



Harrah's Entertainment Announces Proposed \$1 Billion Debt Offering

LAS VEGAS – May 26, 2009

Harrah's Entertainment, Inc. ("Harrah's") announced today that Harrah's Operating Escrow LLC and Harrah's Escrow Corporation (the "Escrow Issuers"), wholly-owned unrestricted subsidiaries of Harrah's Operating Company, Inc. ("HOC"), are proposing to issue \$1 billion aggregate principal amount of senior secured notes due 2017 (the "Notes") in a private offering that is exempt from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"). The offer is subject to a number of conditions, including the amendment of the existing senior secured credit facilities of HOC to permit, among other things, the incurrence of additional senior secured indebtedness on a pari passu basis with lenders thereunder. Upon satisfaction of certain conditions, HOC would assume the Escrow Issuers' obligations under the Notes.

Harrah's intends to use the net proceeds from this private offering to retire a portion of Harrah's existing term loan and revolving credit indebtedness under HOC's senior secured credit facilities and for general corporate purposes.

The Notes are being offered only to qualified institutional buyers in reliance on Rule 144A under the Securities Act, and outside the United States, only to non-U.S. investors pursuant to Regulation S. The Notes will not be initially registered under the Securities Act or any state securities laws and may not be offered or sold in the United States absent an effective registration statement or an applicable exemption from registration requirements or a transaction not subject to the registration requirements of the Securities Act or any state securities laws.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy any security and shall not constitute an offer, solicitation or sale in any jurisdiction in which such offering, solicitation or sale would be unlawful.

About Harrah's Entertainment

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

This release includes "forward-looking statements." You can identify these statements by the fact that they do not relate strictly to historical or current facts. These statements contain words such as "may," "will," "project," "might," "expect," "believe," "anticipate," "intend," "could," "would," "estimate," "continue" or "pursue," or the negative or other variations thereof or comparable terminology. In particular, they include statements relating to, among other things, future actions, new projects, strategies, future performance, the outcomes of contingencies and future financial results of Harrah's. These forward-looking statements are based on current expectations and projections about future events. The proposed offering is subject to a number of conditions, including amendment of HOC's senior secured credit facilities, and there can be no assurance whether such offering will be completed on the terms discussed above or at all.

Investors are cautioned that forward-looking statements are not guarantees of future performance or results and involve risks and uncertainties that cannot be predicted or quantified and, consequently, the actual performance of Harrah's may differ materially from those expressed or implied by such forward-looking statements. Such risks and uncertainties include, but are not limited to, factors described from time to time in our reports filed with the Securities and Exchange Commission (including the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained therein).

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

Contact:

**Gary Thompson – Media
Harrah's Entertainment, Inc.
(702) 407-6529**

**Jonathan Halkyard – Investors
Harrah's Entertainment, Inc.
(702) 407-6080**