtained by mail from the Public Reference Branch of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549, at prescribed rates. In addition, such material may also be inspected and copied at the offices of the New York, Midwest, Pacific and Philadelphia Stock Exchanges, on which exchanges the Common Stock of Harrah's Entertainment is listed.

INCORPORATION OF CERTAIN INFORMATION BY REFERENCE

The following documents have been filed with the Commission and are incorporated by reference in this Prospectus: (i) Annual Report on Form 10-K of The Promus Companies Incorporated ("Promus") (File No. 1-10410), and Promus's Amended Annual Report on Form 10-K/A, for the year ended December 31, 1994 (collectively, the "1994 Harrah's Entertainment Form 10-K/A"), (ii) Promus's Quarterly Report on Form 10-Q for the period ended March 31, 1995, (iii) Form 8-K of Promus, filed with the Commission on May 19, 1995, (iv) Form 8-K of Promus, filed with the Commission on May 31, 1995, (v) Form 8-K of Promus, filed with the Commission on June 15, 1995, (vi) Harrah's Entertainment's Quarterly Report on Form 10-Q for the period ended June 30, 1995, (vii) Form 8-K of Harrah's Entertainment, filed with the Commission on July 7, 1995 and (viii) the section entitled "Description of Promus--Description of Promus Capital Stock" in the Proxy Statement, dated December 13, 1989, of Holiday Corporation. All documents filed by the Company pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this Prospectus and prior to the termination of the offering of the Securities shall be deemed to be incorporated herein by reference and to be a part hereof from the respective dates of filing of such documents.

Any statement contained in a document incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein, or in any other subsequently filed document that also is or is deemed to be incorporated by reference herein, modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

Copies of all documents which are incorporated herein by reference (not including the exhibits to such information, unless such exhibits are specifically incorporated by reference in such information) will be provided without charge to each person, including any beneficial owner, to whom this Prospectus is delivered, upon written or oral request. Copies of this Prospectus, as amended or supplemented from time to time, and any other documents (or parts of documents) that constitute part of the Prospectus under Section 10(a) of the Securities Act will also be provided without charge to each such person, upon written or oral request. Requests should be directed to Harrah's Entertainment, Inc., at its principal executive offices at 1023 Cherry Road, Memphis, Tennessee 38117, Attention, Corporate Secretary, (901) 762-8600.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE SECURITIES AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH TRANSACTIONS MAY BE EFFECTED ON THE CHICAGO STOCK EXCHANGE, THE NEW YORK STOCK EXCHANGE, THE PACIFIC STOCK EXCHANGE AND THE PHILADELPHIA STOCK EXCHANGE (IN THE CASE OF COMMON STOCK), IN THE OVER-THE-COUNTER MARKET OR OTHERWISE. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE COMPANY

The Company is one of the leading casino entertainment companies in the United States. Until June 1995, Harrah's Entertainment existed under the name "The Promus Companies Incorporated." As part of the spin-off by Promus of its hotel business, Promus Hotel Corporation, on June 30, 1995, Promus changed its name to Harrah's Entertainment, Inc., and Promus's wholly-owned subsidiary, Embassy Suites, Inc., changed its name to Harrah's Operating Company, Inc. Harrah's Entertainment is a holding company, the principal asset of which is the capital stock of Harrah's Operating. Harrah's Operating directly owns certain of the assets and directly and indirectly owns the stock of certain subsidiaries which operate the Company's business. Unless the context otherwise requires, the "Company" refers to Harrah's Entertainment, Inc., together with its subsidiaries, "Harrah's Entertainment" refers to Harrah's Entertainment, Inc., and "Harrah's Operating" refers to Harrah's Operating Company, Inc. The principal executive offices of Harrah's Entertainment and Harrah's Operating are located at 1023 Cherry Road, Memphis, Tennessee 38117, telephone (901) 762-8600.

The Company has, through existing and predecessor entities, been in the casino entertainment business for more than 57 years and is unique among casino entertainment companies in its broad geographic diversification. The Company operates casino hotels in the five traditional U.S. gaming markets of Reno, Lake Tahoe, Las Vegas and Laughlin, Nevada and Atlantic City, New Jersey. The Company also operates a temporary land-based casino in New Orleans, Louisiana; riverboat casinos in Joliet, Illinois; dockside casinos in Vicksburg and Tunica, Mississippi, Shreveport, Louisiana and North Kansas City, Missouri; limited stakes casinos in Central City and Black Hawk, Colorado; and a casino on an Indian reservation near Phoenix, Arizona. The Company also has under development a permanent land-based casino in New Orleans, Louisiana (under development by a partnership in which the Company is a general partner) to replace the existing temporary casino in that city, a land-based casino in Auckland, New Zealand under development by a company in which the Company owns an interest, a riverboat casino in Maryland Heights (near St. Louis), Missouri, and a casino on an Indian reservation in the State of Washington. The Company also owns a 13.8% interest in Sodak Gaming, Inc., a leading distributor of electronic gaming machines and gaming-related products and systems, and a 75% interest in a partnership that owns the approximately 52-acre Station Square site across from the Golden Triangle in Pittsburgh, on which the partnership plans to develop a casino entertainment facility if casino gaming is legalized in that jurisdiction. As of June 30, 1995, the Company operated a total of approximately 600,000 square feet of casino space, 18,200 slot machines, 875 table games, 5,345 hotel rooms or suites, approximately 76,000 square feet of convention space, 48 restaurants, five showrooms and four cabarets, at casino facilities which are wholly owned by the Company, partially owned by the Company, or owned by a third party and managed by the Company.

RATIO OF EARNINGS TO FIXED CHARGES

The following are the consolidated ratios of earnings to fixed charges for the Company for the six months ended June 30, 1995 and each of the fiscal years 1994, 1993, 1992, 1991 and 1990.

SIX MONTHS ENDED					
JUNE 30, 1995	1994	1993	1992	1991	1990
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1.8	2.0	2.6	2.0	1.6	1.5

For purposes of computing this ratio, earnings consist of income before income taxes plus fixed charges (excluding capitalized interest) and minority interests (relating to subsidiaries whose fixed charges are included in the computation), excluding equity in undistributed earnings of less than 50% owned investments. Fixed charges include interest whether expensed or capitalized, amortization of debt expense, discount or premium related to indebtedness and such portion of rental expense deemed by the Company to be representative of interest. Where applicable, both earnings and fixed charges

have been adjusted to include 100% of the financial results of the Company's nonconsolidated, majority-owned subsidiary.

USE OF PROCEEDS

The Company intends to use the net proceeds from the sale of the Securities for general corporate purposes, including acquisitions, capital expenditures and working capital requirements; to repay, redeem or repurchase outstanding indebtedness; or for such other purposes as may be specified in the Prospectus Supplement. A description of any indebtedness to be refinanced with the proceeds of the Debt Securities will be set forth in the applicable Prospectus Supplement.

DESCRIPTION OF COMMON STOCK

The description of the Common Stock set forth below does not purport to be complete and is qualified in its entirety by reference to Harrah's Entertainment's Certificate of Incorporation (the "Harrah's Entertainment Certificate") and Bylaws (the "Harrah's Entertainment Bylaws").

GENERAL

The Harrah's Entertainment Certificate authorizes the issuance of up to 360,000,000 shares of Common Stock with a par value of \$0.10 per share. On July 31, 1995, Harrah's Entertainment had 102,586,669 shares of Common Stock issued and outstanding. In addition, Harrah's Entertainment has reserved for issuance under its 1990 Stock Option Plan and 1990 Restricted Stock Plan an aggregate of 9,954,562 shares of Common Stock.

Subject to the limitations contained in the Company's debt instruments and after provision for the payment of dividends on any series of preferred stock which might be issued and which has a preference with respect to the payment of dividends, holders of Common Stock are entitled to receive such dividends as may be declared by the Board of Directors of Harrah's Entertainment out of funds legally available for such purpose.

The holders of shares of Common Stock are entitled in the event of any liquidation, dissolution or winding up of the affairs of Harrah's Entertainment to share pro rata in all lawful distributions of the remaining assets of Harrah's Entertainment.

The holders of Common Stock will be entitled to one vote per share. Stockholders are not entitled to cumulative voting rights in the election of directors.

All shares of Common Stock now outstanding are, and additional shares of Common Stock offered will be when issued, fully paid and non-assessable. The Common Stock has no conversion rights. No holder of Common Stock has any preemptive right to subscribe for any stock or other securities of Harrah's Entertainment which may be issued.

REDEMPTION

The Common Stock can be redeemed by Harrah's Entertainment if, among other circumstances, in the judgment of the Board of Directors such redemption is necessary to avoid any regulatory sanctions against, or to prevent the loss of, or to secure the reinstatement of, any license, franchise or entitlement from any governmental agency held by Harrah's Entertainment, any affiliate of Harrah's Entertainment, or any entity in which Harrah's Entertainment or an affiliate is an owner, which license, franchise or entitlement is needed to conduct any portion of the business of Harrah's Entertainment, any such affiliate or other entity or which license, franchise or entitlement is conditioned upon some or all of the holders of Common Stock possessing prescribed qualifications.

RIGHTS AND SPECIAL STOCK

Harrah's Entertainment currently has 5,000,000 authorized shares of special stock, par value \$1.12 1/2 per share ("Special Stock"). The Board of Directors has the authority, without further action by stockholders, to determine the rights, preferences and privileges of the unissued Special Stock. Provisions could be included in the shares of Special Stock, such as extraordinary voting, dividend, redemption or conversion rights, which could discourage an unsolicited tender offer or takeover proposal.

Attached to each share of Common Stock is one-third of a right ("Right") entitling the registered holder to purchase from Harrah's Entertainment, for each whole Right, one two-hundredth of a share (a "Unit") of Series B Special Stock, par value \$1.12 1/2 per share (the "Series B Stock") at a purchase price of \$125.00 per unit (the "Purchase Price"), subject to adjustment. The Purchase Price shall be paid in cash or by certified bank check or bank draft payable to the order of Harrah's Entertainment. The description and terms of the Rights are set forth in a Rights Agreement (the "Rights Agreement") between Harrah's Entertainment and The Bank of New York, as rights agent.

Rights are attached to all Common Stock certificates representing outstanding shares. The Rights detach from the Common Stock and are distributed to holders of Common Stock upon a date (the "Rights Distribution Date") which is the earlier of (i) ten days following a public announcement that a person or group of affiliated or associated persons (an "Acquiring Person") has acquired or obtained the right to acquire, beneficial ownership of 20% or more of the outstanding shares of Common Stock ("the Stock Acquisition Date"), or (ii) ten business days following the commencement of a tender offer or exchange offer that would result in a person or group beneficially owning 30% or more of such outstanding shares of Common Stock. The Board of Directors may postpone such Rights Distribution Date beyond the earlier of the dates set forth in the preceding sentence upon the vote of a majority of the directors who are not Acquiring Persons or affiliated or associated with an Acquiring Person (the "Continuing Directors"). Until the Rights Distribution Date (or earlier redemption or expiration of the Rights), (i) the Rights are evidenced by the Common Stock certificates and are transferred with and only with such certificates, (ii) new Common Stock certificates will contain a notation incorporating the Rights Agreement by reference, (iii) the surrender for transfer of any certificates for Common Stock outstanding will also constitute the transfer of the Rights associated with the shares represented by such certificates, and (iv) Rights shall be issued in respect of all shares of Common Stock which are issued after the Distribution. Except as otherwise determined by the Board of Directors, only shares of Common Stock issued prior to the Distribution Date will be issued with Rights.

The Rights are not exercisable until the Rights Distribution Date and expire at the close of business on October 5, 1996, unless earlier redeemed by Harrah's Entertainment as described below or upon the occurrence of certain merger or other acquisition transactions approved by the Board of Directors. As soon as practicable after the Rights Distribution Date, Rights Certificates will be mailed to holders of record of shares of Common Stock as of the close of business on the Rights Distribution Date and, thereafter, the separate Rights Certificate alone will represent the Rights.

In the event that, at any time following the Rights Distribution Date, (i) Harrah's Entertainment is the surviving corporation in a merger with an Acquiring Person and its Common Stock is not changed or exchanged or (ii) an Acquiring Person becomes the beneficial owner of more than 20% of the then outstanding shares of Common Stock (except pursuant to an offer for all outstanding shares of Common Stock which a majority of the Continuing Directors determine to be fair to and otherwise in the best interests of stockholders), each holder of a Right will thereafter have the right to receive, upon exercise, Common Stock (or, in certain circumstances, cash, property or other securities of Harrah's Entertainment) having a value equal to two times the exercise price of the Right. Notwithstanding any of the foregoing, following the occurrence of any of the events set forth in this paragraph, all Rights that are, or (under certain circumstances specified in the Rights Agreement) were, beneficially owned by any Acquiring Person will be null and void. However, Rights are not exercisable following the occurrence of

any of the events set forth above until such time as the Rights are no longer redeemable by Harrah's Entertainment as set forth below.

For example, at an exercise price of \$125.00 per Right, each Right not owned by an Acquiring Person (or by certain related parties) following an event set forth in the preceding paragraph would entitle its holder to purchase \$250.00 worth of Common Stock (or other consideration, as noted above) for \$125.00. Assuming that the Common Stock had a per share value of \$25.00 at such time, the holder of each valid Right would be entitled to purchase 10 shares of Common Stock for \$125.00.

In the event that, at any time following the Stock Acquisition Date, (i) Harrah's Entertainment is acquired in a merger or other business combination transaction in which Harrah's Entertainment is not the surviving corporation or Common Stock is changed into or exchanged for securities of any other person, cash or other property (other than a merger which follows an offer described in clause (ii) of the second preceding paragraph), or (iii) 50% or more of Harrah's Entertainment's assets or earning power is sold or transferred, each holder of a Right (except Rights which previously have been voided as set forth above) shall thereafter have the right to receive, upon exercise, common stock of the acquiring or surviving company having a value equal to two times the exercise price of the Right. The events set forth in this paragraph and in the second preceding paragraph are referred to as the "Triggering Events."

The Purchase Price payable, and the number of Units or other securities or property issuable, upon exercise of Rights are subject to adjustment from time to time to prevent dilution (i) in the event of a stock dividend on, or a subdivision, combination or reclassification of, the Series B Stock, (ii) if holders of the Series B Stock are granted certain rights or warrants to subscribe for Series B Stock or convertible securities at less than the current market price of the Series B Stock, or (iii) upon the distribution to holders of the Series B Stock of evidences of indebtedness or assets (excluding regular quarterly cash dividends) or of subscription rights or warrants (other than those referred to above).

With certain exceptions, no adjustment in the Purchase Price will be required until cumulative adjustments amount to at least 1% of the Purchase Price. In addition, to the extent that Harrah's Entertainment does not have sufficient shares of Common Stock issuable upon exercise of the Rights following the occurrence of a Triggering Event, Harrah's Entertainment may, under certain circumstances, reduce the Purchase Price. No fractional Units will be issued and, in lieu thereof, an adjustment in cash will be made based on the market price of the Series B Stock on the last trading day prior to the date of exercise.

At any time until ten days following the Stock Acquisition Date, Harrah's Entertainment may redeem the Rights in whole, but not in part, at a price of \$0.05 per Right, as such redemption price may be adjusted pursuant to the Rights Agreement. As long as the Rights are redeemable, a majority of the Continuing Directors of Harrah's Entertainment may extend the period for redemption. After the redemption period has expired, Harrah's Entertainment's rights of redemption may be reinstated if an Acquiring Person reduces his beneficial ownership to 10% or less of the outstanding shares of Common Stock in a transaction or series of transactions not involving Harrah's Entertainment. Immediately upon the action of the Board of Directors ordering redemption of the Rights, the Rights will terminate and the only right of the holders of Rights will be to receive the \$0.05 redemption price (as adjusted) per Right.

Until a Right is exercised, the holder thereof, as such, will have no rights as a stockholder of Harrah's Entertainment, including, without limitation, the right to vote or to receive dividends. While the distribution of the Rights will not be taxable to Harrah's Entertainment or the holders of Common Stock, such holders may, depending upon the circumstances, recognize taxable income in the event that the Rights become exercisable for Common Stock (or other consideration) or for common stock of the acquiring company as set forth above.

DESCRIPTION OF THE DEBT SECURITIES

The following description of the terms of the Debt Securities sets forth certain general terms and provisions of the Debt Securities to which any Prospectus Supplement may relate. The particular terms of the Debt Securities offered by any Prospectus Supplement and the extent to which such general provisions may apply to the Debt Securities will be described in a Prospectus Supplement relating to such Debt Securities.

The Debt Securities may constitute either senior secured debt ("Senior Secured Debt Securities"), senior unsecured debt ("Senior Unsecured Debt Securities"), senior subordinated debt ("Senior Subordinated Debt Securities") or subordinated debt ("Subordinated Debt Securities"), or any combination thereof, of Harrah's Operating. Each such class of Debt Securities will be issued under a separate indenture (the "Senior Secured Debt Indenture," the "Senior Unsecured Debt Indenture," the "Senior Subordinated Debt Indenture," and the "Subordinated Debt Indenture," respectively), between Harrah's Operating, as obligor, Harrah's Entertainment, as guarantor, and one or more trustees (the "Trustee"). The Senior Secured Debt Indenture, the Senior Unsecured Debt Indenture, the Senior Subordinated Debt Indenture and the Subordinated Debt Indenture are sometimes hereinafter referred to individually as an "Indenture" and collectively as the "Indentures."

