

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 11-K

(Mark One)

☒ ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 1996

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]
For the transition period from to

Commission file number 1-10410

A. Full title of the plan and address of the plan, if different
from that of the issuer named below:

Harrah's Entertainment, Inc.
Savings and Retirement Plan

B. Name of issuer of the securities held pursuant to the plan
and the address of its principal executive office:

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

HARRAH'S ENTERTAINMENT, INC.

SAVINGS AND RETIREMENT PLAN

FINANCIAL STATEMENTS AS OF DECEMBER 31, 1996 AND 1995
AND FOR THE YEARS ENDED DECEMBER 31, 1996, 1995 AND 1994
TOGETHER WITH AUDITORS' REPORT

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Trustees of Harrah's Entertainment, Inc.
Savings and Retirement Plan:

We have audited the accompanying statements of net assets available for benefits, with fund information, of HARRAH'S ENTERTAINMENT, INC. SAVINGS AND RETIREMENT PLAN as of December 31, 1996 and 1995, and the related statements of changes in net assets available for benefits, with fund information, for each of the three years ended December 31, 1996. These financial statements and the schedules referred to below are the responsibility of the Plan Administrator. Our responsibility is to express an opinion on these financial statements and schedules based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits, with fund information, of Harrah's Entertainment, Inc. Savings and Retirement Plan as of December 31, 1996 and 1995, and the changes in its net assets available for benefits, with fund information, for each of the three years ended December 31, 1996, in conformity with generally accepted accounting principles.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules of assets held for investment purposes as of December 31, 1996 (Exhibit I), of loans or fixed income obligations in default as of December 31, 1996 (Exhibit II) and of reportable transactions for the year ended December 31, 1996 (Exhibit III) are presented for purposes of additional analysis and are not a required part of the basic financial statements, but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

The fund information in the statements of net assets available for benefits and the statements of changes in net assets available for benefits is presented for purposes of additional analysis rather than to present the net assets available for benefits and changes in net assets available for benefits of each fund. The supplemental schedules and fund information have been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Memphis, Tennessee,
April 14, 1997.

HARRAH'S ENTERTAINMENT, INC.
SAVINGS AND RETIREMENT PLAN
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS, WITH FUND INFORMATION
AS OF DECEMBER 31, 1996

Fund Information

Participant Directed Funds							
	Company Stock Fund	Aggressive Stock Fund	S&P 500 Index Fund	Long-Term Bond Fund	Income Fund	Treasury Fund	Executive Life Fund
							(Note 5)
ASSETS							
Investments (Notes 1 and 2)							
Harrah's Common stock	\$135,632,128	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Mutual funds	-	17,773,235	-	8,902,563	-	17,164,516	-
Common/collective trust fund	-	-	52,537,865	-	-	-	-
Guaranteed investment contracts	-	-	-	-	-	-	7,840,674
Corporate securities	-	-	-	-	33,710,806	-	-
U.S. government and agency securities	-	-	-	-	23,225,678	-	-
Other	-	-	-	-	2,049,979	-	-
Temporary investments	2,110,694	236,466	302,150	39,411	489,352	108,380	235,544
Receivables							
Due from participants (Note 1)	-	-	-	-	-	-	-
Interest and dividends	-	-	-	-	511,449	-	-
Due (to) from other funds	495,533	934,948	548,072	(33,116)	(879,066)	(1,136,291)	151,977
Contributions	168,851	38,056	45,266	7,485	43,182	14,123	-
Other	684	-	-	-	-	-	82,203
Cash	651,044	73,014	93,296	12,169	151,099	33,465	-
Total assets	139,058,934	19,055,719	53,526,649	8,928,512	59,302,479	16,184,193	8,310,398
LIABILITIES							
Advances from Harrah's	-	-	-	-	-	-	(2,340,947)
Bank overdrafts	(1,518,147)	(170,260)	(217,554)	(28,377)	(352,343)	(78,036)	-
Accrued expenses	(199,960)	(52,718)	(61,572)	(10,653)	(60,393)	(18,514)	-
Accounts payable	-	-	(10,431)	-	(2,286,159)	(3,484)	(552,032)
Other	(31,069)	(2,717)	(13,097)	(1,948)	(14,635)	(5,924)	-
Total liabilities	(1,749,176)	(225,695)	(302,654)	(40,978)	(2,713,530)	(105,958)	(2,892,979)
NET ASSETS AVAILABLE FOR BENEFITS	\$137,309,758	\$18,830,024	\$53,223,995	\$8,887,534	\$56,588,949	\$16,078,235	\$ 5,417,419

Non-Participant Directed Fund		
ESOP Fund	Loan Fund	Total
ASSETS		
Investments (Notes 1 and 2)		
Harrah's Common stock	\$10,809,098	\$ -
Mutual funds	-	-
Common/collective trust fund	-	-
Guaranteed investment contracts	-	-
Corporate securities	-	-
U.S. government and agency securities	-	-
Other	-	-
Temporary investments	1,752	-
Receivables		
Due from participants (Note 1)	-	21,687,690
Interest and dividends	-	-
Due (to) from other funds	(82,057)	-
Contributions	-	-
Other	-	-
Cash	-	-
Total assets	10,728,793	21,687,690

\$146,441,226
43,840,314
52,537,865
7,840,674
33,710,806
23,225,678
2,049,979
3,523,749

LIABILITIES	-----	-----	-----
Advances from Harrah's	-	-	(2,340,947)
Bank overdrafts	-	-	(2,364,717)
Accrued expenses	-	-	(403,810)
Accounts payable	(14,326)	-	(2,866,432)
Other	-	-	(69,390)
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Total liabilities	(14,326)	-	(8,045,296)
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NET ASSETS AVAILABLE FOR BENEFITS	\$10,714,467	\$21,687,690	\$328,738,071
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The accompanying Notes to Financial Statements are an integral part of this statement.

