

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON D.C. 20549

FORM 8-K
CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): June 1, 1998

HARRAH'S ENTERTAINMENT, INC.
(Exact name of registrant as specified in its charter)

DELAWARE	1-10410	62-1411755
(State or other jurisdiction of incorporation or organization)	(Commission File Number)	(I.R.S. Employer Identification No.)

1023 CHERRY ROAD	
MEMPHIS, TENNESSEE	38117
(Address of Principal Executive Offices)	(Zip Code)

(901) 762-8600

(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report.)

ITEM 2. ACQUISITION OR DISPOSITION OF ASSETS

On June 1, 1998, the Registrant consummated its acquisition of Showboat, Inc., a Nevada corporation ("Showboat"), pursuant to that certain Agreement and Plan of Merger (the "Merger Agreement"), dated as of December 18, 1997, by and among the Registrant, HEI Acquisition Corp., a Nevada corporation and an indirect wholly-owned subsidiary of the Registrant ("Merger Sub"), and Showboat. The Registrant's acquisition of Showboat was effected by merging Merger Sub with and into Showboat (the "Merger") with Showboat continuing as the surviving corporation.

A special meeting of the stockholders of Showboat was held on April 23, 1998, at which the stockholders were asked, pursuant to a Proxy Statement dated March 20, 1998, to consider and vote upon the Merger Agreement. The stockholders of Showboat approved and adopted the Merger Agreement at the meeting.

Following receipt of stockholder and other regulatory approvals, Articles of Merger with respect to the Merger were filed with the Secretary of State of the State of Nevada. This filing was accepted and the Merger became effective on June 1, 1998 with the result that Showboat became an indirect wholly-owned subsidiary of the Registrant.

Upon consummation of the Merger, Harrah's acquired Showboat for \$30.75 per issued and outstanding share of common stock, par value \$1.00 per share, of Showboat and assumed approximately \$635 million of Showboat debt. Under its existing credit facility, the Registrant borrowed substantially all of the funds needed to pay such merger consideration and other expenses related to the Merger and to refinance a portion of such assumed indebtedness.

The Registrant's common stock is listed on the New York Stock Exchange, Inc. and trades under the symbol "HET." The Registrant's common stock also is listed on the Chicago Stock Exchange, the Pacific Exchange, Inc. and the Philadelphia Stock Exchange.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS

(a) Financial statements of businesses acquired.

The audited financial statements of Showboat for the three previous fiscal years, and the accountant's report related thereto, set forth in Showboat's Annual Report on Form 10-K for the fiscal year ended December 31, 1997, and the unaudited financial statements for the period ended March 31, 1998 set forth in Showboat's Quarterly Report on Form 10-Q for the quarter ended March 31, 1998, are incorporated herein by reference.

(b) Pro forma financial information.

It is impractical for the Registrant to provide at this time the required pro forma financial information relating to the Registrant's acquisition of Showboat. The Registrant intends

to file such pro forma financial information as an amendment to this form as soon as practicable but not later than August 15, 1998.

(c) Exhibits

2.1 Agreement and Plan of Merger, dated as of December 18, 1997, by and among Harrah's Entertainment, Inc., HEI Acquisition Corp. and Showboat, Inc. (incorporated by reference from Harrah's Current Report on Form 8-K, dated December 18, 1997).

23.1 Consent of KPMG Peat Marwick L.L.P.

99.1 Text of Press Release, dated June 1, 1998.

SIGNATURE

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

HARRAH'S ENTERTAINMENT, INC.

Date: June 16, 1998

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

Name: E.O. Robinson, Jr.
Title: Senior Vice President and
General Counsel

[LOGO] PEAT MARWICK LLP
2300 West Senate Avenue
Suite 300, Box 28
Las Vegas, NV 83102

EXHIBIT 23.1

CONSENT OF INDEPENDENT AUDITORS

The Board of Directors
Harrah's Entertainment, Inc.:

We consent to incorporation by reference in the registration statements (Nos. 333-52409, 33-59969, 33-59991, 33-32864, 33-59975, 33-59971, 33-32863, 33-32865 and 333-52401) on Form S-8 and registration statement (No. 333-52949) on Form S-3 of Harrah's Entertainment, Inc. of our report dated March 13, 1998, with respect to the consolidated balance sheets of Showboat, Inc. and subsidiaries as of December 31, 1997 and 1996, and the related consolidated statements of operations, shareholders' equity, and cash flows for each of the years in the three-year period ended December 31, 1997, which report is incorporated by reference in the Form 8-K of Harrah's Entertainment, Inc. dated June 1, 1998.