The terms of the Debt Securities include those stated in the applicable Indenture and those made part of such Indenture by reference to the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"), and holders of the Debt Securities are referred to the Indentures and the Trust Indenture Act for a statement thereof. A copy of the form of each Indenture is filed as an exhibit to the Registration Statement of which this Prospectus is a part. The following summaries of certain provisions of the Debt Securities and the Indentures, while including a discussion of all material aspects or features thereof, do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all the provisions of the Debt Securities and the Indentures, including the definitions therein of certain terms which are not otherwise defined in this Prospectus. Wherever particular provisions or defined terms of the Indentures are referred to, such provisions or defined terms are incorporated herein by reference.

GENERAL

The Indentures will not limit the aggregate principal amount of Debt Securities which may be issued thereunder. Debt Securities may be issued thereunder from time to time as a single series or in two or more separate series up to the aggregate principal amount from time to time authorized by Harrah's Operating for each series. As of the date of this Prospectus, Harrah's Operating has authorized the issuance under the Indentures of up to \$200 million aggregate principal amount of the Debt Securities. The Debt Securities will be secured senior, unsecured senior, senior subordinated or subordinated obligations or any combination thereof of Harrah's Operating.

The applicable Prospectus Supplement or Prospectus Supplements will describe, among other things, the following terms of the Debt Securities, if applicable to such Debt Securities: (i) the title of the Debt Securities; (ii) any limit on the aggregate principal amount of the Debt Securities and whether they will constitute senior secured, senior unsecured, senior subordinated or subordinated Debt Securities; (iii) the price or prices (expressed as a percentage of the aggregate principal amount thereof) at which the Debt Securities will be issued; (iv) the date or dates on which the principal of the Debt Securities is payable or the method of determination thereof; (v) the rate or rates (which may be fixed or variable) at which the Debt Securities will bear interest (which rate may be zero in the case of certain Debt Securities issued at an issue price representing a discount from the principal amount payable at maturity), and the date or dates from which such interest, if any, will accrue, and the circumstances, if any, in which Harrah's Operating may defer interest payments; (vi) the Interest Payment Dates, if any, on which any interest on the Debt Securities will be payable, and the Regular Record Date for any

interest payable on any Debt Securities; (vii) the right or obligation, if any, of the Company to redeem or purchase Debt Securities pursuant to any sinking fund or analogous provisions or at the options of a holder thereof, or otherwise, the conditions, if any, giving rise to such right or obligation, and the period or periods within which, and the price or prices at which and the terms and conditions upon which Debt Securities shall be redeemed or purchased, in whole or part, and any provisions for the marketing of such Debt Securities; (viii) if the amount of payments of principal of, premium, if any, and interest, if any, on the Debt Securities is to be determined by reference to an index, formula or other method, the manner in which such amounts are to be determined and the calculation agent, if any, with respect thereto; (ix) if other than the principal amount thereof, the portion of the principal amount of the Debt Securities which will be payable upon declaration or acceleration of the Maturity thereof pursuant to an Event of Default; (x) whether the Debt Securities will be issued in certificated or book-entry form and, if so, the identity of the depository for the Debt Securities; (xi) any listing of the Debt Securities on a securities exchange; (xii) any additional restrictive covenants included for the benefit of Holders of such Debt Securities; (xiii) any additional events of default provided with respect to such Debt Securities; and (xiv) any other material terms of the Debt Securities. Any such Prospectus Supplement will also describe any special provisions for the payment of additional amounts with respect to the Debt Securities.

Harrah's Operating is dependent on the receipt of dividends or other payments from its subsidiaries to make payments on interest and principal on the Debt Securities. Neither the Indentures nor any other material contract restricts subsidiaries of Harrah's Operating from making dividends or distributions to Harrah's Operating.

GAMING REGULATION

The casino entertainment operations of the Company are subject to extensive regulation by federal, state and local authorities in several jurisdictions. See "Business and Properties -- Governmental Regulation" in the 1994 Harrah's Entertainment Form 10-K/A, incorporated by reference herein. The Indentures provide that if a Holder or a beneficial owner of Debt Securities is required to qualify under the gaming laws of any jurisdiction to which Harrah's Operating or Harrah's Entertainment or any of their Subsidiaries is subject and does not so qualify, such Holder must dispose of his interest in the Debt Securities within 30 days after receipt of notice of failure so to qualify or such earlier date prescribed by the Gaming Authorities, or the Company will have the right to redeem such Debt Securities. The Indentures will require the Trustee to report the names of the record Holders of the Debt Securities to any gaming authority when required by law.

GUARANTEE

Harrah's Entertainment irrevocably and unconditionally will guarantee the payment of all obligations of Harrah's Operating under the Debt Securities. Rights of Holders pursuant to such Guarantee of the Senior Subordinated Debt Securities and the Subordinated Debt Securities will be subordinate to the rights of holders of the Senior Debt of Harrah's Entertainment to payment in full in the same manner as the rights of Holders of the Senior Subordinated Debt Securities and the Subordinated Debt Securities, respectively, are subordinate to those of the Senior Debt of Harrah's Operating. Subject to the subordination provisions of the Senior Subordinated Debt Indenture and the Subordinated Debt Indenture (in the case of the Senior Subordinated Debt Securities and the Subordinated Debt Securities, respectively), if Harrah's Operating defaults in the payment of the principal of, premium, if any, or interest on such Debt Securities when and as the same shall become due, whether upon maturity, acceleration, call for redemption or otherwise, without the necessity of action by the Trustee or any Holder of such Debt Securities, Harrah's Entertainment shall be required promptly and fully to make such payment. The Indentures provide for the release of the Guarantor in certain circumstances, including (i) Harrah's Operating ceases to be a wholly owned Subsidiary of Harrah's Entertainment, or

(ii) a transfer by Harrah's Operating of all or substantially all of its assets or a merger of Harrah's Operating which transfer or merger is governed by the "Limitation on Merger, Sale or Consolidation" covenant, and in connection with which the transferee entity assumes Harrah's Operating's obligations under the Indentures and such transfer or merger otherwise complies with the requirements of such covenant.

Harrah's Entertainment conducts substantially all of its business through Harrah's Operating and its subsidiaries and does not own any material assets other than all of the stock of Harrah's Operating. Harrah's Entertainment's obligations under the Guarantee are as a secondary obligor, and such obligations are subordinated to all present and future Senior Debt of Harrah's Entertainment, as described above. Harrah's Entertainment is presently dependent on the receipt of dividends or other payments from Harrah's Operating to make payments on the Guarantee of the Debt Securities.

SUBORDINATION

The indebtedness evidenced by the Senior Subordinated Debt Securities and the Subordinated Debt Securities (including principal, premium, if any, and interest) will be subordinated in right of payment, as set forth in the applicable Indentures, to the rights of holders of all Senior Debt of Harrah's Operating to prior payment in full, whether outstanding on the date of such Indentures or thereafter created, incurred, assumed or guaranteed.

As of June 30, 1995, the amount of outstanding Senior Debt of Harrah's Operating was \$460.4 million and the amount of outstanding Senior Debt of Harrah's Entertainment was \$429.2 million (which amounts include \$305.0 million of debt incurred by Harrah's Operating's subsidiaries and guaranteed by Harrah's Entertainment and Harrah's Operating).

The Senior Subordinated Debt Indenture and Subordinated Debt Indenture provide that no payment may be made on account of principal of, premium, if any, or interest on the Senior Subordinated Debt Securities and the Subordinated Debt Securities, respectively, by Harrah's Operating (or with respect to the Guarantees thereof in the case of Harrah's Entertainment), or to acquire any of such Debt Securities (pursuant to such Guarantees in the case of Harrah's Entertainment), for cash or property (other than Capital Stock of Harrah's Operating, or Harrah's Entertainment with respect to such Guarantees), or on account of the redemption provisions of such Debt Securities by Harrah's Operating (or with respect to such Guarantees in the case of Harrah's Entertainment), (i) upon the maturity of any Senior Debt by lapse of time, acceleration or otherwise, unless and until all principal of and interest on such Senior Debt and all other obligations in respect thereof are first paid in full in cash or cash equivalents or such payment duly is provided for, or (ii) in the event of default in the payment of any principal of, premium, if any, or interest on any Senior Debt when it becomes due and payable, whether at maturity or at a date fixed for prepayment or by declaration or otherwise, unless and until such payment default has been cured or waived or otherwise has ceased to exist.

Upon the happening of a default (any event that, after notice or passage of time would be an event of default) or an event of default (any event that permits the holders of Senior Debt or their representative immediately to accelerate its maturity) with respect to any Senior Debt, other than a default in payment of the principal of, premium, if any, or interest on the Senior Debt, or if an event of default would result upon any payment with respect to the Senior Subordinated Debt Securities or the Subordinated Debt Securities (or pursuant to the Guarantees thereof with respect to Harrah's Entertainment), upon written notice of (i) the default given to Harrah's Operating, Harrah's Entertainment and the applicable Trustee by the holders of a majority of the principal amount outstanding of the Designated Senior Debt or their representative, or (ii) the event of default given to Harrah's Operating, Harrah's Entertainment and such Trustee by the holders of a majority of the principal amount outstanding of the Designated Senior Debt or their representative, or by any holder of Senior Debt or its representative after such time as there is no Designated Senior Debt, then, unless and until such default

or event of default has been cured or waived or otherwise has ceased to exist, no payment may be made by Harrah's Operating with respect to the principal of or premium, if any, or interest on such Debt Securities in cash or property (or pursuant to such Guarantees with respect to Harrah's Entertainment), or to acquire or repurchase any of such Debt Securities for cash or property (other than Capital Stock of Harrah's Operating, or Harrah's Entertainment pursuant to such Guarantees), or on account of the redemption provisions of such Debt Securities (or pursuant to such Guarantees with respect to Harrah's Entertainment). Notwithstanding the foregoing, unless the Senior Debt in respect of which such default or event of default exists has been declared due and payable in its entirety, in the case of a default within 30 days and, in the case of an event of default, within 180 days after the date written notice of such default, or event of default is delivered as set forth above (the "Payment Blockage Period"), and such declaration has not been rescinded, Harrah's Operating (and Harrah's Entertainment, with respect to such Guarantees) is required then to pay all sums not paid to the Holders of such Senior Subordinated Debt Securities or Subordinated Debt Securities during the Payment Blockage Period due to the foregoing prohibitions and to resume all other payments as and when due on such Debt Securities. Any number of such notices may be given; provided, however, that (i) during any 360 consecutive days, the aggregate of all Payment Blockage Periods shall not exceed 180 days, (ii) there shall be a period of at least 180 consecutive days in each 360-day period when no Payment Blockage Period is in effect, and (iii) any default or event of default that resulted in the commencement of a 180-day period may not be the basis for the commencement of any other 180-day period.

In the event that, notwithstanding the foregoing, any payment or distribution of assets of Harrah's Operating, whether in cash, property or securities (other than Capital Stock of Harrah's Operating), shall be received by the applicable Trustee or the Holders of the Senior Subordinated Debt Securities or the Subordinated Debt Securities before all Senior Debt is paid in full, such payment or distribution shall be held in trust for the benefit of the holders of, and shall be paid or delivered by such Trustee or such Holders, as the case may be, to the holders of the Senior Debt remaining unpaid or unprovided for or their representative or representatives, or to the trustee or trustees under any indenture pursuant to which any instruments evidencing any or such Senior Debt may have been issued, ratably according to the aggregate amounts remaining unpaid on account of the Senior Debt held or represented by each, for application to the payment of all Senior Debt remaining unpaid, to the extent necessary to pay all Senior Debt in full after giving effect to any concurrent payment or distribution to the holders of such Senior Debt.

Upon any distribution of assets of Harrah's Operating (or Harrah's Entertainment with respect to the Guarantees of the Senior Subordinated Debt Securities and the Subordinated Debt Securities) upon any dissolution, winding up, total or partial liquidation or reorganization or readjustment of Harrah's Operating or Harrah's Entertainment, as applicable, whether voluntary or involuntary, in bankruptcy, insolvency, receivership or a similar proceeding or upon assignment for the benefit of creditors, or any other marshaling of the assets and liabilities of Harrah's Operating or otherwise, (i) the holders of all Senior Debt would first be entitled to receive payment in full in cash or cash equivalents before the Holders of such Senior Subordinated Debt Securities and Subordinated Debt Securities would be entitled to receive any payment on account of the principal of, premium, if any, and interest on such Debt Securities or in respect of the Redemption Price and (ii) any payment or distribution of assets of Harrah's Operating (or Harrah's Entertainment, as applicable), of any kind or character, whether in cash, property or securities (other than Capital Stock), to which such Holders or the Trustee on behalf of such Holders would be entitled, except for the subordination provisions contained in the applicable Indenture, would be paid by the liquidating trustee or agent or other person making such a payment of distribution directly to the holders of Senior Debt to the extent necessary to make payment in full of all Senior Debt remaining unpaid, after giving effect to any concurrent payment or distribution to the holders of such Senior Debt.

No provision contained in the Indentures or the Debt Securities will affect the obligation of Harrah's Operating (and Harrah's Entertainment with respect to the Guarantees of the Debt Securities), which is absolute and unconditional, to pay, when due, principal of, premium, if any, and interest on the Debt Securities, subject to a redemption required by applicable gaming laws as specified above. See "--Gaming Regulation." The subordination provisions of the Senior Subordinated Debt Securities and the Subordinated Debt Securities and any Indenture governing same would not prevent the occurrence of any Event of Default under the applicable Indenture or limit the rights of the Trustee under such Indenture or any Holder of such Debt Securities to pursue any other rights or remedies with respect to the respective Debt Securities.

Because the Debt Securities will not be guaranteed by any of Harrah's Operating's Subsidiaries, the Debt Securities (and the Guarantees thereof, in the case of Harrah's Entertainment) also effectively will be subordinated by operation of law to all liabilities, including trade payables and capitalized lease obligations, if any, of Harrah's Operating's Subsidiaries (and, with respect to Harrah's Entertainment, Harrah's Entertainment's Subsidiaries). Any right of Harrah's Operating or Harrah's Entertainment to receive the assets of any of their Subsidiaries upon such Subsidiary's liquidation or reorganization (and the consequent right of the Holders of such Debt Securities to participate in those assets) effectively will be subordinated to the claims of any such Subsidiary's creditors (including trade creditors), except to the extent that Harrah's Operating (or Harrah's Entertainment, as applicable) is itself recognized as a creditor of such Subsidiary, in which case the claims of Harrah's Operating (or Harrah's Entertainment, as applicable) would still be subordinate to any indebtedness of such Subsidiary senior to that held by Harrah's Operating (or Harrah's Entertainment, as applicable). As of June 30, 1995, the indebtedness (including trade payables) of Harrah's Operating's Subsidiaries (other than guarantees by Subsidiaries of Harrah's Operating of Harrah's Operating's Senior Debt) was approximately \$403.5 million.

LIMITATION ON MERGER, SALE OR CONSOLIDATION

The Indentures will provide that Harrah's Operating may not consolidate with or merge with or into another Person or, directly or indirectly, sell, lease or convey all or substantially all of its assets (computed on a consolidated basis), whether in a single transaction or a series of related transactions, to another person, unless (i) (a) Harrah's Operating is the continuing corporation in the case of a merger or (b) the resulting, surviving or transferee entity is a corporation or partnership organized under the laws of the United States, any state thereof or the District of Columbia and expressly assumes by supplemental indenture all of the obligations of Harrah's Operating under the Debt Securities and the Indentures; and (ii) no Event of Default (or event or condition that, after notice or lapse of time or both, would become an Event of Default) shall have occurred and be continuing immediately after giving effect to such transaction. The term "all or substantially all" of the Company's assets is likely to be interpreted by reference to applicable state law at the time, and will be dependent on the facts and circumstances existing at the time. Accordingly, the ability of a holder of Debt Securities to file a claim under an Indenture as a result of a sale, lease, transfer, conveyance or other disposition of less than all of the assets or properties of Harrah's Operating or Harrah's Entertainment to another person may be uncertain.

Upon any consolidation or merger or any transfer of all or substantially all of the assets of Harrah's Operating in accordance with the foregoing, the successor corporation formed by such consolidation or into which Harrah's Operating is merged or to which such transfer is made, shall succeed to, and be substituted for, and may exercise every right and power of, Harrah's Operating under the Indentures with the same effect as if such successor corporation had been named as Harrah's Operating therein.

Unless otherwise indicated in a Prospectus Supplement, certain of the covenants described herein and in the Indentures would not necessarily afford debt holders protection in the event of a decline in the Company's credit quality resulting from highly leveraged or other similar transactions involving the Company.

EVENTS OF DEFAULT AND REMEDIES

Each Indenture defines an Event of Default as being with respect to each series of Debt Securities issued pursuant to such Indenture, (i) failure by Harrah's Operating to pay any installments of interest on such Debt Securities as and when the same become due and payable and the continuance of any such failure for 30 days, (ii) failure by Harrah's Operating to pay all or any part of the principal or premium, if any, on such Debt Securities when and as the same becomes due and payable at maturity, redemption, by declaration or otherwise, (iii) failure by Harrah's Operating or Harrah's Entertainment to observe or perform any covenant or agreement contained in such Debt Securities or such Indenture and the continuance of such failure for a period of 60 days after written notice is given to Harrah's Operating or Harrah's Entertainment by the Trustee or to Harrah's Operating, Harrah's Entertainment and the Trustee by the Holders of at least 40% in aggregate principal amount of such Debt Securities outstanding, (iv) certain events of bankruptcy, insolvency or reorganization in respect of Harrah's Operating or any of its Significant Subsidiaries, (v) any acceleration of the maturity of certain Debt of Harrah's Operating or any of its Subsidiaries, or a failure to pay such Debt at its stated maturity; provided, that an Event of Default shall not be deemed to occur with respect to the acceleration of the maturity of Debt of Harrah's Operating or any of its Subsidiaries if the event that caused such acceleration shall be cured within 10 days, and (vi) certain final judgments not covered by insurance rendered against Harrah's Operating or any of its Subsidiaries and not stayed or discharged within 60 days. Each Indenture provides that, with respect to each series of Debt Securities issued pursuant to such Indenture, if a default (the term "default" for purposes of this provision being defined as any event or condition which is, or with notice or lapse of time or both would be, an Event of Default) occurs and is continuing and if it is known to the Trustee, the Trustee must, within 90 days after the occurrence of such default, give to the Holders of such Debt Securities notice of such default; provided, that, except in the case of default in payment of principal of, premium, if any, or interest on such Debt Securities the Trustee will be protected in withholding such notice if it in good faith determines that the withholding of such notice is in the interest of the Holders of such Debt Securities.