HARRAH'S ENTERTAINMENT, INC.
SAVINGS AND RETIREMENT PLAN
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS, WITH FUND INFORMATION
AS OF DECEMBER 31, 1995

Fund Information

Participant Directed Funds							
	Company Stock Fund	Aggressive Stock Fund	S&P 500 Index Fund	Long-Term Bond Fund	Income Fund	Treasury Fund	Executive Life Fund
							(Note 5)
ASSETS							
Investments (Notes 1 and 2)							
Harrah's Common stock	\$160,163,755	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Mutual funds	-	8,007,657	-	7,514,110	1,128,109	17,092,695	-
Common/collective trust fund	-	-	36,722,025	-	-	-	-
Guaranteed investment contracts	-	-	-	-	2,045,697	-	9,451,578
Corporate securities	-	-	-	-	19,189,663	-	-
U.S. government and agency securities	-	-	-	-	40,736,885	-	-
Other	-	-	-	-	15,585	-	-
Temporary investments	2,359,298	259,654	471,371	87,883	631,077	183,755	203,015
Receivables							
Due from participants (Note 1)	-	-	-	-	-	-	-
Interest and dividends	-	-	-	-	776,309	-	-
Due (to) from other funds	(658,790)	1,023,690	1,529,977	543,451	(915,244)	(1,661,867)	104,902
Contributions	813,137	75,874	152,317	29,465	217,288	70,208	-
Other	264,323	9,647	208,441	10,104	42,609	12,894	384,803
Cash	1,182	130	236	44	319	92	-
Total assets	162,942,905	9,376,652	39,084,367	8,185,057	63,868,297	15,697,777	10,144,298
LIABILITIES							
Advances from Harrah's	-	-	-	-	-	-	(2,543,851)
Bank overdrafts	(1,255,131)	(138,277)	(251,026)	(46,801)	(334,172)	(97,858)	-
Accrued expenses	(175,614)	(11,355)	(35,179)	(5,056)	(79,253)	(16,261)	-
Accounts payable	(3,936)	-	-	-	(834,973)	-	(549,145)
Other	(35,707)	(52)	(13,465)	(4,726)	(7,569)	(38)	-
Total liabilities	(1,470,388)	(149,684)	(299,670)	(56,583)	(1,255,967)	(114,157)	(3,092,996)
NET ASSETS AVAILABLE FOR BENEFITS	\$161,472,517	\$9,226,968	\$38,784,697	\$8,128,474	\$62,612,330	\$15,583,620	\$ 7,051,302

	Non- Participant Directed Fund		
	ESOP Fund	Loan Fund	Total
ASSETS			
Investments (Notes 1 and 2)			
Harrah's Common stock	\$13,861,665	\$ -	\$174,025,420
Mutual funds	-	-	33,742,571
Common/collective trust fund	-	-	36,722,025
Guaranteed investment contracts	-	-	11,497,275
Corporate securities	-	-	19,189,663
U.S. government and agency securities	-	-	40,736,885
Other	-	-	15,585
Temporary investments	1,634	-	4,197,687
Receivables			
Due from participants (Note 1)	-	21,850,295	21,850,295
Interest and dividends	-	-	776,309
Due (to) from other funds	33,881	-	-
Contributions	369,075	-	1,727,364
Other	2,563	-	935,384
Cash	-	-	2,003
Total assets	14,268,818	21,850,295	345,418,466
LIABILITIES			

Advances from Harrah's	-	-	(2,543,851)
Bank overdrafts	-	-	(2,123,265)
Accrued expenses	-	-	(322,718)
Accounts payable	(44,032)	-	(1,432,086)
Other	208	-	(61,349)
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Total liabilities	(43,824)	-	(6,483,269)
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NET ASSETS AVAILABLE FOR BENEFITS	\$14,224,994	\$21,850,295	\$338,935,197
	=====	=====	=====

The accompanying Notes to Financial Statements are an integral part of this statement.

HARRAH'S ENTERTAINMENT, INC.
SAVINGS AND RETIREMENT PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS, WITH FUND INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 1996

Fund Information

Participant Directed Funds							
	Company Stock Fund	Aggressive Stock Fund	S&P 500 Index Fund	Long-Term Bond Fund	Income Fund	Treasury Fund	Executive Life Fund
	(Note 5)						
NET INVESTMENT INCOME							
Interest	\$ 85,149	\$ 8,625	\$ 24,784	\$ 4,662	\$ 4,119,998	\$ 8,581	\$ 11,553
Dividends	-	1,443,087	-	716,785	215,529	844,585	-
	85,149	1,451,712	24,784	721,447	4,335,527	853,166	11,553
REALIZED GAIN (LOSS) ON INVESTMENTS							
Aggregate proceeds	14,523,763	1,033,468	4,104,657	1,088,641	369,001,219	3,137,358	-
Aggregate cost	(9,349,397)	(997,824)	(3,079,235)	(1,085,122)	(369,936,453)	(3,137,358)	-
Net realized gain (loss)	5,174,366	35,644	1,025,422	3,519	(935,234)	-	-
UNREALIZED APPRECIATION							
(DEPRECIATION) OF INVESTMENTS	(31,200,751)	108,890	8,535,784	(604,669)	(1,297,829)	-	(1,131,082)
CONTRIBUTIONS							
Participants	10,971,541	2,438,787	3,112,800	563,096	2,850,745	1,011,163	-
Company	7,492,343	1,556,769	2,006,493	389,196	2,017,605	656,236	-
	18,463,884	3,995,556	5,119,293	952,292	4,868,350	1,667,399	-
OTHER							
Distributions to participants and							
beneficiaries	(13,300,851)	(1,476,339)	(3,990,424)	(472,704)	(6,439,459)	(2,787,806)	(511,468)
Transfers between funds	(2,627,784)	5,738,338	4,058,146	213,219	(6,466,019)	827,018	(2,886)
Administrative expenses	(756,772)	(250,745)	(333,707)	(54,044)	(88,717)	(65,162)	-
NET INCREASE (DECREASE) IN NET							
ASSETS AVAILABLE FOR BENEFITS	(24,162,759)	9,603,056	14,439,298	759,060	(6,023,381)	494,615	(1,633,883)
NET ASSETS AVAILABLE FOR BENEFITS,							
Beginning of year	161,472,517	9,226,968	38,784,697	8,128,474	62,612,330	15,583,620	7,051,302
End of year	\$137,309,758	\$18,830,024	\$53,223,995	\$ 8,887,534	\$ 56,588,949	\$16,078,235	\$ 5,417,419