KPMG Peat Marwick LLP

June 12, 1998

Harrah's Entertainment Announces Closing of Showboat Transaction

MEMPHIS, June 1, 1998---Harrah's Entertainment, Inc. (NYSE: HET) today announced the closing of its acquisition of Showboat (NYSE: SBO). As a result of this transaction, Harrah's becomes the world's largest pure gaming company, with 19 properties.

Under the transaction, originally announced on December 19, 1997, Harrah's acquired Showboat for \$30.75 per share in an all-cash transaction, and assumed approximately \$635 million in Showboat debt.

Philip G. Satre, chairman and chief executive officer of Harrah's stated: "We are pleased to close the Showboat transaction and begin aggressively to integrate Showboat casinos, operations, customers and employees into the Harrah's systems. Our strategy -- as defined by this very positive transaction -- is to use distribution, customer service, marketing and technology to become the casino company of choice for our target players. Showboat is a perfect fit, offering us additional distribution and an expanded customer base in key growth and feeder markets. Like Harrah's, the Showboat brand is recognized by its core customers as standing for a quality gaming experience.

"Since we announced our acquisition of Showboat, the consolidation of the industry has picked up pace. We believe Harrah's is well positioned to participate in this consolidation. We continue to evaluate additional opportunities that make sense from a strategic and financial perspective."

The company reiterated its expectations of generating significant cost savings through operating efficiencies and the elimination of corporate redundancies. In addition, Harrah's has already commenced a tender offer for a portion of Showboat's outstanding debt, demonstrating the value of lower capital costs available to Harrah's due to the company's size and financial strength. Further financial enhancements and efficiencies will be gained as Showboat's operations are folded into Harrah's centralized services, particularly in back of house operations areas.

From a customer standpoint, Harrah's will begin immediately to capitalize on its industry leading customer rewards and recognition programs, systems and technologies to better serve Showboat customers as they travel across gaming markets. The revenue generating synergies created from Harrah's ability to capture a greater percentage of cross-market and cross-brand customers' gaming budgets will have a positive benefit to both Harrah's Entertainment and its Harrah's and Showboat customers.

The acquisition comes at a time in which both companies are experiencing positive momentum. In its 1998 first quarter, Harrah's reported a 14.3 percent increase in EBITDA, and strong increases in cross-market tracked play, particularly in its Las Vegas property. Showboat's first quarter included a 68.3 percent increase in EBITDA over the prior year, driven by results from East Chicago, management fee income from Star City and improvement in Atlantic City.

Harrah's Entertainment is the most recognized and respected brand name in the casino entertainment industry. Founded more than 60 years ago, Harrah's is focused on building loyalty

and brand value with its targeted customers through a unique combination of excellent products and services, unsurpassed distribution, operational excellence and technology leadership.

Statements in this release concerning future events, future performance and business prospects are forward-looking and are subject to certain risks and uncertainties. These include, but are not limited to, economic, bank and stock market conditions, changes in laws or regulations, third party relations and approvals, decisions of courts, regulators and governmental bodies, factors affecting leverage, including interest rates, and effects of competition. These risks and uncertainties could significantly affect anticipated results or events in the future and actual results may differ materially from any forward-looking statements. For additional information, refer to the section entitled "Private Securities Litigation Reform Act" in the Company's Form 10-Q filed with the Securities and Exchange Commission for the period ended March 31, 1998.

CONTACT: Ralph Berry, Harrah's Entertainment, Inc., 901-762-8629 or Elliot Sloane, Edelman Public Relations, 212-704-8126