If an Event of Default occurs and is continuing (other than an Event of Default specified in clause (iv) relating to Harrah's Operating or its Significant Subsidiaries), unless the principal of all of the Debt Securities of any series shall have already become due and payable, either the Trustee or the Holders of 25% in aggregate principal amount of such Debt Securities then outstanding, by notice in writing to Harrah's Operating and Harrah's Entertainment (and to the Trustee if given by Holders) (an "Acceleration Notice"), may declare all principal, determined as set forth below, and accrued interest thereon to be due and payable immediately (in the case of the Senior Secured Debt Securities and the Senior Unsecured Debt Securities) and, in the case of the Senior Subordinated Debt Securities and the Subordinated Debt Securities, (i) immediately if no Designated Senior Debt is outstanding or (ii) if Designated Senior Debt is outstanding, upon the earlier of (a) 10 days after such Acceleration Notice is received by Harrah's Operating or (b) the acceleration of such Designated Senior Debt. If an Event of Default specified in clause (iv) above relating to Harrah's Operating or its Significant Subsidiaries occurs, all principal and accrued interest thereon will be immediately due and payable on all outstanding Debt Securities of the applicable series without any declaration or other act on the part of Trustee or the Holders thereof. The Holders of not less than a majority in aggregate principal amount of such Debt Securities generally are authorized to rescind such acceleration if all existing Events of Default, other than the non-payment of the principal of and interest on such Debt Securities which have become due solely by such acceleration, have been cured or waived.

Prior to the declaration of acceleration of the maturity of the Debt Securities of any series, the Holders of a majority in aggregate principal amount of such Debt Securities at the time outstanding may waive on behalf of all the Holders of such Debt Securities any default, except a default in the payment of principal of or interest on any such Debt Securities not yet cured, or a default with respect to any covenant or provision which cannot be modified or amended without the consent of the Holder of each outstanding Debt Security of such series affected. Subject to the provisions of the applicable

Indenture relating to the duties of the Trustee thereunder, such Trustee is under no obligation to exercise any of its rights or powers under such Indenture at the request, order or direction of any of such applicable Holders, unless such Holders have offered to such Trustee reasonable security or indemnity. Subject to all provisions of the applicable Indenture and applicable law, the Holders of a majority in aggregate principal amount of Debt Securities of a series at the time outstanding have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee under such Indenture, or exercising any trust or power conferred on such Trustee.

SATISFACTION AND DISCHARGE OF THE INDENTURE, COVENANT DEFEASANCE

Each Indenture ceases to be of further effect as to all outstanding Debt Securities of a series issued thereunder (except as to (i) rights of registration of transfer, substitution and exchange of Debt Securities and Harrah's Operating's right of optional redemption, (ii) rights of Holders of such Debt Securities to receive from the amounts deposited with the Trustee payments of principal of, premium, if any, and interest on such Debt Securities, and any other rights of such Holders with respect to such amounts, (iii) the rights, obligations and immunities of the Trustee under the applicable Indenture and (iv) certain other specified provisions in the applicable Indenture (the foregoing exceptions (i) through (iv) are collectively referred to as the "Reserved Rights")) and Harrah's Operating will be deemed to have paid and discharged the entire indebtedness on all of the outstanding Debt Securities of such series when (i) all outstanding such Debt Securities have been delivered to the applicable Trustee for cancellation, or (ii) Harrah's Operating has paid or caused to be paid the principal of and interest on such Debt Securities.

With respect to the Debt Securities not previously delivered to the applicable Trustee for cancellation that have become due and payable or are by their terms to become due and payable within one year or are to be called for redemption within one year upon delivery of notice, the applicable Indenture also ceases to be in effect (except as to the Reserved Rights and except as to other obligations of Harrah's Operating under such Indenture preserved under this paragraph) on the 91st day (or one day after such other greater period of time in which any such deposit of trust funds may remain subject to bankruptcy or insolvency laws, e.g., one year after any such deposit) after the irrevocable deposit by Harrah's Operating with such Trustee, in trust for the benefit of the Holders of such Debt Securities, (i) money in an amount, (ii) U.S. Government Obligations which through the payment of interest and principal will provide, not later than one day before the due date of payment in respect of such Debt Securities, money in an amount, or (iii) a combination thereof, sufficient to pay and discharge the principal of and each installment of principal and interest on such Debt Securities then outstanding at the maturity date or redemption date, as the case may be, of such principal or installment of principal or interest. Such a trust may only be established if certain conditions are satisfied, including delivery by Harrah's Operating to such Trustee of an opinion of outside counsel acceptable to such Trustee (who may be outside counsel to Harrah's Operating) to the effect that (i) the defeasance and discharge will not be deemed, or result in, a federal income taxable event, with respect to such Holders, (ii) Harrah's Operating's deposit will not result in Harrah's Operating being subject to regulation under the Investment Company Act of 1940, (iii) after the passage of 90 days (or any greater period of time in which any such deposit of trust funds may remain subject to bankruptcy or insolvency laws insofar as those laws apply to Harrah's Operating) following the deposit of the trust funds, such funds will not be subject to any bankruptcy, insolvency or other similar laws affecting creditors' rights generally and (iv) such Holders will have a valid, perfected and unavoidable (under applicable bankruptcy and insolvency laws), subject to the passage of time referred to in clause (iii), first-priority security interest in the trust funds. The applicable Indenture will not be discharged if, among other things, a default or an event of default shall have occurred and be continuing on the date of such deposit or during the period ending on the 91st day (or one day after such other greater period of time in which any such deposit of trust funds may remain subject to bankruptcy or insolvency laws) after such date.

Each Indenture also provides that Harrah's Operating may cease to comply with certain covenants (other than the Reserved Rights and other than covenants relating to the timely payment of principal, interest, any premium, or any installment of principal or interest) described above with respect to each series of Debt Securities issued hereunder if Harrah's Operating irrevocably deposits with the Trustee thereunder money and/or U.S. Government Obligations, which, through the payment of interest and principal thereof in accordance with their terms, will provide, not later than one day before the date payments in respect of such Debt Securities are due, money in an amount sufficient to pay any principal of, premium, if any, and interest on the outstanding Debt Securities of such series at the maturity date of such principal or installment of principal or interest. The obligations of Harrah's Operating under such Indenture, excluding the covenants with which Harrah's Operating may cease to comply, but including Harrah's Operating's obligations to pay principal and interest on such Debt Securities, will remain in full force and effect. Such a trust may only be established if certain conditions are satisfied, including the delivery by Harrah's Operating to such Trustee of an opinion of counsel acceptable to such Trustee (who may be counsel to Harrah's Operating) to the effect that (i) the deposit and related covenant defeasance will not be deemed, or result in, a Federal income taxable event with respect to Holders of such Debt Securities, (ii) Harrah's Operating deposit will not result in Harrah's Operating being subject to regulation under the Investment Company Act of 1940, (iii) after the passage of 90 days (or any greater period of time in which any such deposit of trust funds may remain subject to bankruptcy or insolvency laws) following the deposit of the trust funds, such funds will not be subject to any bankruptcy, insolvency or other similar laws affecting creditors' rights generally, and (iv) Holders of such Debt Securities will have a valid, perfected and unavoidable (under applicable bankruptcy and insolvency laws insofar as such laws apply to Harrah's Operating), subject to the passage of time referred to in clause (iii), first-priority security interest in the trust funds. Harrah's Operating will not be discharged from its obligations with respect to the covenants under such Indenture if, among other things, a default or an event of default shall have occurred and be continuing on the date of such deposit or during the period ending on the 91st day (or one day after such other greater period of time in which such deposit of trust funds may remain subject to bankruptcy or insolvency laws) after such date. In the event that Harrah's Operating takes the necessary action to enable it to omit to comply with certain covenants of such Indenture as described above and such Debt Securities are declared due and payable because of the occurrence of an Event of Default, the amount of money and U.S. Government Obligations on deposit with such Trustee will be sufficient to pay such Debt Securities at the time of their stated maturity but may not be sufficient to pay amounts due on such Debt Securities at the time of acceleration resulting from such Event of Default. In such event, Harrah's Operating will remain liable for such payments.

REPORTS

Harrah's Operating and Harrah's Entertainment are required to furnish the Trustee under each Indenture, within 120 days after the end of each fiscal year, with an officers' certificate to the effect that such officers have conducted or supervised a review of the activities of Harrah's Operating and its Subsidiaries and of performance under such Indenture and that, to the best of such officers' knowledge, based on their review, Harrah's Operating has fulfilled all of its obligations under such Indenture or, if there has been a default, specifying each default known to them, its nature and its status.

Harrah's Operating will distribute to registered Holders of Debt Securities audited annual consolidated financial statements and unaudited summary quarterly financial statements of the Company (with appropriate footnotes relating to Harrah's Operating), unless otherwise required by law.

AMENDMENTS AND SUPPLEMENTS

Each Indenture contains provisions permitting Harrah's Operating and the Trustee to enter into a supplemental indenture for certain limited purposes without the consent of the Holders of the Debt

Securities issued thereunder. With the consent of the Holders of not less than a majority in aggregate principal amount of the applicable series of Debt Securities at the time outstanding, Harrah's Operating and the Trustee will be permitted to amend or supplement such Indenture or any supplemental indenture or modify the rights of such Holders; provided, that no such modification may, without the consent of each Holder affected thereby: (i) change the Stated Maturity of the principal of, or any installment of principal of, or any installment of interest on, any such Debt Security, or reduce the principal amount thereof or the rate of interest thereon or any premium payable upon the redemption thereof, or change the place of payment where, or the coin or currency in which, any such Debt Security or any premium or the interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity thereof (or, in the case of redemption, on or after the Redemption Date) or (ii) reduce the percentage in principal amount of the Outstanding Debt Securities of such series, the consent of whose Holders is required for any such amendment, supplemental indenture or waiver provided for in such Indenture, or (iii) modify any of the waiver provisions, except to increase any required percentage or to provide that certain other provisions of such Indenture cannot be modified or waived without the consent of the Holder of each Outstanding Debt Security affected thereby.

NO PERSONAL LIABILITY OF STOCKHOLDERS, OFFICERS, DIRECTORS

No stockholder, officer or director, as such, past, present or future of Harrah's Operating or Harrah's Entertainment or any successor corporation shall have any personal liability in respect of the obligations of Harrah's Operating or Harrah's Entertainment under the Indentures, the Debt Securities or the Guarantees thereof by reason of his or its status as such stockholder, officer or director.

DESCRIPTION OF PREFERRED STOCK

The description of Harrah's Operating's Preferred Stock set forth below does not purport to be complete and is qualified in its entirety by reference to Harrah's Operating's Certificate of Incorporation (the "Harrah's Operating Certificate") and Bylaws (the "Harrah's Operating Bylaws").

GENERAL

The Harrah's Operating Certificate authorizes the issuance of 1,000,000 shares of Preferred Stock with a par value of \$0.10 per share, none of which was outstanding as of the date of this Prospectus. Shares of Preferred Stock may be issued from time to time, in one or more series, as authorized by the Board of Directors of Harrah's Operating. Prior to issuance of shares of each series, the Board of Directors is required by the Harrah's Operating Certificate to fix for each series the terms, preferences, rights, voting powers, restrictions, limitations as to dividends or other distributions, qualifications and terms or conditions of redemptions. The Preferred Stock will, when issued, be fully paid and nonassessable and will have no preemptive rights.

TERMS

The following description of the Preferred Stock sets forth certain general terms and provisions of the Preferred Stock to which any Prospectus Supplement may relate. The statements below describing the Preferred Stock are in all respects subject to and qualified in their entirety by reference to the applicable provisions of the Harrah's Operating Certificate and Harrah's Operating Bylaws and any applicable amendment to the Harrah's Operating Certificate designating terms of a series of Preferred Stock (a "Designating Amendment").

Reference is made to the Prospectus Supplement relating to the Preferred Stock offered thereby for specific terms, including:

- (1) The title and stated value of such Preferred Stock;
- (2) The number of shares of such Preferred Stock offered, the liquidation preference per share and the offering price of such Preferred Stock;
- (3) The dividend rate(s), period(s) and/or payment date(s) or method(s) of calculation thereof applicable to such Preferred Stock;
- (4) The date from which dividends on such Preferred Stock shall accumulate, if applicable;
- (5) The procedures for any auction and remarketing, if any, for such Preferred Stock;
- (6) The provision for a sinking fund, if any, for such Preferred Stock;
- (7) The provision for redemption, if applicable, of such Preferred Stock;
- (8) Any listing of such Preferred Stock on any securities exchange;
- (9) The terms of Harrah's Entertainment's guarantee with respect to such Preferred Stock;
- (10) The voting rights, if any, of such Preferred Stock;
- (11) Any other specific terms, preferences, rights, limitations or restrictions of such Preferred Stock;
- (12) A discussion of federal income tax considerations applicable to such Preferred Stock;
- (13) The relative ranking and preference of such Preferred Stock as to dividend rights and rights upon liquidation, dissolution or winding up of the affairs of the Company; and
- (14) Any limitations on issuance of any series of Preferred Stock ranking senior to or on a parity with such series of Preferred Stock as to dividend rights and rights upon liquidation, dissolution or winding up of the affairs of the Company.

RANK

Unless otherwise specified in the Prospectus Supplement, the Preferred Stock will, with respect to dividend rights and rights upon liquidation, dissolution or winding up of Harrah's Operating, rank (i) senior to all classes or series of Common Stock of Harrah's Operating, and to all equity securities ranking junior to such Preferred Stock with respect to dividend rights or rights upon liquidation, dissolution or winding up of Harrah's Operating; (ii) on a parity with all equity securities issued by the terms of which specifically provide that such equity securities rank on a parity with the Preferred Stock with respect to dividend rights or rights upon liquidation, dissolution or winding up of Harrah's Operating; and (iii) junior to all equity securities issued by Harrah's Operating the terms of which specifically provide that such equity securities rank senior to the Preferred Stock with respect to dividend rights or rights upon liquidation, dissolution or winding up of Harrah's Operating. The term "equity securities" does not include convertible debt securities.

DIVIDENDS

Holder of the Preferred Stock of each series will be entitled to receive, when, as and if declared by the Board of Directors of Harrah's Operating, out of assets of Harrah's Operating legally available for payment, cash dividends at such rates and on such dates as will be set forth in the applicable Prospectus Supplement. Each such dividend shall be payable to holders of record as they appear on the share transfer books of Harrah's Operating on such record dates as shall be fixed by the Board of Directors of Harrah's Operating.

Dividends on any series of the Preferred Stock may be cumulative or noncumulative, as provided in the applicable Prospectus Supplement. Dividends, if cumulative, will be cumulative from and after the date set forth in the applicable Prospectus Supplement. If the Board of Directors of Harrah's Operating fails to declare a dividend payable on a dividend payment date on any series of the Preferred Stock for which dividends are noncumulative, then the holders of such series of the Preferred Stock will have no right to receive a dividend in respect of the dividend period ending on such dividend payment date, and Harrah's Operating will have no obligation to pay the dividend accrued for such period, whether or not dividends on such series are declared payable on any future dividend payment date.

If Preferred Stock of any series is outstanding, no dividends will be declared or paid or set apart for payment on any capital stock of Harrah's Operating of any other series ranking, as to dividends, on a parity with or junior to the Preferred Stock of such series for any period unless (i) if such series of Preferred Stock has a cumulative dividend, full cumulative dividends have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof is set apart for such payment on the Preferred Stock of such series for all past dividend periods and the then current dividend period, or (ii) if such series of Preferred Stock does not have a cumulative dividend, full dividends for the then current dividend period have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof is set apart for such payment on the Preferred Stock of such series. When dividends are not paid in full (or a sum sufficient for such full payment is not so set apart) upon Preferred Stock of any series and the shares of any other series of Preferred Stock ranking on a parity as to dividends with the Preferred Stock of such series, all dividends declared upon Preferred Stock of such series and on any other series of Preferred Stock ranking on a parity as to dividends with such Preferred Stock shall be declared pro rata so that the amount of dividends declared per share of Preferred Stock of such series and such other series of Preferred Stock shall in all cases bear to each other the same ratio that accrued dividends per share on the Preferred Stock of such series (which shall not include any accumulation in respect of unpaid dividends for prior dividend periods if such Preferred Stock does not have a cumulative dividend) and such other series of Preferred Stock bear to each other. No interest, or sum of money in lieu of interest, shall be payable in respect of any dividend payment or payments on Preferred Stock of such series which may be in arrears.