Non-
Participant
Directed
Fund

ESOP Fund

Loan Fund

Total

NET INVESTMENT INCOME			
Interest	\$ 118	\$ 1,527,305	\$ 5,790,775
Dividends	-	-	3,219,986
	118	1,527,305	9,010,761
REALIZED GAIN (LOSS) ON INVESTMENTS			
Aggregate proceeds	1,022,357	-	393,911,463
Aggregate cost	(999,591)	-	(388,584,980)
Net realized gain (loss)	22,766	-	5,326,483
UNREALIZED APPRECIATION			
(DEPRECIATION) OF INVESTMENTS	(2,462,944)	-	(28,052,601)
CONTRIBUTIONS			

Participants	-	-	20,948,132
Company	-	-	14,118,642
	-----	-----	-----
	-	-	35,066,774
OTHER			
Distributions to participants and			
beneficiaries	(755,793)	-	(29,734,844)
Transfers between funds	(50,122)	(1,689,910)	-
Administrative expenses	(264,552)	-	(1,813,699)
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NET INCREASE (DECREASE) IN NET			
ASSETS AVAILABLE FOR BENEFITS	(3,510,527)	(162,605)	(10,197,126)
NET ASSETS AVAILABLE FOR BENEFITS,			
Beginning of year	14,224,994	21,850,295	338,935,197
	-----	-----	-----
End of year	\$10,714,467	\$21,687,690	\$ 328,738,071
	=====	=====	=====

The accompanying Notes to Financial Statements are an integral part of this statement.

HARRAH'S ENTERTAINMENT, INC.
SAVINGS AND RETIREMENT PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS, WITH FUND INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 1995

Fund Information

Participant Directed Funds							
	Company Stock Fund	Aggressive Stock Fund	S&P 500 Index Fund	Long-Term Bond Fund	Income Fund	Treasury Fund	Executive Life Fund
							(Note 5)
NET INVESTMENT INCOME							
Interest	\$ 167,091	\$ 2,729	\$ 18,152	\$ 3,950	\$ 4,063,033	\$ 8,764	\$ -
Dividends	-	281,594	222,699	487,722	-	852,043	-
	167,091	284,323	240,851	491,672	4,063,033	860,807	-
REALIZED GAIN (LOSS) ON INVESTMENTS							
Aggregate proceeds	176,823,320	2,285,069	22,733,931	4,773,759	382,169,977	-	-
Aggregate cost	(123,347,247)	(1,953,996)	(19,801,212)	(4,586,597)	(381,528,827)	-	-
Net realized gain (loss)	53,476,073	331,073	2,932,719	187,162	641,150	-	-
UNREALIZED APPRECIATION (DEPRECIATION) OF INVESTMENTS	(34,479,120)	675,878	6,192,843	819,131	3,769,754	-	-
CONTRIBUTIONS							
Participants	12,600,382	933,238	2,383,150	449,623	3,316,793	1,107,898	-
Company	8,769,684	551,512	1,526,255	235,605	2,418,642	719,084	-
	21,370,066	1,484,750	3,909,405	685,228	5,735,435	1,826,982	-
OTHER							
Distributions to participants and beneficiaries	(14,528,025)	(106,902)	(2,868,583)	(130,710)	(7,010,748)	(1,975,670)	(495,602)
Transfers between funds	(22,763,179)	6,333,753	5,489,055	8,448,867	(2,015,058)	4,475,334	(3,086)
Transfers for spin-off	(16,820,769)	(1,996,362)	(5,522,510)	(4,157,672)	(6,905,858)	(2,753,804)	(548,938)
Administrative expenses	(483,416)	(40,100)	(106,921)	(18,450)	(478,985)	(53,817)	-
NET INCREASE (DECREASE) IN NET ASSETS AVAILABLE FOR BENEFITS	(14,061,279)	6,966,413	10,266,859	6,325,228	(2,201,277)	2,379,832	(1,047,626)
Beginning of year	175,533,796	2,260,555	28,517,838	1,803,246	64,813,607	13,203,788	8,098,928
End of year	\$ 161,472,517	\$ 9,226,968	\$ 38,784,697	\$ 8,128,474	\$ 62,612,330	\$15,583,620	\$ 7,051,302

	Non- Participant Directed Fund		
	ESOP Fund	Loan Fund	Total
NET INVESTMENT INCOME			
Interest	\$ 319	\$ 1,555,553	\$ 5,819,591
Dividends	-	-	1,844,058
	319	1,555,553	7,663,649
REALIZED GAIN (LOSS) ON INVESTMENTS			
Aggregate proceeds	14,826,674	-	603,612,730
Aggregate cost	(11,114,433)	-	(542,332,312)
Net realized gain (loss)	3,712,241	-	61,280,418
UNREALIZED APPRECIATION (DEPRECIATION) OF INVESTMENTS	(2,433,756)	-	(25,455,270)
CONTRIBUTIONS			
Participants	-	-	20,791,084
Company	371,642	-	14,592,424
	371,642	-	35,383,508
OTHER			
Distributions to participants and beneficiaries	(1,525,468)	-	(28,641,708)
Transfers between funds	(9,714)	44,028	-
Transfers for spin-off	(844,424)	(1,596,056)	(41,146,393)
Administrative expenses	1,229	-	(1,180,460)
NET INCREASE (DECREASE) IN NET			

ASSETS AVAILABLE FOR BENEFITS	(727,931)	3,525	7,903,744
NET ASSETS AVAILABLE FOR BENEFITS,			
Beginning of year	14,952,925	21,846,770	331,031,453
	-----	-----	-----
End of year	\$14,224,994	\$21,850,295	\$ 338,935,197
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The accompanying Notes to Financial Statements are an integral part of this statement.