Except as provided in the immediately preceding paragraph, unless (i) if such series of Preferred Stock has a cumulative dividend, full cumulative dividends on the Preferred Stock of such series have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof is set apart for payment for all past dividend periods and the then current dividend period, and (ii) if such series of Preferred Stock does not have a cumulative dividend, full dividends on the Preferred Stock of such series have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof is set apart for payment for the then current dividend period, no dividends (other than in shares of Common Stock or other shares of capital stock ranking junior to the Preferred Stock of such series as to dividends and upon liquidation) shall be declared or paid or set aside for payment nor shall any other distribution be declared or made upon the Common Stock, or any other capital stock of Harrah's Operating ranking junior to or on a parity with the Preferred Stock of such series as to dividends or upon liquidation, nor shall any shares of Common Stock, or any other shares of capital stock of Harrah's Operating ranking junior to or on a parity with the Preferred Stock of such series as to dividends or upon liquidation, be redeemed, purchased or otherwise acquired for any consideration (or any amounts be paid to or made available for a sinking fund for the redemption of any such shares) by Harrah's Operating (except by conversion into or exchange for other capital stock of Harrah's Operating ranking junior to the Preferred Stock of such series as to dividends and upon liquidation).

Any dividend payment made on shares of a series of Preferred Stock shall first be credited against the earliest accrued but unpaid dividend due with respect to shares of such series which remains payable.

REDEMPTION

If so provided in the applicable Prospectus Supplement, the Preferred Stock will be subject to mandatory redemption or redemption at the option of Harrah's Operating, as a whole or in part, in each case upon the terms, at the times and at the redemption prices set forth in such Prospectus Supplement.

The Prospectus Supplement relating to a series of Preferred Stock that is subject to mandatory redemption will specify the number of shares of such Preferred Stock that shall be redeemed by Harrah's Operating in each year commencing after a date to be specified, at a redemption price per share to be specified, together with an amount equal to all accrued and unpaid dividends thereon (which shall not, if such Preferred Stock does not have a cumulative dividend, include any accumulation in respect of unpaid dividends for prior dividend periods) to the date of redemption. The redemption price may be payable in cash or other property, as specified in the applicable Prospectus Supplement.

Notwithstanding the foregoing, unless (i) if a series of Preferred Stock has a cumulative dividend, full cumulative dividends on all shares of such series of Preferred Stock shall have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof set apart for payment for all past dividend periods and the then current dividend period, and (ii) if a series of Preferred Stock does not have a cumulative dividend, full dividends on all shares of the Preferred Stock of such series have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof set apart for payment for the then current dividend period, no shares of such series of Preferred Stock shall be redeemed unless all outstanding shares of Preferred Stock of such series are simultaneously redeemed. In addition, unless (i) if such series of Preferred Stock has a cumulative dividend, full cumulative dividends on all outstanding shares of such series of Preferred Stock have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof set apart for payment for all past dividend periods and the then current dividend period, and (ii) if such series of Preferred Stock does not have a cumulative dividend, full dividends on the Preferred Stock of such series have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof set apart for payment for the then current dividend period, Harrah's Operating shall not purchase or otherwise acquire directly or indirectly any shares of Preferred Stock of such series (except by conversion into or exchange for capital stock of Harrah's Operating ranking junior to the Preferred Stock of such series as to dividends and upon liquidation); provided, however, that the foregoing shall not prevent the purchase or acquisition of shares of Preferred Stock of such series pursuant to a purchase or exchange offer made on the same terms to holders of all outstanding shares of Preferred Stock of such series.

If fewer than all of the outstanding shares of Preferred Stock of any series are to be redeemed, the number of shares to be redeemed will be determined by Harrah's Operating and such shares may be redeemed pro rata from the holders of record of such shares in proportion to the number of such shares held or for which redemption is requested by such holder (with adjustments to avoid redemption of fractional shares) or by any other equitable manner determined by Harrah's Operating.

Notice of redemption will be mailed at least 30 days but not more than 60 days before the redemption date to each holder of record of Preferred Stock of any series to be redeemed at the address shown on the stock transfer books of Harrah's Operating. Each notice shall state: (i) the redemption date; (ii) the number of shares and series of the Preferred Stock to be redeemed; (iii) the redemption price; (iv) the place or places where certificates for such Preferred Stock are to be surrendered for payment of the redemption price; (v) that dividends on the shares to be redeemed will cease to accrue on such redemption date; and (vi) the date upon which the holder's conversion rights, if any, as to such shares shall terminate. If fewer than all the shares of Preferred Stock of any series are to be redeemed, the notice mailed to each such holder thereof shall also specify the number of shares of Preferred Stock to be redeemed from each such holder and, upon redemption, a new certificate shall be issued representing the unredeemed shares without cost to the holder thereof. If notice of redemption of any Preferred Stock has been given and if the funds necessary for such redemption have been set aside by

Harrah's Operating in trust for the benefit of the holders of any Preferred Stock so called for redemption, then from and after the redemption date dividends will cease to accrue on such Preferred Stock, and all rights of the holders of such shares will terminate, except the right to receive the redemption price. In order to facilitate the redemption of shares of Preferred Stock, the Board of Directors may fix a record date for the determination of shares of Preferred Stock to be redeemed, such record date to be not less than 30 or more than 60 days prior to the date fixed for such redemption.

Subject to applicable law and the limitation on purchases when dividends on Preferred Stock are in arrears, Harrah's Operating may, at any time and from time to time, purchase any shares of Preferred Stock in the open market, by tender or by private agreement.

LIQUIDATION PREFERENCE

Upon any voluntary or involuntary liquidation, dissolution or winding up of the affairs of Harrah's Operating, then, before any distribution or payment shall be made to the holders of any other class or series of capital stock of Harrah's Operating ranking junior to the Preferred Stock in the distribution of assets upon any liquidation, dissolution or winding up of Harrah's Operating, the holders of each series of Preferred Stock shall be entitled to receive out of assets of Harrah's Operating legally available for distribution to stockholders liquidating distributions in the amount of the liquidation preference per share, if any, set forth in the applicable Prospectus Supplement, plus an amount equal to all dividends accrued and unpaid thereon (which shall not include any accumulation in respect of unpaid noncumulative dividends for prior dividend periods). After payment of the full amount of the liquidating distributions to which they are entitled, the holders of Preferred Stock will have no right or claim to any of the remaining assets of Harrah's Operating. In the event that, upon any such voluntary or involuntary liquidation, dissolution or winding up, the available assets of Harrah's Operating are insufficient to pay the amount of the liquidating distributions on all outstanding shares of Preferred Stock and the corresponding amounts payable on all shares of other classes or series of capital stock of Harrah's Operating ranking on a parity with the Preferred Stock in the distribution of assets upon the liquidation, dissolution or winding up, then the holders of the Preferred Stock and all other such classes or series of capital stock shall share ratably in any such distribution of assets in proportion to the full liquidating distributions to which they would otherwise be respectively entitled.

If liquidating distributions shall have been made in full to all holders of Preferred Stock, the remaining assets of Harrah's Operating shall be distributed among the holders of any other classes or series of capital stock ranking junior to the Preferred Stock upon liquidation, dissolution or winding up, according to their respective rights and preferences and in each case according to their respective number of shares. For such purposes, the consolidation or merger of Harrah's Operating with or into any other corporation, trust or entity, or the sale, lease or conveyance of all or substantially all of the property or business of the Company, shall not be deemed to constitute a liquidation, dissolution or winding up of the Company.

GUARANTEE

Harrah's Entertainment will irrevocably and unconditionally agree, to the extent set forth herein, to pay in full to the holders of the Preferred Stock of any series, the Guarantee Payments (as defined below) (except to the extent paid by Harrah's Operating), as and when due, regardless of any defense, right of set-off or counterclaim which Harrah's Operating may have or assert (the "Guarantee"). The following payments to the extent not paid by Harrah's Operating (the "Guarantee Payments") will be subject to the Guarantee (without duplication): (i) any accumulated and unpaid dividends which have been theretofore declared on the Preferred Stock of such series out of funds legally available therefor, (ii) the redemption price (including all accumulated unpaid dividends) payable out of funds legally available therefor with respect to Preferred Stock of any series called for redemption by Harrah's Operating and (iii) upon the liquidation of Harrah's Operating, the lesser of (a) the aggregate of the

stated liquidation preference and all accumulated and unpaid dividends (whether or not declared) to the date of payment and (b) the amount of assets of Harrah's Operating legally available for distribution to holders of Preferred Stock of such series in liquidation. Harrah's Entertainment's obligation to make a Guarantee Payment may be satisfied by direct payment of the required amounts by Harrah's Entertainment to the holders of Preferred Stock of any series or by causing Harrah's Operating to pay such amounts to such holders.

In connection with the Guarantee, Harrah's Entertainment will covenant that, so long as any shares of Preferred Stock of any series remain outstanding, neither Harrah's Entertainment nor any majority owned subsidiary of Harrah's Entertainment will declare or pay any dividend on, or redeem, purchase, acquire or make a liquidation payment with respect to, any of Harrah's Entertainment's capital stock or make any guarantee payments with respect to the foregoing (other than payments under the Guarantee, redemptions described under "Description of Common Stock--Redemption," payments to redeem common share purchase rights under Harrah's Entertainment's shareholder rights plan dated February 7, 1990, or the declaration of a dividend of similar share purchase rights in the future), if at such time, Harrah's Entertainment will be in default with respect to its payment or other obligations under the Guarantee.

The Guarantee will constitute an unsecured obligation of Harrah's Entertainment and will rank (i) subordinate and junior in right of payment to all other liabilities of Harrah's Entertainment, (ii) pari passu with the most senior preferred stock now or hereafter issued by Harrah's Entertainment and with any guarantee now or hereafter entered into by Harrah's Entertainment in respect of any preferred or preference stock of any affiliate of Harrah's Entertainment and (iii) senior to Harrah's Entertainment's common stock. For purposes of clause (ii), pari passu means that any payments to which beneficiaries of the Guarantee are entitled must be shared with holders of any preferred or preference stock to which the Guarantee is stated to be pari passu ("Pari Passu Stock") to the same extent as would be required under applicable law if instead the Guarantee constituted a class of preferred or preference stock of Harrah's Entertainment ranking pari passu with such Pari Passu Stock as to such payments.

The Guarantee will constitute a guarantee of payment and not of collection. Accordingly, a holder of Preferred Stock may enforce the Guarantee directly against Harrah's Entertainment, and Harrah's Entertainment will waive any right or remedy to require that any action be brought against Harrah's Operating or any other person or entity before proceeding against Harrah's Entertainment. The Guarantee will not be discharged except by payment of the Guarantee Payments in full to the extent not paid by Harrah's Operating.

Since Harrah's Entertainment is a holding company, the rights of Harrah's Entertainment, and hence the rights of creditors of Harrah's Entertainment (including the rights of holders of Preferred Stock under the Guarantee), to participate in any distribution of the assets of any subsidiary upon its liquidation or reorganization or otherwise is necessarily subject to the prior claims of creditors of the subsidiary, except to the extent that claims of Harrah's Entertainment itself as a creditor of the subsidiary may be recognized.

VOTING RIGHTS

Holders of the Preferred Stock will not have any voting rights, except as set forth below or as otherwise from time to time required by law or as indicated in the applicable Prospectus Supplement.

Unless provided otherwise for any series of Preferred Stock, so long as any shares of Preferred Stock of a series remain outstanding, Harrah's Operating will not, without the affirmative vote or consent of the holders of at least two-thirds of the shares of such series of Preferred Stock outstanding at the time, given in person or by proxy, either in writing or at a meeting (such series voting separately as a class), (i) authorize or create, or increase the authorized or issued amount of, any class or series of capital stock ranking prior to such series of Preferred Stock with respect to payment of dividends or the

distribution of assets upon liquidation, dissolution or winding up or reclassify any authorized capital stock of Harrah's Operating into such shares, or create, authorize or issue any obligation or security convertible into or evidencing the right to purchase any such shares; or (ii) amend, alter or repeal the provisions of the Harrah's Operating Certificate or the Designating Amendment for such series of Preferred Stock, whether by merger, consolidation or otherwise (an "Event"), so as to materially and adversely affect any right, preference, privilege or voting power of such series of Preferred Stock or the holders thereof; provided, however, with respect to the occurrence of any of the Events set forth in (ii) above, so long as the Preferred Stock remains outstanding with the terms thereof materially unchanged, taking into account that upon the occurrence of an Event Harrah's Operating may not be the surviving entity, the occurrence of any such Event shall not be deemed to materially and adversely affect such rights, preferences, privileges or voting power of holders of Preferred Stock, and provided further that (x) any increase in the amount of the authorized Preferred Stock or the creation or issuance of any other series of Preferred Stock, or (y) any increase in the amount of authorized shares of such series or any other series of Preferred Stock, in each case ranking on a parity with or junior to the Preferred Stock of such series with respect to payment of dividends or the distribution of assets upon liquidation, dissolution or winding up, shall not be deemed to materially and adversely affect such rights, preferences, privileges or voting powers.

The foregoing voting provisions will not apply if, at or prior to the time when the act with respect to which such vote would otherwise be required shall be effected, all outstanding shares of such series of Preferred Stock shall have been redeemed or called for redemption and sufficient funds shall have been deposited in trust to effect such redemption.

GAMING REDEMPTION

The Harrah's Operating Certificate provides that any equity security of Harrah's Operating can be redeemed by Harrah's Operating if, among other circumstances, in the judgment of the Board of Directors, such redemption is necessary to avoid any regulatory sanctions against, or to prevent the loss of, or to secure the reinstatement of any license, franchise or entitlement from any governmental agency held by Harrah's Operating, an affiliate of Harrah's Operating, or any entity in which Harrah's Operating or an affiliate is an owner, which license, franchise or entitlement is needed to conduct any portion of the business of Harrah's Operating, any such affiliate or other entity or which license, franchise or entitlement is conditioned upon some or all of the holders of such security possessing prescribed qualifications.

PLAN OF DISTRIBUTION

The Company may offer the Securities directly to purchasers or to or through underwriters, dealers or agents. Any such underwriter(s), dealer(s) or agent(s) involved in the offer and sale of the Securities in respect of which this Prospectus is delivered will be named in the Prospectus Supplement. The Prospectus Supplement with respect to such Securities will also set forth the terms of the offering of such Securities, including the purchase price of such Securities and the proceeds to the Company from such sale, any underwriting discounts and other items constituting underwriters' compensation, any initial public offering price and any discounts or concessions allowed or reallocated or paid to dealers and any securities exchanges on which such Securities may be listed.

The distribution of the Securities may be effected from time to time in one or more transactions at a fixed price or prices, which may be changed, or at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices. The Prospectus Supplement will describe the method of distribution of the Securities.

If underwriters are used in an offering of Securities, the name of each managing underwriter, if any, and any other underwriters and terms of the transaction, including any underwriting discounts and other items constituting compensation of the underwriters and dealers, if any, will be set forth in the Prospectus Supplement relating to such offering and the Securities will be acquired by the underwriters for their own accounts and may be resold from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale. Any initial public offering price and any discounts or concessions allowed or reallocated or paid to dealers may be changed from time to time. It is anticipated that any underwriting agreement pertaining to any Securities will (1) entitle the underwriters to indemnification by the Company against certain civil liabilities under the Securities Act, or to contribution with respect to payments which the underwriters may be required to make in respect thereof, (2) provide that the obligations of the underwriters will be subject to certain conditions precedent and (3) provide that the underwriters will be obligated to purchase all Securities offered in a particular offering if any such Securities are purchased.

If a dealer is used in an offering of Securities, the Company will sell such Securities to the dealer, as principal. The dealer may then resell such Securities to the public at varying prices to be determined by such dealer at the time of resale. The name of the dealer and the terms of the transaction will be set forth in the Prospectus Supplement relating thereto.

If an agent is used in an offering of Debt Securities, the agent will be named, and the terms of the agency will be set forth, in the Prospectus Supplement relating thereto. Unless otherwise indicated in such Prospectus Supplement, an agent will act on a best efforts basis for the period of its appointment.

Dealers and agents named in a Prospectus Supplement may be deemed to be underwriters (within the meaning of the Securities Act) of the Securities described therein and, under agreements which may be entered into with the Company, may be entitled to indemnification by the Company against certain civil liabilities under the Securities Act. Underwriters, dealers and agents may be customers of, engage in transactions with, or perform services for, the Company in the ordinary course of business.

Offers to purchase Securities may be solicited, and sales thereof may be made, by the Company directly to institutional investors or others, who may be deemed to be underwriters within the meaning of the Securities Act with respect to any resales thereof. The terms of any such offer will be set forth in the Prospectus Supplement relating thereto.

If so indicated in the Prospectus Supplement, the Company will authorize underwriters or other agents of the Company to solicit offers by certain institutional investors to purchase Securities from the Company pursuant to contracts providing for payment and delivery at a future date. Institutional investors with which such contracts may be made include commercial and savings banks, insurance companies, pension funds, investment companies, educational and charitable institutions and others, but in all cases such purchasers must be approved by the Company. The obligations of any purchaser under any such contract will not be subject to any conditions except that (1) the purchase of the Securities shall not at the time of delivery be prohibited under the laws of any jurisdiction to which such purchaser is subject and (2) if the Securities are also being sold to underwriters, the Company shall have sold to such underwriters the Securities not subject to delayed delivery. Underwriters and other agents will not have any responsibility in respect of the validity or performance of such contracts.

The anticipated date of delivery of Securities will be set forth in the Prospectus Supplement relating to each offering.

LEGAL MATTERS

Certain legal matters with respect to the Securities offered hereby will be passed upon for Harrah's Entertainment and Harrah's Operating by Latham & Watkins and E. O. Robinson, Jr., Senior Vice President and General Counsel of Harrah's Entertainment and Harrah's Operating.

EXPERTS

The audited financial statements and schedules incorporated by reference in this Prospectus and in the Registration Statement, to the extent and for the periods indicated in their report, have been audited by Arthur Andersen LLP, independent public accountants, as indicated in their report with respect thereto, and are included herein in reliance upon the authority of said firm as experts in giving said report.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 14. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION

All expenses other than the Securities and Exchange Commission filing fees are estimated.

SEC registration fee.....	\$ 68,966
Accountants' fees and expenses.....	5,000
Legal fees and expenses	40,000
Printing and engraving expenses.....	14,000
Trustee's and registrar's fees and expenses.....	3,000
Miscellaneous.....	7,500

Total.....	\$138,466

ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 145 of the General Corporation Law of Delaware empowers Harrah's Entertainment and Harrah's Operating to indemnify, subject to the standards set forth therein, any person who is a party in any action in connection with any action, suit or proceeding brought or threatened by reason of the fact that the person was a director, officer, employee or agent of such company, or is or was serving as such with respect to another entity at the request of such company. The General Corporation Law of Delaware also provides that Harrah's Entertainment and Harrah's Operating may purchase insurance on behalf of any such director, officer, employee or agent.

Article Tenth of the Certificate of Incorporation of Harrah's Entertainment provides for indemnification of the officers and directors of Harrah's Entertainment to the full extent permitted by the Delaware General Corporation Law.

Article VI of the Bylaws of Harrah's Operating provides, in effect, for the indemnification by Harrah's Operating of each director and officer of Harrah's Operating to the fullest extent permitted by applicable law.

Harrah's Entertainment has entered into Indemnification Agreements with its directors, executive officers and certain other officers. Generally, the Indemnification Agreements provide that Harrah's Entertainment will indemnify such persons against any and all expenses, judgments, fines, penalties and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect to such expenses, judgments, fines, penalties or amounts paid in settlement) of any Claim by reason of (or arising in part out of) an Indemnifiable Event. "Claim" is defined as any threatened, pending or completed action, suit or proceeding or any inquiry or investigation, whether conducted by Harrah's Entertainment or any other party, that the indemnitee in good faith believes might lead to the institution of any such action, suit or proceeding, whether civil, criminal, administrative, investigative or other. "Indemnifiable Event" is defined as any event or occurrence related to the fact that indemnitee is or was a director, officer, employee, trustee, agent or fiduciary of Harrah's Entertainment, or is or was serving at the request of Harrah's Entertainment or a director, officer, employee, trustee, agent or fiduciary of another corporation, partnership, joint venture, employee benefit plan, trust or other enterprise, or by reason of anything done or not done by indemnitee in any such capacity. Notwithstanding the foregoing, (i) the obligations of Harrah's Entertainment shall be subject to the condition that the reviewing party (as defined) shall not have determined (in a written opinion, in any case in which special, independent counsel is involved) that indemnitee would

not be permitted to be indemnified under applicable law, and (ii) the obligation of Harrah's Entertainment to make an expense advance shall be subject to the condition that, if, when and to the extent that the reviewing party determines that indemnitee would not be permitted to be so indemnified under applicable law, Harrah's Entertainment shall be entitled to be reimbursed by indemnitee (who has agreed to reimburse Harrah's Entertainment, for any amounts theretofore paid; provided, that if indemnitee has commenced legal proceedings in a court of competent jurisdiction to secure a determination that indemnitee should be indemnified under applicable law, any determination made by the reviewing party that indemnitee would not be permitted to be indemnified under applicable law shall not be binding and indemnitee shall not be required to reimburse Harrah's Entertainment for any expense advance until a final judicial determination is made with respect thereto as to which all rights of appeal therefrom have been exhausted or lapsed).

Section 102(b)(7) of the Delaware General Corporation Law enables a Delaware corporation to provide in its certificate of incorporation for the elimination or limitation of the personal liability of a director to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director. Any such provision cannot eliminate or limit a director's liability (1) for any breach of the director's duty of loyalty to the corporation or its stockholders; (2) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; (3) under Section 174 of the Delaware General Corporation Law (which imposes liability on directors for unlawful payment of dividends or unlawful stock purchase or redemption); or (4) for any transaction from which the director derived an improper personal benefit. Article Thirteenth of the Certificate of Incorporation of Harrah's Entertainment eliminates the liability of a director of Harrah's Entertainment to Harrah's Entertainment or its stockholders for monetary damages for breach of fiduciary duty as a director to the full extent permitted by the Delaware General Corporation Law.

ITEM 16. EXHIBITS

EXHIBIT
NO.

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- 4.1 Certificate of Incorporation of The Promus Companies Incorporated. (1)
- 4.2 Certificate of Amendment to Certificate of Incorporation of The Promus Companies Incorporated dated April 29, 1994. (1)
- 4.3 Certificate of Amendment of Certificate of Incorporation of The Promus Companies Incorporated effective June 30, 1995. (2)
- 4.4 Certificate of Amendment of Certificate of Incorporation of The Promus Companies Incorporated effective May 26, 1995. (3)
- *4.5 Certificate of Incorporation of Harrah's Operating Company, Inc.
- *4.6 Bylaws of Harrah's Operating Company, Inc.
- 4.7 Rights Agreement dated as of February 7, 1990, between The Promus Companies Incorporated and The Bank of New York as Rights Agent. (4)
- 4.8 Indenture dated as of January 15, 1984, between Holiday Inns, Inc. and Irving Trust Company, as trustee. (5)

EXHIBIT
NO.

- 4.9 First Supplemental Indenture dated as of July 15, 1987, among Irving Trust Company, as resigning trustee with respect to the 1999 Notes, Indiana National Bank as successor trustee with respect to the 1999 Notes and Holiday Inns, Inc.; Second Supplemental Indenture dated as of January 8, 1988, under Indenture dated as of January 15, 1984, between Holiday Inns, Inc., and Irving Trust Company, as trustee with respect to 8 3/8% Notes due 1996; Third Supplemental Indenture dated as of January 8, 1988, under Indenture dated as of January 15, 1984, among Holiday Inns, Inc., Irving Trust Company, as resigning trustee with respect to the 8 3/8% Notes due 1996, and LaSalle National Bank as successor trustee with respect to the 8 3/8% Notes due 1996; Fourth Supplemental Indenture dated as of February 23, 1988, under Indenture dated as of January 15, 1984, between Holiday Inns, Inc. and LaSalle National Bank, as trustee with respect to the 8 3/8% Notes due 1996. (6)
- 4.10 Fifth Supplemental Indenture dated as of January 23, 1990, with respect to the 8 3/8% Notes due 1996, among LaSalle National Bank, as trustee, The Promus Companies Incorporated and Holiday Inns, Inc., as issuer; Sixth Supplemental Indenture dated as of February 7, 1990, with respect to the 8 3/8% Notes due 1996, among Holiday Inns, Inc., Embassy Suites, Inc., The Promus Companies Incorporated and LaSalle National Bank; Form of Note for 8 3/8% Notes due 1996. (4)
- 4.11 Indenture dated as of April 1, 1992, with respect to the 10 7/8% Senior Subordinated Notes due 2002, among The Bank of New York, as trustee, The Promus Companies Incorporated, as guarantor, and Embassy Suites, Inc., as issuer; Form of Note for 10 7/8% Senior Subordinated Notes due 2002. (7)
- 4.12 Indenture dated as of August 1, 1993, with respect to the 8 3/4% Senior Subordinated Notes due 2000, among The Bank of New York, as trustee, The Promus Companies Incorporated, as guarantor, and Embassy Suites, Inc., as issuer; Form of Note for 8 3/4% Senior Subordinated Notes due 2000. (8)
- 4.13 First Supplemental Indenture dated as of June 2, 1995, with respect to the 8 3/4% Senior Subordinated Notes due 2000, among Embassy Suites, Inc., as issuer, The Promus Companies Incorporated, as guarantor, and The Bank of New York, as trustee. (9)
- 4.14 First Supplemental Indenture dated as of June 2, 1995, with respect to the 10 7/8% Senior Subordinated Notes due 2002, among Embassy Suites, Inc., as issuer, The Promus Companies Incorporated, as guarantor, and The Bank of New York, as trustee. (9)
- 4.15 Interest Swap Agreement between Bank of America National Trust and Savings Association and Embassy Suites, Inc. dated May 14, 1993. (8)
- 4.16 Interest Swap Agreement between NationsBank of North Carolina, N.A. and Embassy Suites, Inc. dated May 18, 1993. (8)
- 4.17 Interest Swap Agreement between The Sumitomo Bank, Limited and Embassy Suites, Inc. dated October 22, 1992; Interest Swap Agreement between The Bank of Nova Scotia and Embassy Suites, Inc. dated October 22, 1992; Interest Swap Agreement between The Nippon Credit Bank and Embassy Suites, Inc. dated October 22, 1992. (7)
- 4.18 Interest Swap Agreement between Bank of America National Trust and Savings Association and Embassy Suites, Inc. dated January 25, 1995. (10)
- 4.19 Interest Swap Agreement between NationsBank, N.A. (Carolinas) and Embassy Suites, Inc. dated January 25, 1995. (10)
- 4.20 Interest Swap Agreement between The Bank of Nova Scotia and Embassy Suites, Inc. dated January 25, 1995 and amended February 2, 1995. (10)
- 4.21 Interest Swap Agreement between The Bank of Nova Scotia and Embassy Suites, Inc. dated March 16, 1995. (10)
- 4.22 Interest Swap Agreement between The Sumitomo Bank, Limited and Embassy Suites, Inc. dated June 5, 1995. (11)

EXHIBIT
NO.

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- 4.23 Interest Swap Agreement between Bankers Trust Company and Embassy Suites, Inc. dated May 16, 1995. (11)
 - 4.24 Interest Swap Agreement between Bankers Trust Company and Embassy Suites, Inc. dated June 6, 1995. (11)
 - 4.25 Credit Agreement, dated as of July 22, 1993 and amended and restated as of June 9, 1995, among The Promus Companies Incorporated, Embassy Suites, Inc., certain subsidiaries of Embassy Suites, Inc., various banks, Bankers Trust Company, The Bank of New York, CIBC, Inc., Credit Lyonnais, Atlanta Agency, First Interstate Bank of California, the Long-Term Credit Bank of Japan, Limited, New York Branch, NationsBank of Georgia, N.A., Societe Generale and Sumitomo Bank, Limited, New York Branch, as Agents, and Bankers Trust Company, as Administrative Agent. (11)
 - 4.26 Amended and Restated Reimbursement Agreement, dated as of July 22, 1993, among Embassy Suites, Inc., The Promus Companies Incorporated, Marina Associates and The Sumitomo Bank, Limited, New York Branch. (12)
 - 4.27 Master Collateral Agreement, dated as of July 22, 1993, among The Promus Companies Incorporated, Embassy Suites, Inc., the other Collateral Grantors parties thereto, Bankers Trust Company, as Administrative Agent, and Bankers Trust Company as Collateral Agent. (12)
 - 4.28 Security Agreement dated as of July 22, 1993, among Embassy Suites, Inc., the Collateral Grantors parties thereto and Bankers Trust Company, as Collateral Agent. (12)
 - 4.29 Deed of Trust, Leasehold Deed of Trust, Assignment, Assignment of Leases and Rents, Security Agreement and Financing Statement, dated as of July 22, 1993, from Embassy Suites, Inc., Harrah's Laughlin, Inc., and Harrah's Reno Holding Company, Inc., the Grantors, to First American Title Company of Nevada, as Trustee, for the benefit of Bankers Trust Company, as Beneficiary. (12)
 - 4.30 Mortgage, Leasehold Mortgage, Assignment, Assignment of Leases and Rents and Security Agreement, dated as of July 22, 1993, from Marina Associates and Embassy Suites, Inc., the Mortgagors, to Bankers Trust Company, as Collateral Agent and the Mortgagee. (12)
 - 4.31 Pledge Agreement, dated as of July 22, 1993, between The Promus Companies Incorporated and Bankers Trust Company, as Collateral Agent. (12)
 - 4.32 Pledge Agreement, dated as of July 22, 1993, among Embassy Suites, Inc., ESI Equity Development Corporation, Harrah's, Harrah's Club, Casino Holding Company, and Bankers Trust Company, as the General Collateral Agent, and Bank of America Nevada as the Nevada Collateral Agent. (12)
 - 4.33 First Amendment to Master Collateral Agreement, dated as of June 30, 1995, among The Promus Companies Incorporated, Embassy Suites, Inc., the other Collateral Grantors parties thereto, Bankers Trust Company, as Administrative Agent, and Bankers Trust Company as Collateral Agent amending the Master Collateral Agreement, dated as of July 22, 1993, among The Promus Companies Incorporated, Embassy Suites, Inc., the other Collateral Grantors parties thereto, Bankers Trust Company, as Administrative Agent, and Bankers Trust Company as Collateral Agent. (11)
 - 4.34 First Amendment to Parent Pledge Agreement, dated as of June 30, 1995, among The Promus Companies Incorporated and Bankers Trust Company, as Collateral Agent, amending the Pledge Agreement, dated as of July 22, 1993, between The Promus Companies Incorporated and Bankers Trust Company, as Collateral Agent. (11)

EXHIBIT
NO.

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- 4.35 First Amendment to Company/Sub Pledge Agreement, dated as of June 30, 1995, among Embassy Suites, Inc., Harrah's, Harrah's Club, and Bankers Trust Company, as the General Collateral Agent, and Bank of America Nevada as the Nevada Collateral Agent, amending the Pledge Agreement, dated as of July 22, 1993, among Embassy Suites, Inc., ESI Equity Development Corporation, Harrah's, Harrah's Club, Casino Holding Company, and Bankers Trust Company, as the General Collateral Agent, and Bank of America Nevada as the Nevada Collateral Agent. (11)
 - 4.36 First Amendment to Security Agreement, dated as of June 30, 1995, among Embassy Suites, Inc., the Collateral Grantors parties thereto and Bankers Trust Company, as Collateral Agent, amending the Security Agreement dated as of July 22, 1993, among Embassy Suites, Inc., the Collateral Grantors parties thereto and Bankers Trust Company, as Collateral Agent. (11)
 - 4.37 First Amendment to Mortgage, Leasehold Mortgage, Assignment, Assignment of Leases and Rents and Security Agreement, dated as of June 30, 1995, among Embassy Suites, Inc., Marina Associates, the Mortgagors, to Bankers Trust Company, as Collateral Agent and the Mortgagee, amending the Mortgage, Leasehold Mortgage, Assignment, Assignment of Leases and Rents and Security Agreement, dated as of July 22, 1993, from Marina Associates and Embassy Suites, Inc., the Mortgagors, to Bankers Trust Company, as Collateral Agent and the Mortgagee. (11)
 - 4.38 First Amendment to Deed of Trust, Leasehold Deed of Trust, Assignment, Assignment of Leases and Rents, Security Agreement and Financing Statement, dated as of June 30, 1995, among Embassy Suites, Inc., Harrah's Laughlin, Inc., Harrah's Reno Holding Company, Inc., Harrah's, Harrah's Club and Harrah's Las Vegas, Inc., the Collateral Grantors, and Bankers Trust Company as Collateral Agent and Beneficiary, amending the Deed of Trust, Leasehold Deed of Trust, Assignment, Assignment of Leases and Rents, Security Agreement and Financing Statement, dated as of July 22, 1993, from Embassy Suites, Inc., Harrah's Laughlin, Inc., and Harrah's Reno Holding Company, Inc., the Grantors, to First American Title Company of Nevada, as Trustee, for the benefit of Bankers Trust Company, as Beneficiary. (11)
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 - +4.40 Form of Indenture relating to Senior Secured Debt Securities.
 - +4.41 Form of Indenture relating to Senior Unsecured Debt Securities.
 - +4.42 Form of Indenture relating to Senior Subordinated Debt Securities.
 - +4.43 Form of Indenture relating to Subordinated Debt Securities.
 - *5 Opinion of Latham & Watkins regarding legality.
 - +12 Statement of computation of ratio of earnings to fixed charges.
 - +24.1 Consent of Arthur Andersen LLP.
 - *24.2 Consent of Latham & Watkins (included in Exhibit 5).
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 - +26.1 Statement of Eligibility and Qualifications on Form T-1 relating to Senior Secured Debt Securities with NationsBank of Tennessee, N.A., as Trustee.
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 - +26.3 Statement of Eligibility and Qualifications on Form T-1 relating to Senior Subordinated Debt Securities with NationsBank of Tennessee, N.A., as Trustee.

EXHIBIT
NO.

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+26.4 Statement of Eligibility and Qualifications on Form T-1 relating to Subordinated
Debt Securities with NationsBank of Tennessee, N.A., as Trustee.

- -----
* Filed herewith.

+ Previously filed.

FOOTNOTES

- (1) Incorporated by reference from the Company's Quarterly Report on Form 10-Q for the fiscal quarter ending March 31, 1994, filed with the Commission May 12, 1994, File No. 1-10410.
- (2) Incorporated by reference from the Company's Proxy Statement, Annex V, dated April 25, 1995, File No. 1-10410.
- (3) Incorporated by reference from the Company's Proxy Statement, Annex VI, dated April 25, 1995, File No. 1-10410.
- (4) Incorporated by reference from the Company's Annual Report on Form 10-K for the fiscal year ended December 29, 1989, filed March 28, 1990, File No. 1-10410.
- (5) Incorporated by reference from Holiday Inns, Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 29, 1984, filed August 10, 1984, File No. 1-4804.
- (6) Incorporated by reference from Holiday Corporation's Annual Report on Form 10-K for the fiscal year ended January 1, 1988, filed March 31, 1988, File No. 1-8900.
- (7) Incorporated by reference from the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1992, filed March 12, 1993, File No. 1-10410.
- (8) Incorporated by reference from the Company's and Embassy Suites, Inc.'s Amendment No. 2 to Form S-4 Registration Statement, File No. 33-49509-01, filed July 16, 1993.
- (9) Incorporated by reference from the Company's Current Report on Form 8-K filed June 15, 1995, File No. 1-10410.
- (10) Incorporated by reference from the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1994, filed March 21, 1995, File No. 1-10410.
- (11) Incorporated by reference from the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 1995, filed August 14, 1995, File No. 1-10410.
- (12) Incorporated by reference from the Company's Current Report on Form 8-K filed August 6, 1993, File No. 1-10410.