HARRAH'S ENTERTAINMENT, INC.
SAVINGS AND RETIREMENT PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS, WITH FUND INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 1994

Fund Information

Participant Directed Funds							
	Company Stock Fund	Aggressive Stock Fund	S&P 500 Index Fund	Long-Term Bond Fund	Income Fund	Treasury Fund	Executive Life Fund
							(Note 5)
NET INVESTMENT INCOME							
Interest	\$ 74,748	\$ 145	\$ 8,842	\$ 102	\$ 4,274,148	\$ 4,484	\$ 2,875
Dividends	-	-	603,276	11,584	-	456,209	-
	74,748	145	612,118	11,686	4,274,148	460,693	2,875
REALIZED GAIN (LOSS) ON INVESTMENTS							
Aggregate proceeds	17,486,151	-	3,124,163	-	2,879,687	-	-
Aggregate cost	(5,599,712)	-	(2,717,751)	-	(2,971,295)	-	-
Net realized gain (loss)	11,886,439	-	406,412	-	(91,608)	-	-
UNREALIZED APPRECIATION (DEPRECIATION) OF INVESTMENTS	(92,596,671)	(28,813)	(2,382,635)	9,075	(2,262,385)	-	-
CONTRIBUTIONS							
Participants	13,313,603	75,217	2,169,629	25,989	3,618,366	754,159	-
Company	9,058,805	47,402	1,415,552	17,370	2,575,445	621,675	-
	22,372,408	122,619	3,585,181	43,359	6,193,811	1,375,834	-
OTHER							
Distributions to participants and beneficiaries	(13,819,311)	(91)	(2,121,419)	(549)	(5,767,763)	(1,145,732)	(286,300)
Transfers between funds	(12,149,250)	2,173,104	1,222,398	1,741,979	2,482,193	4,539,095	(61,541)
Administrative expenses	(675,971)	(6,409)	(136,023)	(2,304)	(373,372)	(45,847)	-
NET INCREASE (DECREASE) IN NET ASSETS AVAILABLE FOR BENEFITS	(84,907,608)	2,260,555	1,186,032	1,803,246	4,455,024	5,184,043	(344,966)
NET ASSETS AVAILABLE FOR BENEFITS, Beginning of year	260,441,404	-	27,331,806	-	60,358,583	8,019,745	8,443,894
End of year	\$175,533,796	\$2,260,555	\$28,517,838	\$1,803,246	\$64,813,607	\$13,203,788	\$8,098,928

	ESOP Fund	Loan Fund	Total
NET INVESTMENT INCOME			
Interest	\$ -	\$ 1,616,847	\$ 5,982,191
Dividends	-	-	1,071,069
	-	1,616,847	7,053,260
REALIZED GAIN (LOSS) ON INVESTMENTS			
Aggregate proceeds	1,276,173	-	24,766,174
Aggregate cost	(693,131)	-	(11,981,889)
Net realized gain (loss)	583,042	-	12,784,285
UNREALIZED APPRECIATION (DEPRECIATION) OF INVESTMENTS	(8,085,372)	-	(105,346,801)
CONTRIBUTIONS			
Participants	-	-	19,956,963
Company	540,119	-	14,276,368
	540,119	-	34,233,331
OTHER			
Distributions to participants and beneficiaries	(1,242,271)	-	(24,383,436)

Transfers between funds	6,646	45,376	-
Administrative expenses	-	-	(1,239,926)
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NET INCREASE (DECREASE) IN NET ASSETS AVAILABLE FOR BENEFITS	(8,197,836)	1,662,223	(76,899,287)
NET ASSETS AVAILABLE FOR BENEFITS,			
Beginning of year	23,150,761	20,184,547	407,930,740
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End of year	\$14,952,925	\$21,846,770	\$331,031,453
	=====	=====	=====

The accompanying Notes to Financial Statements are an integral part of this statement.

HARRAH'S ENTERTAINMENT, INC.
SAVINGS AND RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1996

NOTE 1 - SUMMARY DESCRIPTION OF THE PLAN

The following description of Harrah's Entertainment, Inc. Savings and Retirement Plan (the "Plan," formerly The Promus Companies Incorporated Savings and Retirement Plan) is provided for general information purposes only. Reference should be made to the Plan Document for a more complete description of the Plan's provisions.

The Plan

Effective June 30, 1995, The Promus Companies Incorporated ("Promus") was split into two independent public corporations (the "Spin-off"). Promus, which was renamed Harrah's Entertainment, Inc. ("Harrah's"), retained the casino entertainment business. Promus' hotel operations were transferred to a newly created company, Promus Hotel Corporation ("PHC"). The agreements governing the terms of the Spin-off transaction required that the assets allocable to those participants in the Plan who became employees of PHC be transferred to a new savings and retirement plan (the "PHC Plan"), which was established for the benefit of the eligible employees of PHC and its affiliates. Concurrent with the completion of the Spin-off, the Plan was renamed the Harrah's Entertainment, Inc. Savings and Retirement Plan. Participants' investments in Promus common stock through the Company Stock Fund and the ESOP Fund were converted into investments in the common stock of their employer, either Harrah's or PHC, after the Spin-off.

The Plan was established by Harrah's effective February 6, 1990, to include eligible employees of Harrah's and its affiliates (the "Company") for the primary purpose of allowing these employees to accumulate capital for their retirement. Participants can contribute either pre-tax payroll dollars (i.e., temporary deferral of federal and/or state income taxes) or after-tax dollars to the Plan, as provided for under Sections 401(k) and 401(m) of the Internal Revenue Code.

The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Plan Investment Funds

By election of a participant, his or her account balance (comprised of contributions, Company matching funds and accumulated earnings) can be invested in one or in a combination of up to six separate funds of the Plan in 1% increments as follows. Prior to October 1, 1996, funds could be invested in 10% increments.

- I. Company Stock Fund - invested in Harrah's common stock which provides a return based on the change in market value of Harrah's common stock, including any dividends declared thereon;

NOTE 1 - SUMMARY DESCRIPTION OF THE PLAN (Continued)

- II. Aggressive Stock Fund - invested in the Delaware Trend Institutional Fund, a mutual fund comprised primarily of a mix of common stocks of emerging and other growth-oriented companies, including securities convertible to common stocks;
- III. S&P 500 Index Fund (formerly called the Diversified Stock Fund) - invested in the State Street Bank Flagship Fund, an S&P 500 Indexed common/collective trust fund, which provides a return based on the performance of the stocks included within the Flagship Fund, including dividends thereon;
- IV. Long-Term Bond Fund - invested in the Vanguard Long-Term Corporate Portfolio, a mutual fund with investments in a diversified mix of long-term investment grade bonds;
- V. Income Fund - invested primarily in intermediate-term bonds issued by corporations and by the U.S. Government and its agencies, as directed by Western Asset Management Company, the fund's investment manager; or
- VI. Treasury Fund - invested in the Dreyfus Treasury Fund, a money market mutual fund that invests solely in United States Treasury Department backed short-term securities issued by the U.S. Government.