ITEM 17. UNDERTAKINGS

(a) The undersigned registrants hereby undertake:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent

post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

Provided, however, that paragraphs (a)(1)(i) and (a)(1)(ii) do not apply if the registration statement is on Form S-3, Form S-8 or Form F-3, and the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Commission by the registrants pursuant to section 13 or section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b) The undersigned Registrants hereby undertake that, for purposes of determining any liability under the Securities Act of 1933, each filing of the Registrants' annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrants pursuant to the foregoing provisions, or otherwise, the registrants have been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrants of expenses incurred or paid by a director, officer or controlling person of the registrants in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrants will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

HARRAH'S ENTERTAINMENT SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, Harrah's Entertainment, Inc. has duly caused this Amendment No. 1 to the Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized at Memphis, Tennessee on October 11, 1995.

HARRAH'S ENTERTAINMENT, INC.

Dated: October 11, 1995

By PHILIP G. SATRE

 (Philip G. Satre, President
 and Chief Executive Officer)

Pursuant to the requirements of the Securities Act of 1933, as amended, this Amendment No. 1 to the Registration Statement has been signed by the following persons in their respective capacities with Harrah's Entertainment, Inc. on the dates indicated.

SIGNATURE	TITLE	DATE
* (James L. Barksdale)	Director	October 11, 1995
* (Susan Clark-Jackson)	Director	October 11, 1995
* (James B. Farley)	Director	October 11, 1995
* (Joe M. Henson)	Director	October 11, 1995
* (D. Ralph Horn)	Director	October 11, 1995
* (Michael D. Rose)	Director and Chairman	October 11, 1995
* (Walter J. Salmon)	Director	October 11, 1995
* (Philip G. Satre)	Director, President and Chief Executive Officer	October 11, 1995
* (Boake A. Sells)	Director	October 11, 1995
* (Eddie N. Williams)	Director	October 11, 1995
* (Shirley Young)	Director	October 11, 1995
* (Charles A. Ledsinger, Jr.)	Chief Financial Officer	October 11, 1995

*

Controller and Principal
Accounting Officer

October 11, 1995

.....
(Michael N. Regan)

*By E. O. ROBINSON, JR.
.....
E. O. Robinson, Jr.
Attorney-in-fact

HARRAH'S OPERATING SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, Harrah's Operating Company, Inc. has duly caused this Amendment No. 1 to the Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized at Memphis, Tennessee on October 11, 1995.

HARRAH'S OPERATING COMPANY, INC.

Dated: October 11, 1995

By PHILIP G. SATRE

 (Philip G. Satre, President
 and Chief Executive Officer)

Pursuant to the requirements of the Securities Act of 1933, as amended, this Amendment No. 1 to the Registration Statement has been signed by the following persons in their respective capacities with Harrah's Operating Company, Inc. on the dates indicated.

SIGNATURE	TITLE	DATE
* (Philip G. Satre)	Director, President and Chief Executive Officer	October 11, 1995
* (Charles A. Ledsinger, Jr.)	Director and Chief Financial Officer	October 11, 1995
* (Michael N. Regan)	Controller and Principal Accounting Officer	October 11, 1995
*By E. O. ROBINSON, JR. E. O. Robinson, Jr. Attorney-in-fact		

EXHIBIT INDEX

EXHIBIT
NO.

-
- 4.1 Certificate of Incorporation of The Promus Companies Incorporated. (1)
 - 4.2 Certificate of Amendment to Certificate of Incorporation of The Promus Companies Incorporated dated April 29, 1994. (1)
 - 4.3 Certificate of Amendment of Certificate of Incorporation of The Promus Companies Incorporated effective June 30, 1995. (2)
 - 4.4 Certificate of Amendment of Certificate of Incorporation of The Promus Companies Incorporated effective May 26, 1995. (3)
 - *4.5 Certificate of Incorporation of Harrah's Operating Company, Inc.
 - *4.6 Bylaws of Harrah's Operating Company, Inc.
 - 4.7 Rights Agreement dated as of February 7, 1990, between The Promus Companies Incorporated and The Bank of New York as Rights Agent. (4)
 - 4.8 Indenture dated as of January 15, 1984, between Holiday Inns, Inc. and Irving Trust Company, as trustee. (5)
 - 4.9 First Supplemental Indenture dated as of July 15, 1987, among Irving Trust Company, as resigning trustee with respect to the 1999 Notes, Indiana National Bank as successor trustee with respect to the 1999 Notes and Holiday Inns, Inc.; Second Supplemental Indenture dated as of January 8, 1988, under Indenture dated as of January 15, 1984, between Holiday Inns, Inc., and Irving Trust Company, as trustee with respect to 8 3/8% Notes due 1996; Third Supplemental Indenture dated as of January 8, 1988, under Indenture dated as of January 15, 1984, among Holiday Inns, Inc., Irving Trust Company, as resigning trustee with respect to the 8 3/8% Notes due 1996, and LaSalle National Bank as successor trustee with respect to the 8 3/8% Notes due 1996; Fourth Supplemental Indenture dated as of February 23, 1988, under Indenture dated as of January 15, 1984, between Holiday Inns, Inc. and LaSalle National Bank, as trustee with respect to the 8 3/8% Notes due 1996. (6)
 - 4.10 Fifth Supplemental Indenture dated as of January 23, 1990, with respect to the 8 3/8% Notes due 1996, among LaSalle National Bank, as trustee, The Promus Companies Incorporated and Holiday Inns, Inc., as issuer; Sixth Supplemental Indenture dated as of February 7, 1990, with respect to the 8 3/8% Notes due 1996, among Holiday Inns, Inc., Embassy Suites, Inc., The Promus Companies Incorporated and LaSalle National Bank; Form of Note for 8 3/8% Notes due 1996. (4)
 - 4.11 Indenture dated as of April 1, 1992, with respect to the 10 7/8% Senior Subordinated Notes due 2002, among The Bank of New York, as trustee, The Promus Companies Incorporated, as guarantor, and Embassy Suites, Inc., as issuer; Form of Note for 10 7/8% Senior Subordinated Notes due 2002. (7)
 - 4.12 Indenture dated as of August 1, 1993, with respect to the 8 3/4% Senior Subordinated Notes due 2000, among The Bank of New York, as trustee, The Promus Companies Incorporated, as guarantor, and Embassy Suites, Inc., as issuer; Form of Note for 8 3/4% Senior Subordinated Notes due 2000. (8)
 - 4.13 First Supplemental Indenture dated as of June 2, 1995, with respect to the 8 3/4% Senior Subordinated Notes due 2000, among Embassy Suites, Inc., as issuer, The Promus Companies Incorporated, as guarantor, and The Bank of New York, as trustee. (9)
 - 4.14 First Supplemental Indenture dated as of June 2, 1995, with respect to the 10 7/8% Senior Subordinated Notes due 2002, among Embassy Suites, Inc., as issuer, The Promus Companies Incorporated, as guarantor, and The Bank of New York, as trustee. (9)

EXHIBIT
NO.

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- 4.15 Interest Swap Agreement between Bank of America National Trust and Savings Association and Embassy Suites, Inc. dated May 14, 1993. (8)
 - 4.16 Interest Swap Agreement between NationsBank of North Carolina, N.A. and Embassy Suites, Inc. dated May 18, 1993. (8)
 - 4.17 Interest Swap Agreement between The Sumitomo Bank, Limited and Embassy Suites, Inc. dated October 22, 1992; Interest Swap Agreement between The Bank of Nova Scotia and Embassy Suites, Inc. dated October 22, 1992; Interest Swap Agreement between The Nippon Credit Bank and Embassy Suites, Inc. dated October 22, 1992. (7)
 - 4.18 Interest Swap Agreement between Bank of America National Trust and Savings Association and Embassy Suites, Inc. dated January 25, 1995. (10)
 - 4.19 Interest Swap Agreement between NationsBank, N.A. (Carolinas) and Embassy Suites, Inc. dated January 25, 1995. (10)
 - 4.20 Interest Swap Agreement between The Bank of Nova Scotia and Embassy Suites, Inc. dated January 25, 1995 and amended February 2, 1995. (10)
 - 4.21 Interest Swap Agreement between The Bank of Nova Scotia and Embassy Suites, Inc. dated March 16, 1995. (10)
 - 4.22 Interest Swap Agreement between The Sumitomo Bank, Limited and Embassy Suites, Inc. dated June 5, 1995. (11)
 - 4.23 Interest Swap Agreement between Bankers Trust Company and Embassy Suites, Inc. dated May 16, 1995. (11)
 - 4.24 Interest Swap Agreement between Bankers Trust Company and Embassy Suites, Inc. dated June 6, 1995. (11)
 - 4.25 Credit Agreement, dated as of July 22, 1993 and amended and restated as of June 9, 1995, among The Promus Companies Incorporated, Embassy Suites, Inc., certain subsidiaries of Embassy Suites, Inc., various banks, Bankers Trust Company, The Bank of New York, CIBC, Inc., Credit Lyonnais, Atlanta Agency, First Interstate Bank of California, the Long-Term Credit Bank of Japan, Limited, New York Branch, NationsBank of Georgia, N.A., Societe Generale and Sumitomo Bank, Limited, New York Branch, as Agents, and Bankers Trust Company, as Administrative Agent. (11)
 - 4.26 Amended and Restated Reimbursement Agreement, dated as of July 22, 1993, among Embassy Suites, Inc., The Promus Companies Incorporated, Marina Associates and The Sumitomo Bank, Limited, New York Branch. (12)
 - 4.27 Master Collateral Agreement, dated as of July 22, 1993, among The Promus Companies Incorporated, Embassy Suites, Inc., the other Collateral Grantors parties thereto, Bankers Trust Company, as Administrative Agent, and Bankers Trust Company as Collateral Agent. (12)
 - 4.28 Security Agreement dated as of July 22, 1993, among Embassy Suites, Inc., the Collateral Grantors parties thereto and Bankers Trust Company, as Collateral Agent. (12)
 - 4.29 Deed of Trust, Leasehold Deed of Trust, Assignment, Assignment of Leases and Rents, Security Agreement and Financing Statement, dated as of July 22, 1993, from Embassy Suites, Inc., Harrah's Laughlin, Inc., and Harrah's Reno Holding Company, Inc., the Grantors, to First American Title Company of Nevada, as Trustee, for the benefit of Bankers Trust Company, as Beneficiary. (12)
 - 4.30 Mortgage, Leasehold Mortgage, Assignment, Assignment of Leases and Rents and Security Agreement, dated as of July 22, 1993, from Marina Associates and Embassy Suites, Inc., the Mortgagors, to Bankers Trust Company, as Collateral Agent and the Mortgagee. (12)

EXHIBIT
NO.

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- 4.31 Pledge Agreement, dated as of July 22, 1993, between The Promus Companies Incorporated and Bankers Trust Company, as Collateral Agent. (12)
- 4.32 Pledge Agreement, dated as of July 22, 1993, among Embassy Suites, Inc., ESI Equity Development Corporation, Harrah's, Harrah's Club, Casino Holding Company, and Bankers Trust Company, as the General Collateral Agent, and Bank of America Nevada as the Nevada Collateral Agent. (12)
- 4.33 First Amendment to Master Collateral Agreement, dated as of June 30, 1995, among The Promus Companies Incorporated, Embassy Suites, Inc., the other Collateral Grantors parties thereto, Bankers Trust Company, as Administrative Agent, and Bankers Trust Company as Collateral Agent amending the Master Collateral Agreement, dated as of July 22, 1993, among The Promus Companies Incorporated, Embassy Suites, Inc., the other Collateral Grantors parties thereto, Bankers Trust Company, as Administrative Agent, and Bankers Trust Company as Collateral Agent. (11)
- 4.34 First Amendment to Parent Pledge Agreement, dated as of June 30, 1995, among The Promus Companies Incorporated and Bankers Trust Company, as Collateral Agent, amending the Pledge Agreement, dated as of July 22, 1993, between The Promus Companies Incorporated and Bankers Trust Company, as Collateral Agent. (11)
- 4.35 First Amendment to Company/Sub Pledge Agreement, dated as of June 30, 1995, among Embassy Suites, Inc., Harrah's, Harrah's Club, and Bankers Trust Company, as the General Collateral Agent, and Bank of America Nevada as the Nevada Collateral Agent, amending the Pledge Agreement, dated as of July 22, 1993, among Embassy Suites, Inc., ESI Equity Development Corporation, Harrah's, Harrah's Club, Casino Holding Company, and Bankers Trust Company, as the General Collateral Agent, and Bank of America Nevada as the Nevada Collateral Agent. (11)
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RESTATED CERTIFICATE OF INCORPORATION

of

EMBASSY SUITES, INC.

The undersigned, E.O. Robinson, Jr. and Stephen H. Brammell, certify that they are a Senior Vice President and an Assistant Secretary, respectively, of EMBASSY SUITES, INC., a corporation organized and existing under the laws of the State of Delaware (the "Corporation"), and do hereby further certify as follows:

1. The name of the corporation is Embassy Suites, Inc., the name under which it was originally incorporated.

2. The original Certificate of Incorporation of the Corporation was filed in the Office of the Secretary of State of the State of Delaware on August 8, 1983. An amendment to the Certificate of Incorporation was filed in the office of the Secretary of State of the State of Delaware on November 22, 1989.

3. The amendment to the certificate of incorporation effected by this certificate is to modify and restate Article Ninth of the original certificate of Incorporation (which is Article Eighth of this Restated Certification of Incorporation).

4. The amendments and the restatement of the certificate of incorporation have been duly adopted by written consent of the stockholder of the Corporation in accordance with Sections 242 and 245 of the General Corporation Law of the State of Delaware.

5. The text of the Certificate of Incorporation of Embassy Suites, Inc. as heretofore amended is hereby restated and further amended to read in its entirety as follows;

FIRST: The name of the Corporation is Embassy Suites, Inc.

SECOND: The address of the registered office of the corporation in the

State of Delaware is 1208 Orange Street, County of New Castle, Wilmington Delaware 19801. The name of the registered agent of the Corporation as such address is The Corporation Trust Company.

THIRD: The purpose of the Corporation is to engage in any lawful act

or activity for which corporations may be organized under the General Corporation Law of the State of Delaware.

FOURTH: The total number of shares of stock which the Corporation is

authorized to issue is one thousand (1,000) shares of common stock, having a par value of one dollar (\$1.00) per share.

FIFTH: The business and affairs of the Corporation shall be managed

by the board of directors, and the directors need not be elected by ballot.

SIXTH: In furtherance and not in limitation of the powers conferred

by

the laws of the State of Delaware, the board of directors is expressly authorized, without stockholders action, to adopt, amend or repeal the bylaws.

SEVENTH: The Corporation reserves the right to amend, alter change or

repeal any provision contained in this Certificate of Incorporation in the manner prescribed by the laws of the State of Delaware. All rights herein conferred are granted subject to this reservation.

EIGHTH: Any equity securities of the Corporation are held subject

to the condition that the Corporation has the absolute right to redeem such securities by action of the Board of Directors, if, (A) in the judgment of the Board of Directors, any holder of the securities is determined by any gaming regulatory agency to be unsuitable, or has an application for a license or permit rejected, or has a previously issued license or permit rescinded, suspended, revoked or not renewed, as the case may be, or that such action otherwise should be taken to the extent necessary to avoid any regulatory sanctions or, to prevent the loss of or secure the reinstatement of any gaming license, franchise or other entitlement from any governmental agency held by the Corporation, any affiliate of the Corporation or any entity in which such Corporation or affiliate is an owner, which gaming license, franchise or other entitlement is (i) conditioned upon some or all of the holders of securities possessing prescribed qualifications, or (ii) needed to allow the conduct of any portion of the business of the Corporation or any such affiliate or other entity; or (B) the holder of any equity security of the Corporation fails to enforce the provisions of the fourth paragraph of this Article EIGHTH against its direct owners or any parties Controlled by, Controlling, or under common Control with such holder; provided that no holder of any equity security of this Corporation whose equity securities are publicly traded pursuant to the Securities Exchange Act of 1934, as amended, and traded on the New York Stock Exchange, the American Stock Exchange, or NASDAQ be required to enforce the provisions of the fourth paragraph of this Article EIGHTH. For purposes of this Article EIGHTH, "Control" shall mean the ability, whether by the direct or indirect ownership of shares or other equity interest, by contract or otherwise, to elect a majority of the directors of a corporation, to select the managing partner of a partnership or to control a majority of the members of the governing board of such partnership representing any single partner, or otherwise to select, or have the power to remove and select, a majority of those persons exercising governing authority over an entity, and, in the case of a limited partnership shall mean the sole general partner, all of the general partners to the extent each has equal management control and authority, or the managing general partner or managing general partners thereof.

The terms of such redemption shall permit the Corporation to redeem the equity securities of a disqualified holder at a redemption price equal to the fair market value of such securities, excluding any dividends or other remuneration thereon from the date the Corporation receives notice of a determination of unsuitability or disqualification from the government agency, or in such lesser amount as may be specified by any applicable gaming law, regulation or rule.