The Plan also includes three other special purpose funds, as follows:

- VII. Executive Life Fund - segregates the assets and participants' equity accounts related to the investment in Executive Life Insurance Company's guaranteed investment contract. See Note 5 - Executive Life Investment for further details.
- VIII. ESOP Fund - accounts for special contributions by Harrah's of its common stock or cash equivalents to eligible employees. The ESOP Fund was established within the Plan to serve as a means to monitor the accounts and records of the participants. Participants are not allowed to make contributions to their ESOP account and distributions can be made only after a participant terminates employment.
- IX. Loan Fund - separately tracks loans to participants as provided for under the Plan. See "How To Borrow Money" in the Summary Plan Description for further details.

Occasionally, the Funds hold cash on a temporary basis pending investment or withdrawals. Cash balances are invested in temporary investments.

Plan Administration

The general administration of the Plan is the responsibility of its Trustees, who are appointed by the Human Resources Committee of the Harrah's Board of Directors, and who act as the Plan Administrator. The Trustees perform the duties and exercise the authority set forth in the Plan and Trustee Agreements. The Trustees have delegated certain of their authority to individuals for purposes of day-to-day administration.

NOTE 1 - SUMMARY DESCRIPTION OF THE PLAN (Continued)

Employee Eligibility, Vesting and Termination

Employees of the Company become eligible to join the Plan on the first entry date (January 1 or July 1) following completion of 12 months during which the employee is credited with at least 1,000 hours of service. Participants vest in Company matching contributions over seven calendar years of credited service as follows:

Years of Credited Service	Vested Percentage
-----	-----
One	10%
Two	20%
Three	30%
Four	40%
Five	60%
Six	80%
Seven	100%

An employee's active participation in the Plan ceases upon separation of service at which time his or her vested account balance can either be withdrawn or remain in the Plan according to the Plan Document.

Plan Expenses

As sponsor of the Plan, Harrah's, through its wholly-owned subsidiary Harrah's Operating Company, Inc. ("HOC"), initially pays many of the costs associated with the operation of the Plan. These costs include salaries for employees who perform administrative services solely for the Plan, rent, various service charges and other direct costs of operation. The Plan reimbursed HOC for these costs in the amounts of approximately \$1.1 million, \$1.2 million and \$1.2 million for 1996, 1995 and 1994, respectively. Such costs are included in administrative expenses in the accompanying statements of changes in net assets available for benefits.

Participants' Contributions and Withdrawals

Participants can elect to make basic contributions ranging from two to six percent of their eligible earnings, as defined. These contributions are then matched by the Company. If a non-highly compensated participant is making basic pre-tax contributions of six percent of his earnings to the Plan, the participant could elect to make supplemental contributions of up to an additional 10% of which 8% can be pre-tax dollars. Highly compensated employees could contribute up to an additional 10% of after-tax dollars as supplemental contributions. The Company will match the first six percent of all participants' contributions.

NOTE 1 - SUMMARY DESCRIPTION OF THE PLAN (Continued)

Participants' contributions, vested matching Company contributions and related income may be withdrawn by giving 30 days written notice subject to Plan and Internal Revenue Service rules. In-service withdrawals of pre-tax contributions are subject to hardship rules if the withdrawal occurs before age 59 1/2. Withdrawal of basic after-tax and matching contributions will not prohibit participants from making further contributions; however, if these contributions or any other funds are withdrawn, the Company will not match subsequent contributions for six months. Supplemental after-tax contributions and any earnings thereon may be withdrawn without this penalty. If a participant ceases to make contributions to the Plan, the participant's equity may remain constant, except for allocation of earnings, gains and losses on the Plan's investments.

Allocation of Forfeitures and Net Plan Income

As required by the Plan, forfeited amounts attributed to non-vested Company matching contributions of terminated employees will not be reallocated to remaining participants for a period of five years. Employees who return to service within that period will be credited, subject to further vesting, at the date of rehire with the unallocated equity amount. The total amount of potential forfeitures of terminated non-vested participants at December 31, 1996 was approximately \$2.1 million. Forfeitures are allocated to active participants based upon their total basic contributions for the year. The Plan Administrator reallocated approximately \$0.3 million, \$0.5 million and \$0.7 million of forfeited funds during 1996, 1995 and 1994, respectively.

Net Plan income (i.e. unrealized appreciation/depreciation of investments, dividend and interest income, and realized gains or losses on the sale of investments) is allocated monthly to active participants based upon the individual's prior month-end equity balance. For purposes of calculating the realized gains or losses on investments, the Plan uses a cumulative average cost per share.

Loans

Loans may be made to participants upon written application to the Plan Administrator. All loans, other than those used to acquire or construct the principal residence of the participant, shall be repaid within five years. The minimum amount that may be borrowed is \$500. The balance of loans outstanding under the Plan to a participant may not exceed \$50,000 (which maximum is subject to reduction if another loan is outstanding) or one-half of the vested balance of the participant's account, whichever is less. Loans bear interest at a rate set by the Plan Administrator, and are secured by the account balance of the participant equal to the outstanding loan amount. Principal and interest paid by a participant are credited to the participant's account. At both December 31, 1996 and 1995, these loans had interest rates ranging from 7.5% to 9.5%.

NOTE 1 - SUMMARY DESCRIPTION OF THE PLAN (Continued)

Accounting Policies

The American Institute of Certified Public Accountants issued Statement of Position 94-4 ("SOP 94-4"), "Reporting of Investment Contracts Held by Health and Welfare Benefit Plans and Defined-Contribution Pension Plans," effective for fiscal years beginning after December 15, 1994. The application of SOP 94-4 to investment contracts entered into before December 31, 1993, is delayed to plan years beginning after December 15, 1995. SOP 94-4 changes the Plan's reporting for certain investment contracts (as defined in SOP 94-4) from contract value to fair market value. The Plan adopted SOP 94-4 during 1996, which resulted in a reduction in the carrying value of the Executive Life Insurance guaranteed investment contract of approximately \$1.1 million. This reduction is included in unrealized appreciation (depreciation) of investments in the accompanying statement of changes in net assets available for benefits. The contract value as of December 31, 1996 was approximately \$9.0 million. See Note 5 for further discussion.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - VALUATION OF INVESTMENTS

Investments in securities, common/collective trust funds and mutual funds are stated at market values on the last business day of the plan year.

NOTE 3 - INVESTMENTS

The fair market values of individual investments that represent 5% or more of the Plan's total net assets as of December 31, 1996 and 1995, were as follows:

	1996 -----	1995 -----
Harrah's Entertainment, Inc. Common Stock	\$146,441,226	\$171,918,946
Delaware Trend Institutional Fund	17,773,235	8,007,657
Dreyfus Treasury Fund	17,164,516	17,092,695
State Street Bank Flagship Fund	52,537,865	36,722,025
Loans to Participants	21,687,690	21,850,295

NOTE 4 - EXCESS CONTRIBUTIONS

Certain plan participants received a refund of a portion of their contributions and attributable earnings totaling approximately \$54,000, \$53,000 and \$63,000 in 1996, 1995 and 1994, respectively. These refunds were paid in accordance with Internal Revenue Code Section 401(m) which requires that certain nondiscriminatory tests related to the overall composition of participants' contributions be met and Section 415 which requires annual contributions not to exceed 25% of the participant's compensation, as defined.

NOTE 5 - EXECUTIVE LIFE INVESTMENT

On May 1, 1991, the Plan was amended to provide that approximately \$12.9 million attributable to a guaranteed investment contract issued by Executive Life Insurance Company ("Executive Life") and held in the Plan's Income Investment Fund would be frozen until such time as the contract is finally paid out. The \$12.9 million represented the book value of this contract as of March 31, 1991. The action was taken by the Company due to the conservatorship imposed on Executive Life by the State of California Insurance Commissioner. The Company has agreed to pay to the Plan any deficiency between the \$12.9 million and any amounts finally paid under the contract. The Company has also agreed to make interest free loans to the Plan, which are to be repaid out of any amounts received under the contract, so that persons who leave or who have already left the Company's employment may withdraw the vested portion of the Executive Life guaranteed investment contract, as well as other vested funds. Amounts loaned to the Plan are reflected in the accompanying statements of net assets available for benefits as advances from Harrah's.

On September 3, 1993, the California Department of Insurance closed on a rehabilitation transaction with Aurora National Life Assurance Company ("Aurora"), whereby substantially all Executive Life assets and restructured liabilities were transferred to Aurora. Additionally, on September 3, 1993, Aurora made a payment of approximately \$1.9 million to the Plan which reduced the principal of the Executive Life contract. Of this payment, approximately \$0.4 million was paid to Harrah's to reduce the advances from Harrah's balance. The remaining amount was used to unfreeze part of the Executive Life Fund for each participant on a pro-rata basis.

On February 4, 1994, the Plan elected to participate in an ongoing rehabilitation plan offered by Aurora. This plan provides for recovery of a minimum of 77.7% of the March 31, 1991, book value.

On July 29, 1996, Aurora made a payment of approximately \$0.1 million to the Plan which reduced the principal of the Executive Life contract. This payment will be used to unfreeze part of the Executive Life Fund for each participant on a pro-rata basis.

Under the Plan Amendment that governs the Executive Life contract, non-benefit responsive distributions are allocated pro-rata among the remaining participants (based upon their investment in the contract) and to the Company (based on the Plan's payable to the Company). Benefit responsive distributions are allocated to the Company as the

NOTE 5 - EXECUTIVE LIFE INVESTMENT (Continued)

Company previously loaned the Plan the funds for the distributions. In April 1995, Aurora began honoring requests for distributions for terminated participants, as well as for hardship withdrawals. During 1996, Aurora discontinued reimbursements for hardship withdrawals. Harrah's remains liable to the Plan for any deficiency between the book value and amounts ultimately received. The restructured contract matures on September 3, 1998, and is presently earning interest at approximately 5%.

The accounts payable balance for the Executive Life Fund as of December 31, 1996 and 1995, primarily represents a payable to the PHC Plan for that plan's portion of the Executive Life contract (see Note 1). The plan administrator expects the contract to be split into two separate contracts during 1997.

NOTE 6 - PLAN QUALIFICATION

The Plan is intended to satisfy the tax qualification requirements under Section 401(a) of the Internal Revenue Code ("IRC"); therefore, the trust funds of the Plan are intended to be exempt from federal income taxes under Section 501(a). A favorable determination letter regarding the Plan's status, dated November 19, 1992, has been received from the Internal Revenue Service. The Plan has been amended since receiving the determination letter; however, the plan administrator and the Plan's legal counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

NOTE 7 - PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become 100% vested in their accounts.

NOTE 8 - RECONCILIATION TO FORM 5500

As of December 31, 1996 and 1995, the Plan had approximately \$0.7 million and \$2.0 million, respectively, of pending distributions to participants who elected to withdraw from the Plan. These amounts are recorded as a liability in the Plan's Form 5500; however, these amounts are not recorded as a liability in the accompanying statement of net assets available for benefits in accordance with generally accepted accounting principles.

NOTE 8 - RECONCILIATION TO FORM 5500 (Continued)

The following table reconciles net assets available for benefits per the financial statements to the Form 5500 as filed by the Company for the years ended December 31, 1996 and 1995:

	BENEFITS PAYABLE TO PARTICIPANTS -----	BENEFITS PAID -----	NET ASSETS AVAILABLE FOR BENEFITS DECEMBER 31, 1995 -----	NET ASSETS AVAILABLE FOR BENEFITS DECEMBER 31, 1996 -----
Per financial statements	\$ -	\$29,734,844	\$338,935,197	\$328,738,071
Accrued benefit payment	700,000	700,000	-	(700,000)
Reversal of 1995 accrual for benefit payment	-	(2,000,000)	(2,000,000)	-
	-----	-----	-----	-----
Per Form 5500	\$700,000 =====	\$28,434,844 =====	\$336,935,197 =====	\$328,038,071 =====

NOTE 9 - SUBSEQUENT EVENT

Subsequent to December 31, 1996, Harrah's announced the sale of its ownership interest in two limited stakes casinos located in Colorado, subject to regulatory approval, and discontinued managing those casinos on March 31, 1997. This event qualifies as a disposition of a subsidiary as defined in the Plan Document, which resulted in the immediate vesting of all affected participants.