From and after the redemption date or such earlier date as mandated by any applicable gaming law, regulation or rule, any and all rights of whatever nature, which may be held by the owners of any equity securities of the Corporation selected for redemption (including any rights to vote or participate in any distributions of the Corporation), shall cease and terminate and they shall thereafter.

be entitled only to receive that amount payable upon redemption.

The holder of any equity security of this Corporation shall require that the articles of incorporation, charters, partnership agreements or other formative documents of each person or entity owning a direct interest in such holder or who are Controlled by, Control, or under common Control with such holder (other than a holder who has been exempted from a suitability determination by any gaming regulatory agency) shall incorporate the provisions of this Article EIGHTH into their formative documents; provided that no holder of any equity security of the Corporation whose equity securities are publicly traded pursuant to the Securities Exchange Act of 1934, as amended, and traded on the New York Stock Exchange, the American Stock Exchange, or NASDAQ shall be required to incorporate the provisions of this Article EIGHTH into their formative documents.

Any debt securities of the Corporation are held subject to the condition that if a holder thereof is found to be disqualified or found unsuitable by any government agency, including the New Jersey Casino Control Commission, the Corporation shall have a right to redeem such securities.

The terms of such redemption for debt securities shall be subject to and in accordance with the terms and provisions of the instrument governing such securities.

IN WITNESS WHEREOF, Embassy Suites, Inc. has caused this certificate to be signed by E.O. Robinson, Jr., its Senior Vice President, and attested to by Stephen H. Brammell, its Assistant Secretary, this 8th day of July, 1994.

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EMBASSY SUITES, INC.

By: /s/ E. O. Robinson, Jr.

E. O. Robinson, Jr.,
Senior Vice President

ATTEST:

/s/ S. H. Brammell

Assistant Secretary

STATE OF TENNESSEE
COUNTY OF SHELBY

This instrument was acknowledged before me on the 8th day of July, 1994
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by E.O. Robinson, Jr., Senior Vice President, and attested to by Stephen H. Brammell, Assistant Secretary, of Embassy Suites, Inc.

/s/ Juanita M. Francis

Notary Public

My Commission Expires:
MY COMMISSION EXPIRES JULY 15 1997

CERTIFICATE OF AMENDMENT
OF
RESTATED CERTIFICATE OF INCORPORATION
OF
EMBASSY SUITES, INC.

Embassy Suites, Inc., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware, DOES HEREBY CERTIFY:

FIRST: That the Board of Directors of Embassy Suites, Inc., by the unanimous written consent of its members filed with the minutes of the Board, duly adopted resolutions setting forth a proposed amendment to the Restated Certificate of Incorporation of said corporation, declaring said amendment to be advisable and in the best interest of the corporation and its stockholder, and recommending that its stockholder approve the proposed amendment by written consent in lieu of a meeting. The resolution setting forth the proposed amendment is as follows:

RESOLVED, that the Board of Directors of Embassy Suites, Inc. (the "Company"), hereby approves and sets forth the following proposed amendment (the "Proposed Amendment") to Article FIRST of the Company's Restated Certificate of Incorporation:

That Article FIRST of the Restated Certificate of Incorporation of the Company be amended to read in its entirety as follows:

"FIRST: The name of the Corporation is Harrah's Operating Company, Inc."

SECOND: That thereafter, pursuant to the resolution of its Board of Directors, the stockholder of said corporation approved the amendment by written consent without a meeting in accordance with Section 228 of the General Corporation Law of the State of Delaware.

THIRD: That said amendment was duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, said corporation has caused this Certificate to be signed by E.O. Robinson, Jr., its Senior Vice President, the 30th day of June, 1995.

By: /s/ E. O. Robinson, Jr.

E. O. Robinson, Jr.
Senior Vice President

CERTIFICATE OF AMENDMENT

OF

RESTATED CERTIFICATE OF INCORPORATION

OF

HARRAH'S OPERATING COMPANY, INC.

Harrah's Operating Company, Inc., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware, DOES HEREBY CERTIFY:

FIRST: That the Board of Directors of Harrah's Operating Company, Inc. (the "Corporation"), by the unanimous written consent of its members filed with the minutes of the Board, duly adopted resolutions setting forth a proposed amendment to the Restated Certificate of Incorporation of said Corporation, declaring said amendment to be advisable and in the best interest of the Corporation and its stockholder, and recommending that its stockholder approve the proposed amendment by written consent in lieu of a meeting. The resolution setting forth the proposed amendment is as follows:

RESOLVED, that the Board of Directors of the Corporation hereby approves and sets forth the following proposed amendment (the "Proposed Amendment") to Article FOURTH of the Company's Certificate of Incorporation:

That Article FOURTH of the Restated Certificate of Incorporation of the Corporation be amended to read in its entirety as follows:

"FOURTH: A. The total number of shares of stock which the Corporation

shall have authority to issue is 1,001,000, consisting of 1,000 shares of Common Stock, par value \$1.00 per share (the "Common Stock"), and 1,000,000 shares of Preferred Stock, par value \$0.10 per share (the "Preferred Stock").

B. Shares of Preferred Stock may be issued from time to time in one or more series, as provided for herein or as provided for by the Board of Directors as permitted hereby. All shares of Preferred Stock shall be of equal rank and shall be identical, except in respect of the terms fixed herein for the series provided for herein or fixed by the Board of Directors for series provided for by the Board of Directors as permitted hereby. All shares of any one series shall be identical in all respects with all the other shares of such series, except the shares of any one series issued at different times may differ as to the dates from which dividends thereon may be cumulative.

The Board of Directors is hereby authorized, by resolution or resolutions, to establish, out of the unissued shares of Preferred Stock not then allocated to any series of Preferred Stock, additional series of Preferred Stock. Before any shares of any such additional series are issued, the Board of Directors shall fix and determine, and is hereby expressly empowered to fix and determine, by resolutions, the distinguishing characteristics and the relative rights, preferences, privileges and immunities of the shares thereof, so far as not inconsistent with the provisions of this Article FOURTH. Without limiting the generality of the foregoing, the Board of Directors may fix and determine:

1. The designation of such series and the number of shares which shall constitute such series;
2. The rate of dividend, if any, payable on shares of such series;
3. Whether the shares of such series shall be cumulative, non-cumulative or partially cumulative as to dividends, and the dates from which any cumulative dividends are to accumulate.
4. Whether the shares of such series may be redeemed, and, if so, the price or prices at which and the terms and conditions on which shares of such series may be redeemed;
5. The amount payable upon shares of such series in the event of the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Corporation;
6. The sinking fund provisions, if any, for the redemption of shares of such series;
7. The voting rights, if any, of the shares of such series;
8. The terms and conditions, if any, on which shares of such series may be converted into shares of capital stock of the Corporation of any other class or series;
9. Whether the shares of such series are to be preferred over shares of capital stock of the Corporation of any other class or series as to dividends, or upon the voluntary or involuntary dissolution, liquidation, or winding up of the affairs of the Corporation, or otherwise; and
10. Any other characteristics, preferences, limitations, rights, privileges, immunities or terms not inconsistent with the provisions of this article FOURTH.

C. Except as otherwise provided in this Certificate of Incorporation (including this Section C of Article FOURTH and including the resolutions adopted by the

Board of Directors pursuant to Section B of this Article FOURTH), each holder of Common Stock shall be entitled to one vote for each share of Common Stock held by him on all matters submitted to stockholders for a vote and each holder of Preferred Stock of any series that has voting rights shall be entitled to such number of votes for each share held by him as may be specified in the resolutions providing for the issuance of such series."

SECOND: That thereafter, the stockholder of said Corporation approved the amendment by written consent without a meeting in accordance with Section 228 of the General Corporation Law of the State of Delaware.

THIRD: That said amendment was duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, said Corporation has caused this Certificate to be signed by E.O. Robinson, Jr., its Senior Vice President, the 10th day of October, 1995.

By:/s/ E.O. Robinson, Jr.

E.O. Robinson, Jr.
Senior Vice President

BYLAWS
OF
EMBASSY SUITES, INC.
(Amended April 29, 1994)

ARTICLE I
OFFICES

SECTION 1. Registered Office. The registered office of Embassy Suites, Inc. (the "Corporation") shall be at The Corporation Trust Center, 1209 Orange Street, in the City of Wilmington, County of New Castle, State of Delaware.

SECTION 2. Other Offices. The Corporation may also have offices at such other places both within and without the State of Delaware as the Board of Directors of the Corporation (the "Board of Directors") may from time to time determine.

ARTICLE II
MEETINGS OF STOCKHOLDERS

SECTION 1. Place of Meetings. Meetings of the stockholders for the election of directors or for any other purpose shall be held at such time and place, either within or without the State of Delaware as shall be designated from time to time by the Board of Directors and stated in the notice of the meeting or in a duly executed waiver of notice thereof.

SECTION 2. Annual Meetings. The annual meeting of stockholders shall be held on the first Friday in May in each year or on such other date and at such time as may be fixed by the Board of Directors and stated in the notice of the meeting, for the purpose of electing directors and for the transaction of only such other business as is properly brought before the meeting in accordance with these Bylaws.

Written notice of an annual meeting stating the place, date and hour of the meeting, shall be given to each stockholder entitled to vote at such meeting not less than ten nor more than sixty days before the date of the meeting.

SECTION 3. Special Meetings. Unless otherwise prescribed by law or by the Certificate of Incorporation, special meetings of stockholders, for any purpose or purposes, may only be called by a majority of the entire Board of Directors or by the Chairman or the President.

Written notice of a special meeting stating the place, date and hour of the meeting, shall be given to each stockholder entitled to vote at such meeting not less than ten nor more than sixty days before the date of the meeting.

SECTION 4. Quorum. Except as otherwise provided by law or by the Certificate of Incorporation, the holders of a majority of the capital stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders for the transaction of business. If, however, such quorum shall not be present or represented at any meeting of the stockholders, the holders of a majority of the votes entitled to be cast by the stockholders entitled to vote thereat, present in person or represented by proxy may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a

quorum shall be present or represented by proxy. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally noticed. If the adjournment is for more than thirty days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder entitled to vote at the meeting.

SECTION 5. Voting. Unless otherwise required by law, the Certificate of Incorporation or these Bylaws, any question brought before any meeting of stockholders shall be decided by the vote of the holders of a majority of the stock represented and entitled to vote thereat. Each stockholder represented at a meeting of stockholders shall be entitled to cast one vote for each share of the capital stock entitled to vote thereat held by such stockholder, unless otherwise provided by the Certificate of Incorporation. Such votes may be cast in person or by proxy but no proxy shall be voted after three years from its date, unless such proxy provides for a longer period. The Board of Directors, in its discretion, or the officer of the Corporation presiding at a meeting of stockholders, in his discretion, may require that any votes cast at such meeting shall be cast by written ballot.

SECTION 6. List of Stockholders Entitled to Vote. The officer of the Corporation who has charge of the stock ledger of the Corporation shall prepare and make, at least ten days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder of the Corporation who is present.

SECTION 7. Stock Ledger. The stock ledger of the Corporation shall be the only evidence as to who are the stockholders entitled to examine the stock ledger, the list required by Section 6 of this Article II or the books of the

Corporation, or to vote in person or by proxy at any meeting of stockholders.

ARTICLE III

DIRECTORS

SECTION 1. Meetings. The Board of Directors of the Corporation may hold meetings, both regular and special, either within or without the State of Delaware. Regular meetings of the Board of Directors may be held without notice at such time and at such place as may from time to time be determined by the Board of Directors. Special meetings of the Board of Directors may be called by the Chairman of the Board or the President or a majority of the entire Board of Directors. Notice thereof stating the place, date and hour of the meeting shall be given to each director either by mail not less than forty-eight (48) hours before the date of the meeting, by telephone or telegram on twenty-four (24) hours' notice, or on such shorter notice as the person or persons calling such meeting may deem necessary or appropriate in the circumstances.

SECTION 2. Quorum. Except as may be otherwise specifically provided by law, the Certificate of Incorporation or these Bylaws, at all meetings of the Board of Directors, a majority of the entire Board of Directors shall constitute a quorum for the transaction of business and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board of Directors. If a quorum shall not be present at any meeting of the Board of Directors, a majority of the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

SECTION 3. Actions of Board of Directors. Unless otherwise provided by the Certificate of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting, if all the members of the Board of Directors or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board of Directors or committee.

SECTION 4. Meetings by Means of Conference Telephone. Unless otherwise provided by the Certificate of Incorporation or these Bylaws, members of the Board of Directors of the Corporation, or any committee designated by the Board of Directors, may participate in a meeting of the Board of Directors or such committee by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this Section 4 of Article III shall constitute presence in person at such meeting.

SECTION 5. Committees. The Board of Directors may, by resolution passed by a majority of the entire Board of Directors, designate one or more committees, each committee to consist of one or more of the directors of the Corporation. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of any such committee. In the absence or disqualification of a member of a committee, and in the absence of a designation by the Board of Directors of an alternate member to replace the absent or disqualified member, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any absent or disqualified member. Any committee, to the extent allowed by law and provided in the resolution establishing such committee, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation. Each committee shall keep regular minutes and report to the Board of Directors when required.

SECTION 6. Compensation. The directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors and may be paid a fixed sum for attendance at each meeting of the Board of Directors or a stated salary as director. No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like compensation for attending committee meetings.

SECTION 7. Interested Directors. No contract or transaction between the Corporation and one or more of its directors or officers, or between the Corporation and any other corporation, partnership, association, or other organization in which one or more of its directors or officers are directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the Board of Directors or committee thereof which authorizes the contract or transaction, or solely because his or their votes are counted for such purpose if (i) the material facts as to his or their relationship or interest and as to the contract or transaction are disclosed or are known to the Board of Directors or the committee, and the Board of Directors or committee in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors, even though the disinterested directors be less than a quorum; or (ii) the material facts as to his or their relationship or interest and as to the contract or transaction are disclosed or are known to the shareholder entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the shareholders; or (iii) the contract or transaction is fair as to the Corporation as of the time it is authorized, approved or ratified, by the Board of Directors, a committee thereof or the shareholders. Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorizes the contract or transaction.

ARTICLE IV

OFFICERS

SECTION 1. General. The officers of the Corporation shall be chosen by the Board of Directors and shall be a President, a Secretary and a Treasurer. The Board of Directors, in its discretion, may also choose a Chairman of the Board of Directors (who must be a director) and one or more Vice Presidents, Assistant Secretaries, Assistant Treasurers and other officers. Any number of offices may be held by the same person, unless otherwise prohibited by law, the Certificate of Incorporation or these Bylaws. The officers of the Corporation need not be stockholders of the Corporation nor, except in the case of the Chairman of the Board of Directors, need such officers be directors of the Corporation.

SECTION 2. Election. The Board of Directors at its first meeting held after each annual meeting of stockholders shall elect the officers of the Corporation who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors; and all officers of the Corporation shall hold office until their successors are chosen and qualified, or until their earlier resignation or removal. Any officer elected by the Board of Directors may be removed at any time by the affirmative vote of a majority of the Board of Directors. Any vacancy occurring in any office of the Corporation shall be filled by the Board of Directors. The salaries of all officers who are directors of the Corporation shall be fixed by the Board of Directors.

SECTION 3. Voting Securities Owned by the Corporation. Powers of attorney, proxies, waivers of notice of meeting, consents and other instruments relating to securities owned by the Corporation may be executed in the name of and on behalf of the Corporation by the President or any Vice President and any such officer may, in the name and on behalf of the Corporation, take all such action as any such officer may deem advisable to vote in person or by proxy at any meeting of security holders of any corporation in which the Corporation may own securities and at any such meeting shall possess and may exercise any and all rights and power incident to the ownership of such securities and which, as the owner thereof, the Corporation might have exercised and possessed if present. The Board of Directors may, by resolution, from time to time confer like powers upon any other person or persons.

SECTION 4. Chairman of the Board of Directors. The Chairman of the Board of Directors, if there be one, shall preside at all meetings of the stockholders and of the Board of Directors. Except whereby law the signature of the President is required, the Chairman of the Board of Directors shall possess the same power as the President to sign all contracts, certificates and other instruments of the Corporation which may be authorized by the Board of Directors. During the absence or disability of the President, the Chairman of the Board of Directors shall exercise all the powers and discharge all the duties of the President. The Chairman of the Board of Directors shall also perform such other duties and may exercise such other powers as from time to time may be assigned to him by these Bylaws or by the Board of Directors.

SECTION 5. President. The President shall, subject to the control of the Board of Directors and, if there be one, the Chairman of the Board of Directors, have general supervision of the business of the Corporation and shall see that all orders and resolutions of the Board of Directors are carried into effect. He shall execute all bonds, mortgages, contracts and other instruments of the Corporation requiring a seal, under the seal of the Corporation, except where required or permitted by law to be otherwise signed and executed and except that the other officers of the Corporation may sign and execute documents when so authorized by these Bylaws, the Board of Directors or the President. In the absence or disability of the Chairman of the Board of Directors, or if there be none, the President shall preside at all meetings of the stockholders and the Board of Directors. The President shall also perform such other duties and may exercise such other powers as from time to time may be assigned to him by these Bylaws or by the Board of Directors.

SECTION 6. Vice Presidents. At the request of the President or in his absence or in the event of his inability or refusal to act (and if there be no Chairman of the Board of Directors), the Vice President or the Vice Presidents if there is more than one (in the order designated by the Board of Directors) shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. Each Vice President shall perform such other duties and have such other powers as the Board of Directors from time to time may prescribe. If there be no Chairman of the Board of Directors and no Vice President, the Board of Directors shall designate the officer of the Corporation who, in the absence of the President or in the event of the inability or refusal of the President to act, shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President.