HARRAH'S ENTERTAINMENT, INC.
SAVINGS AND RETIREMENT PLAN
SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES
AS OF DECEMBER 31, 1996

	COST	MARKET VALUE
	-----	-----
HARRAH'S ENTERTAINMENT, INC.		
COMMON STOCK		
Company Stock Fund*	\$108,400,619	\$135,632,128
ESOP Fund*	9,035,933	10,809,098
	-----	-----
	117,436,552	146,441,226
	-----	-----
MUTUAL FUNDS		
Delaware Trend Institutional Fund	16,900,229	17,773,235
Dreyfus Treasury Fund	17,164,516	17,164,516
Vanguard - Long-Term Corporate Portfolio	8,758,809	8,902,563
	-----	-----
	42,823,554	43,840,314
	-----	-----
COMMON/COLLECTIVE TRUST FUND		
State Street Bank Flagship Fund	36,059,519	52,537,865
	-----	-----
GUARANTEED INVESTMENT CONTRACTS		
Executive Life Insurance Company	8,971,756	7,840,674
	-----	-----
CORPORATE SECURITIES		
Asset Securitization Corporation Series 1996-MD6		
Class A1A, 6.72%, dated 12/17/96, due 11/13/26	1,112,375	1,108,910
Bridgestone/Firestone Master Trust Series 1996-1 Class A,		
6.17%, dated 11/8/96, due 7/1/03	1,592,000	1,591,648
Champion Home Equity Loan Series 1995-2 Class A2,		
Variable Rate, dated 5/1/95, due 5/25/50	520,928	521,601
Citibank Credit Card Master Trust Series 1996-1 Class A,		
0.00%, dated 1/29/96, due 2/7/03	1,156,250	1,249,680
Cityscape Home Equity Loan Trust Series 1996-4 Class AI0,		
7.40%, dated 12/9/96, due 9/25/27	1,000,000	1,000,000
Contimortgage Home Equity Loan Trust Series 1995-1		
Class A2A, 8.60%, dated 2/23/95, due 2/15/10	481,944	485,271
Deutsche Bank Financial, 6.70%, dated 12/13/96,		
due 12/13/06	1,694,747	1,665,592
DLJ Mortgage Acceptance Corporation Series 1996-CF2,		
Class A1A, 6.86%, dated 11/1/96, due 7/1/05	875,633	872,348

HARRAH'S ENTERTAINMENT, INC.
SAVINGS AND RETIREMENT PLAN
SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES
AS OF DECEMBER 31, 1996

	COST -----	MARKET VALUE -----
CORPORATE SECURITIES (CONTINUED)		
Donaldson Lufkin and Jenrette, 5.625%, dated 2/15/96, due 2/15/16	\$ 1,241,136	\$ 1,245,491
Faxco Series 1996-BA1 Class A, 9.05%, dated 9/1/96, due 3/13/03	945,950	948,503
Ford Motor Credit Corporation Note, 7.75%, dated 11/15/92, due 11/15/02	1,232,539	1,209,625
First Boston Mortgage Securities Corporation, Series A Class IO, 9.488%, dated 3/1/87, due 5/16/18	316,816	331,632
First Boston Mortgage Securities Corporation, Series A Class PO, 0.00%, dated 3/1/87, due 5/16/18	960,474	970,299
Green Tree Financial Corporation Series 1994-A Class A, 6.90%, dated 3/24/94, due 2/15/04	1,064,721	1,082,927
Heller Financial Inc., 6.50%, dated 11/4/96, due 11/1/01	996,730	989,860
Lehman Brothers Mortgage Trust Series 1990-5 Class A1, Adjustable Rate, dated 9/1/90, due 10/25/20	1,622,790	1,659,167
Mego FHA 1996-2, Class A1, 7.275%, dated 8/1/96, due 8/25/17	949,113	956,029
Merrill Lynch Mortgage Invs Inc. Series 1996-C2 Class A1, 6.69%, dated 11/1/96, due 11/21/28	815,247	806,655
Mid-State Trust II Mortgage Backed Note Class A-4, 9.625%, dated 4/1/88, due 4/1/03 P/Q	1,235,287	1,204,782
Old Stone Credit Corporation Home Equity Trust Series 1992-3 Class A2, 6.30%, dated 8/25/92, due 9/25/07	97,573	101,410
Oakdale Series 94-1 Class 144A, 7.95%, dated 4/1/94, due 5/1/01	1,045,313	1,037,100
Option One Cts Arm Trust Series 1996-1 Class IO, Floating Rate, dated 3/14/96, due 3/25/01	266,161	200,862
Phillip Morris, 6.95%, dated 6/1/96, due 6/1/06	999,640	1,013,100
Salomon, Inc. Mtn, Floating Rate, dated 11/4/96, due 11/5/97	2,000,000	1,992,200
Securitized Asset Sales Inc. Series 1995-6 Class AP, 0.00%, dated 11/1/95, due 12/25/10	144,889	170,527
Standard Credit Card Trust Series 1995-9 Class A, 6.55%, dated 10/13/95, due 10/7/07	1,468,713	1,473,390
TCI Communications, Inc., Variable Rate, dated 9/13/95, due 9/15/10	1,188,552	1,192,128

HARRAH'S ENTERTAINMENT, INC.
SAVINGS AND RETIREMENT PLAN
SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES
AS OF DECEMBER 31, 1996

	Cost	Market Value
-----	-----	-----
CORPORATE SECURITIES (CONTINUED)		
The Money Store Home Equity Trust Series 1995-A2		
Class A7, Floating Rate, dated 3/30/95, due 6/15/25	\$ 582,657	\$ 583,074
Time Warner Inc., 7.75%, dated 6/15/95, due 6/15/05	1,450,932	1,424,500
USL Capital Corporation Mtn, 7.76%, dated 3/29/95, due 3/29/02	924,449	915,710
Wachovia Capital Trust I, 7.64%, dated 12/16/96, due 1/15/27	1,300,000	1,300,000
World Financial Network Credit Card Master Trust		
Series 1996-B Class A, 6.95%, dated 5/9/96, due 4/15/06	1,197,375	1,222,501
YPF Sociedad Anonima, 7.5%, dated 10/26/95, due 10/26/02	1,178,405	1,184,284
	-----	-----
	33,659,339	33,710,806
	-----	-----
U.S. GOVERNMENT AND AGENCY SECURITIES		
U.S. Treasury Bill, due 1/9/97	194,591	194,591
U.S. Treasury Note, 6.875%, dated 5/15/96, due 5/15/06	1,715,354	1,762,907
U.S. Treasury Note, 7.00%, dated 7/15/96, due 7/15/06	2,953,248	2,909,368
U.S. Treasury Note, 6.125%, dated 12/31/96, due 12/31/01	2,994,401	2,988,750
FHLMC Multiclass Mortgage Partn CTFS GTD REMIC Trust		
Series 1345 Class A, 0.00%, dated 7/1/92, due 7/15/22	251,529	248,401
FHLMC Gold Pool #C90020, 6.50%, dated 6/1/93, due 6/1/13	522,435	523,641
FHLMC Pool #181282, 7.50%, dated 8/1/82, due 9/1/07	635,363	631,198
FNMA GTD REMIC Pass Thru CTF REMIC Trust Series 4		
Class 2 Strip, 9.50%, dated 3/1/87, due 2/25/17	78,897	97,929
FNMA Pool #303323, 9.00%, dated 4/1/95, due 4/1/25	597,493	613,252
GNMA II Pool #8585, Adjustable Rate, dated 1/1/95, due 1/20/25	1,950,764	1,944,777
GNMA Pool #286149, 9.50%, dated 1/1/90, due 1/15/05	369,674	361,305
GNMA Pool #302318, 9.50%, dated 1/1/91, due 1/15/06	567,679	555,360
Resolution Trust Corporation Series 1991-3 Class 3A, Floating Rate, dated 8/1/91, due 8/25/21	419,424	429,490
Resolution Trust Corporation Series 1991-4 Class B, Adjustable Rate, dated 8/1/91, due 2/25/21	716,453	747,871
Resolution Trust Corporation Series 1991-6 Class A1, Adjustable Rate, dated 9/1/91, due 5/25/19	257,470	264,949
Resolution Trust Corporation Series 1991-7 Class A, 7.75%, dated 9/1/91, due 12/25/18	568,981	580,832

HARRAH'S ENTERTAINMENT, INC.
SAVINGS AND RETIREMENT PLAN
SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES
AS OF DECEMBER 31, 1996

	COST	MARKET VALUE
	-----	-----
U.S. GOVERNMENT AND AGENCY SECURITIES (CONTINUED)		
Resolution Trust Corporation Series 1991-11 Class 3A, Adjustable Rate, dated 10/1/91, due 10/25/21	\$ 497,070	\$ 499,724
Resolution Trust Corporation Series 1991-15 Class A2, Floating Rate, dated 10/1/91, due 7/25/20	2,169,967	2,265,339
Resolution Trust Corporation Series 1991-M6 Class A2, Floating Rate, dated 12/1/91, due 6/25/21	1,646,179	1,808,315
Resolution Trust Corporation Series 1992-3 Class A1, Adjustable Rate, dated 2/1/92, due 11/25/21	871,766	869,374
Resolution Trust Corporation Series 1992-M4 Class A2, Floating Rate, dated 5/1/92, due 9/25/21	935,698	956,546
Resolution Trust Corporation Series 1992-12 Class A1, Variable Rate, dated 9/1/92, due 8/25/22	799,848	802,844
Resolution Trust Corporation Series 1992-15 Class A3, 10.00%, dated 4/1/96, due 7/25/27	1,180,362	1,168,915
	-----	-----
	22,894,646	23,225,678
	-----	-----
OTHER		
Long-term bond futures, expire 3/19/97	(14,954)	(14,954)
United Mexican States, Floating Rate, dated 8/5/96, due 8/6/01	895,500	901,125
Province of Quebec, step up, dated 2/29/96, due 2/27/26	1,200,000	1,163,808
	-----	-----
	2,080,546	2,049,979
	-----	-----
LOANS TO PARTICIPANTS, 7.5% to 9.5%	N/A	21,687,690
	-----	-----
TEMPORARY INVESTMENTS		
Salomon Brothers, Inc. investment cash		
Company Stock Fund	2,210	2,210
ESOP Fund	1,752	1,752
Fidelity Money Market Trust	3,519,787	3,519,787
	-----	-----
	3,523,749	3,523,749
	-----	-----
Total Investments	\$267,449,661	\$334,857,981
	=====	=====

* Represents a party-in-interest transaction.

EXHIBIT II

HARRAH'S ENTERTAINMENT, INC.
SAVINGS AND RETIREMENT PLAN
SCHEDULE OF REPORTABLE TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 1996

Description	Purchase Price	Selling Price	Cost of Assets Sold	Current Value of Assets on Transaction Date	Gain (Loss)
Fidelity Institutional Cash Purchases/sales	\$80,779,838	\$81,907,946	\$(81,907,946)	\$81,907,946	\$ -
Fidelity Money Market Trust Purchases/sales	62,034,000	62,884,509	(62,884,509)	62,884,509	-
U.S. Treasury Note, 5.25%, dated 1/31/96, due 1/31/01 Purchases/sales	17,915,069	17,934,695	(17,915,069)	17,934,695	19,626
U.S. Treasury Note, 6.125%, dated 4/10/96, due 3/31/98 Purchases/sales	22,151,800	22,042,460	(22,151,800)	22,042,460	(109,340)

Signature

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

HARRAH'S ENTERTAINMENT, INC.
SAVINGS AND RETIREMENT PLAN

Dated: June 23, 1997

By: /S/ MICHAEL N. REGAN

MICHAEL N. REGAN
Authorized Trustee of the Plan and
Vice President and Controller of
Harrah's Entertainment, Inc.

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation of our report dated April 14, 1997, included in this Form 11-K for the year ended December 31, 1996, into Harrah's previously filed Registration Statement File No. 33-59975.

ARTHUR ANDERSEN LLP

Memphis, Tennessee,
April 14, 1997.