SECTION 7. Secretary. The Secretary shall attend all meetings of the Board of Directors and all meetings of stockholders and record all the proceedings thereat in a book or books to be kept for that purpose; the Secretary shall also perform like duties for the standing committees when required. The Secretary shall give, or cause to be given, notice of all meetings of the stockholders and special meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or President, under whose supervision he shall be. If the Secretary shall be unable or shall refuse to cause to be given notice of all meetings of the stockholders and special meetings of the Board of Directors, and if there be no Assistant Secretary, then either the Board of Directors or the President may choose another officer to cause such notice to be given. The Secretary shall have custody of the seal of the Corporation and the Secretary or any Assistant Secretary, if there be one, shall have authority to affix the same to any instrument requiring it and when so affixed, it may be attested by the signature of the Secretary or by the signature of any such Assistant Secretary. The Board of Directors may give general authority to any other officer to affix the seal of the Corporation and to attest the affixing by his signature. The Secretary shall see that all books, reports, statements, certificates and other documents and records required by law to be kept or filed are properly kept or filed, as the case may be.

SECTION 8. Treasurer. The Treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall

deposit all moneys and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors. The Treasurer shall disburse the funds of the Corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the President and the Board of Directors, at its regular meetings, or when the Board of Directors so requires, an account of all his transactions as Treasurer and of the financial condition of the Corporation. If required by the Board of Directors, the Treasurer shall give the Corporation a bond in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of his office and for the restoration to the Corporation, in case of his death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the Corporation.

SECTION 9. Assistant Secretaries. Except as may be otherwise provided in these Bylaws, Assistant Secretaries, if there be any, shall perform such duties and have such powers as from time to time may be assigned to them by the Board of Directors, the President, any Vice President, if there be one, or the Secretary, and in the absence of the Secretary or in the event of his disability or refusal to act, shall perform the duties of the Secretary, and when so acting, shall have all the powers of and be subject to all the restrictions upon the Secretary.

SECTION 10. Assistant Treasurers. Assistant Treasurers, if there be any, shall perform such duties and have such powers as from time to time may be assigned to them by the Board of Directors, the President, any Vice President, if there be one, or the Treasurer, and in the absence of the Treasurer or in the event of his disability or refusal to act, shall perform the duties of the Treasurer, and when so acting, shall have all the powers of and be subject to all the restrictions upon the Treasurer. If required by the Board of Directors, an Assistant Treasurer shall give the Corporation a bond in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of his office and for the restoration to the Corporation, in case of his death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the Corporation.

SECTION 11. Controller. The Controller shall establish and maintain the accounting records of the Corporation in accordance with generally accepted accounting principles applied on a consistent basis, maintain proper internal control of the assets of the Corporation and shall perform such other duties as the Board of Directors, the President or any Vice President of the Corporation may prescribe.

SECTION 12. Other Officers. Such other officers as the Board of Directors may choose shall perform such duties and have such powers as from time to time may be assigned to them by the Board of Directors. The Board of Directors may delegate to any other officer of the Corporation the power to choose such other officers and to prescribe their respective duties and powers.

ARTICLE V

STOCK

SECTION 1. Form of Certificates. Every holder of stock in the Corporation shall be entitled to have a certificate signed, in the name of the Corporation (i) by the Chairman of the Board of Directors, the President or a Vice President and (ii) by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary of the Corporation, certifying the number of shares owned by him in the Corporation.

SECTION 2. Signatures. Any or all of the signatures on the certificate may be a facsimile, including, but not limited to, signatures of officers of the Corporation and countersignatures of a transfer agent or registrar. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he were such officer, transfer agent or registrar at the date of issue.

SECTION 3. Lost Certificates. The Board of Directors may direct a new certificate to be issued in place of any certificate therefore issued by the Corporation alleged to have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen or destroyed. When authorizing such issue of a new certificate, the Board of Directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen or destroyed certificate, or his legal representative, to advertise the same in such manner as the Board of Directors shall require and/or to give the Corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the Corporation with respect to the certificate alleged to have been lost, stolen or destroyed.

SECTION 4. Transfers. Stock of the Corporation shall be transferable in the manner prescribed by law and in these Bylaws. Transfers of stock shall be made on the books of the Corporation only by the person named in the certificate or by his attorney lawfully constituted in writing and upon the surrender of the certificate therefor, which shall be cancelled before a new certificate shall be issued.

SECTION 5. Record Date. In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or entitled to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board of Directors may fix, in advance, a record date, which shall not be more than sixty days nor less than ten days before the date of such meeting, nor more than sixty days prior to any other action. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

SECTION 6. Beneficial Owners. The Corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and to hold liable for calls and assessments a person registered on its books as the owner of shares, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by law.

ARTICLE VI

INDEMNIFICATION

SECTION 1. Subject to Section 3 of this Article VI, the Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he is or was a director, officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a

presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interest of the Corporation, or, with respect to any criminal action or proceeding, had reasonable cause to believe his conduct was unlawful.

SECTION 2. Subject to Section 3 of this Article VI, the Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation; except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

SECTION 3. Any indemnification under this Article VI (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee, or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in Section 1 or Section 2 of this Article VI, as the case may be. Such determination shall be made (i) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (ii) if such a quorum is not obtainable, or, even if obtainable a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (iii) by the stockholders. To the extent, however, that a director, officer, employee or agent of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding described in Section 1 or Section 2 of this Article VI, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith, without the necessity of authorization in the specific case.

SECTION 4. For purposes of any determination under Section 3 of this Article VI, a person shall be deemed to have acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the Corporation, and, with respect to any criminal action or proceeding, to have had no reasonable cause to believe his conduct was unlawful, if his action is based on the records or books of account of the Corporation or another enterprise, or on information supplied to him by the officers of the Corporation or another enterprise in the course of their duties, or on the advice of legal counsel for the Corporation or another enterprise or on information or records given or reports made to the Corporation or another enterprise by an independent certified public accountant or by an appraiser or other expert selected with reasonable care by the Corporation or another enterprise. The term "another enterprise" as used in this Section 4 of Article VI, shall mean any other corporation or any partnership, joint venture, trust or other enterprise of which such person is or was serving at the request of the Corporation as a director, officer, employee or agent. The provisions of this Section 4 shall not be deemed to be exclusive or to limit in any way the circumstances in which a person may be deemed to have met the applicable standard of conduct set forth in Section 1 or Section 2 of this Article VI as the case may be.

SECTION 5. Notwithstanding any contrary determination in the specific case under Section 3 of this Article VI, and notwithstanding the absence of any determination thereunder, any director, officer, employee or agent may apply to any court of competent jurisdiction in the State of Delaware for indemnification to the extent otherwise permissible under Section 1 and Section 2 of this Article VI. The basis of such indemnification by a court shall be a determination by such court that indemnification of the director, officer, employee or agent is proper in the circumstances because he has met the applicable standards of conduct set forth in Section 1 or Section 2 of this Article VI, as the case may be. Notice of any application for indemnification pursuant to this Section 5 of Article VI shall be given to the Corporation promptly upon the filing of such application.

SECTION 6. Expenses incurred in defending or investigating a threatened or pending action, suit or proceeding may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of the director, officer, employee or agent to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the Corporation as authorized in this Article VI.

SECTION 7. The indemnification and advancement of expenses provided by this Article VI shall not be deemed exclusive of any other rights to which any person seeking indemnification or advancement of expenses may be entitled under any Bylaw, agreement, contract, vote of stockholders or disinterested directors or pursuant to the direction (howsoever embodied) of any court of competent jurisdiction or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, it being the policy of the Corporation that indemnification of, and advancement of expenses to, the persons specified in Section 1 and Section 2 of Article VI shall be made to the fullest extent permitted by law. The provisions of this Article VI shall not be deemed to preclude the indemnification of, and advancement of expenses to, any person who is not specified in Section 1 or Section 2 of this Article VI but whom the Corporation has the power or obligation to indemnify under the provisions of the General Corporation Law of the State of Delaware, or otherwise. The indemnification provided by this Article VI shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such person.

SECTION 8. The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Corporation would have the power or the obligation to indemnify him against such liability under the provisions of this Article VI.

SECTION 9. For purposes of this Article VI, reference to "the Corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Article VI with respect to the resulting or surviving corporation as he would have with respect to such constituent corporation if its separate existence had continued.

ARTICLE VII

NOTICES

SECTION 1. Notices. Whenever written notice is required by law, the Certificate of Incorporation or these Bylaws, to be given to any director, member of a committee or stockholder, such notice may be given by mail, addressed to such director, member of a committee or stockholder, at his address as it appears on the records of the Corporation, with postage thereon prepaid, and such notice shall be deemed to be given at the time when the same shall be deposited in the United States mail. Written notice may also be given personally or by telegram, telex or cable.

SECTION 2. Waivers of Notice. Whenever any notice is required by law, the Certificate of Incorporation or these Bylaws, to be given to any director, member of a committee or stockholder, a waiver thereof in writing, signed, by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

ARTICLE VIII

GENERAL PROVISIONS

SECTION 1. Dividends. Dividends upon the capital stock of the Corporation, subject to the provisions of the Certificate of Incorporation, if any, may be declared by the Board of Directors at any regular or special meeting, and may be paid in cash, in property, or in shares of the capital stock. Before payment of any dividend, there may be set aside out of any funds of the Corporation available for dividends such sum or sums as the Board of Directors from time to time, in its absolute discretion, deems proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the Corporation, or for any proper purpose, and the Board of Directors may modify or abolish any such reserve.

SECTION 2. Disbursements. All checks or demands for money and notes of the Corporation shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

SECTION 3. Fiscal Year. The fiscal year of the Corporation shall end on the Friday nearest December 31 and the following fiscal year shall commence on the Saturday following the aforesaid Friday, unless the fiscal year is otherwise fixed by affirmative resolution of the entire Board of Directors.*

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* On October 25, 1991, the Board of Directors of the Company adopted a resolution changing the Company's fiscal year end to a calendar year commencing with the year 1992.

SECTION 4. Corporate Seal. The corporate seal shall have inscribed thereon the name of the Corporation, the year of its organization and the words "Corporate Seal, Delaware". The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

Latham & Watkins
885 Third Avenue, Suite 1000
New York, New York 10022

October 11, 1995

Harrah's Entertainment, Inc.
Harrah's Operating Company, Inc.
1023 Cherry Road
Memphis, Tennessee 38117

Re: Registration Statement No. 33-62783:
\$200,000,000 Aggregate principal
Amount of Securities

Ladies and Gentlemen:

In connection with the registration of \$200,000,000 aggregate principal amount of (i) common stock, par value \$0.10 per share (the "Common Stock"), of Harrah's Entertainment, Inc., a Delaware corporation ("Harrah's Entertainment"), (ii) preferred stock, par value \$0.10 per share (the "Preferred Stock"), of Harrah's Operating Company, Inc., a Delaware corporation ("Harrah's Operating"), and (iii) debt securities of Harrah's Operating (the "Debt Securities" and, collectively with the Common Stock and the Preferred Stock, the "Securities"), and the guarantee of the Preferred Stock (the "Preferred Stock Guarantee") and the Debt Securities (the "Debt Guarantee") by Harrah's Entertainment, under the Securities Act of 1933, as amended (the "Act"), on Form S-3 filed with the Securities and Exchange Commission (the "Commission") on September 20, 1995 (File No. 33-62783), as amended by Amendment No. 1 filed with the Commission on October 11, 1995 (collectively, the "Registration Statement"), and the offering of such Securities from time to time, as set forth in the prospectus contained in the Registration Statement (the "Prospectus") and as to be set forth in one or more supplements to the Prospectus (each a "Prospectus Supplement"), you have requested our opinion with respect to the matters set forth below.

In our capacity as your special counsel in connection with such registration, we are familiar with the proceedings taken and proposed to be taken by Harrah's Entertainment and Harrah's Operating in connection with the authorization and issuance of the Securities, the Preferred Stock Guarantees and the Debt

Harrah's Entertainment, Inc.
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Guarantee, respectively, and for the purposes of this opinion, have assumed such proceedings will be timely completed in the manner presently proposed. In addition, we have made such legal and factual examinations and inquiries, including an examination of originals or copies, certified or otherwise identified to our satisfaction, of such documents, corporate records and instruments, as we have deemed necessary or appropriate for purposes of this opinion.

In our examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, and the conformity to authentic original documents of all documents submitted to us as copies.

We are opining herein as to the effect on the subject transaction only of the internal laws of the State of New York and the General Corporation Law of the State of Delaware, and we express no opinion with respect to the applicability thereto, or the effect thereon, of the laws of any other jurisdiction or, in the case of Delaware, any other laws, or as

to any matters of municipal law or the laws of any local agencies within any state.

Capitalized terms used herein without definition have the meanings ascribed to them in the Registration Statement.

Subject to the foregoing and the other matters set forth herein, it is our opinion that as of the date hereof:

1. Harrah's Entertainment has authority pursuant to the its Certificate of Incorporation to issue up to 360,000,000 shares of Common Stock. Upon adoption by the Board of Directors of Harrah's Entertainment of a resolution in form and content as required by applicable law and upon issuance and delivery of and payment for such shares in the manner contemplated by the Registration Statement and/or the applicable Prospectus Supplement and by such resolution, the shares of Common Stock to be sold pursuant to the Registration Statement and/or Prospectus Supplement will be validly issued, fully paid and nonassessable.

2. Harrah's Operating has the authority pursuant to its Certificate of Incorporation to issue up to 1,000,000 shares of Preferred Stock. When a series of Preferred Stock has been duly established in accordance with the terms of Harrah's

Operating's Certificate of Incorporation and applicable law, and upon adoption by the Board of Directors of Harrah's Operating of a resolution in form and content as required by applicable law and upon issuance and delivery of and payment for such shares in the manner contemplated by the Registration Statement and/or the applicable Prospectus Supplement and by such resolution, such shares of such series of Preferred Stock will be validly issued, fully paid and nonassessable.

3. The Debt Securities have been duly authorized by all necessary corporate action of Harrah's Operating, and when the Debt Securities have been duly established by an Indenture, and duly executed, authenticated and delivered by or on behalf of Harrah's Operating against payment therefor in accordance with the terms of an Indenture and as contemplated by the Registration Statement and/or the applicable Prospectus Supplement, the Debt Securities will constitute legally valid and binding obligations of Harrah's Operating, enforceable against Harrah's Operating in accordance with their terms.

4. The Debt Guarantee has been duly authorized by all necessary corporate action of Harrah's Entertainment, and when the Guarantee has been duly established by an Indenture, and duly executed in accordance with the terms of an Indenture and upon due execution, authentication and delivery of the Debt Securities and upon payment therefor, will be a legally valid and binding obligation of Harrah's Entertainment.

5. The Preferred Stock Guarantee has been duly authorized by all necessary corporate action of Harrah's Entertainment, and when (i) the terms of the Preferred Stock Guarantee have been duly established in accordance with applicable law, (ii) the instruments relating to the Preferred Stock Guarantee have been duly authorized, executed and delivered, and (iii) the shares of Preferred Stock to which any Preferred Stock Guarantee relates have been duly issued and delivered, and payment therefor has been received, in the manner contemplated by the Registration Statement and/or the applicable Prospectus Supplement, the Preferred Stock Guarantee will be a legally valid and binding obligation of Harrah's Entertainment.

The opinions set forth above are subject to the following exceptions, limitations and qualifications: (i) the effect of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or other similar laws now or hereafter in effect relating to or affecting the rights and remedies of creditors; (ii) the effect of general principles of equity, whether enforcement is considered in a proceeding in equity or at law, and the discretion of the court before which any proceeding therefor may be brought; (iii) the unenforceability under certain circumstances under law or court decisions of provisions providing for the indemnification of or contribution to a party with respect to a liability where such indemnification or contribution is contrary to public policy; (iv) we express no opinion concerning the enforceability of the waiver of rights or defenses contained in Sections 515 and 1201 of each of the Indentures; (v) we express no opinion with respect to whether acceleration of the Debt Securities may affect the collectibility of that portion of the stated principal amount thereof which might be determined to constitute unearned interest thereon; and (vi) we express no opinion with respect to Article XIII of the Senior Secured Debt Indenture or any other provision of the Senior Secured Debt Indenture or the Senior Secured Debt Securities insofar as they pertain to the Security Documents, the Bank Security Documents (each as defined in the Senior Secured Debt Indenture), the security interests contemplated thereby and the collateral subject thereto.

To the extent that the obligations of Harrah's Entertainment and Harrah's Operating under the Indentures may be depended upon such matters, we assume for purposes of this opinion that the Trustee is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization; that the Trustee is duly qualified to engage in the activities contemplated by the Indentures; that each of the Indentures has been duly authorized, executed and delivered by the Trustee and constitutes the legally valid, binding and enforceable obligation of the Trustee enforceable against the Trustee in accordance with its terms; that the Trustee is in compliance, generally and with respect to acting as a trustee under the Indentures, with all applicable laws and regulations; and that the Trustee has the requisite organizational and legal power and authority to perform its obligations under the Indentures.

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This opinion is rendered only to you and is solely for your benefit in connection with the transactions covered hereby. This opinion may not be relied upon by you for any other purpose, or furnished to, quoted to, or relied upon by any other person, firm or corporation for any purpose, without our prior written consent.

We consent to your filing this opinion as an exhibit to the Registration Statement and to the reference to our firm contained under the heading "Legal Matters."

Very truly yours,

LATHAM & WATKINS