

HARRAHS OPERATING CO INC

Form S-4

September 24, 2009

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As filed with the Securities and Exchange Commission on September 24, 2009

Registration No. 333-

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-4

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

HARRAH S ENTERTAINMENT, INC.

(Exact name of registrant as specified in its charter)

DELAWARE	7993	62-1411755
(State or other jurisdiction of	(Primary Standard Industrial	(I.R.S. Employer
Incorporation or organization)	Classification Code Number)	Identification No.)
	One Caesars Palace Drive	
	Las Vegas, NV 89109	
	(702) 407-6000	

(Address, including zip code, and telephone number, including

area code, of Registrant's Principal Executive Offices)

HARRAH S OPERATING COMPANY, INC.

(Exact name of registrant as specified in its charter)

DELAWARE (State or other jurisdiction of Incorporation or organization)	7993 (Primary Standard Industrial Classification Code Number) One Caesars Palace Drive Las Vegas, NV 89109 (702) 407-6000	75-1941623 (I.R.S. Employer Identification No.)
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(Address, including zip code, and telephone number, including
area code, of Registrant's principal executive offices)

Michael D. Cohen, Esq.
Vice President and Corporate Secretary
Harrah's Entertainment, Inc.
One Caesars Palace Drive
Las Vegas, NV 89109
(702) 407-6000

(Name, address, including zip code, and telephone number, including area code, of agent for service)

With a copy to:
Monica K. Thurmond, Esq.
O Melveny & Myers LLP
7 Times Square

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New York, New York 10036

(212) 326-2000

Approximate date of commencement of proposed sale to public: As soon as practicable after this Registration Statement becomes effective.

If any securities being registered on this Form are to be offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. "

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) 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 this Form is a post-effective amendment filed pursuant to Rule 462(d) 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. "

CALCULATION OF REGISTRATION FEE

Title of each Class of Securities to be Registered	Proposed Maximum			
	Amount to be Registered	Offering Price Per Note	Proposed Maximum Aggregate Offering Price ⁽¹⁾	Amount of Registration Fee ⁽²⁾
10.00% Second-Priority Senior Secured Notes due 2015 Guarantee of 10.00% Second-Priority Senior Secured Notes due 2015 ⁽³⁾	\$214,800,000	100%	\$214,800,000	\$11,986 (4)
10.00% Second-Priority Senior Secured Notes due 2018 Guarantee of 10.00% Second-Priority Senior Secured Notes due 2018 ⁽³⁾	\$847,621,000	100%	\$847,621,000	\$47,297 (4)
10.00% Second-Priority Senior Secured Notes due 2018 Guarantee of 10.00% Second-Priority Senior Secured Notes due 2018	\$3,705,498,000	100%	\$3,705,498,000	\$206,767 (4)
11.25% Senior Secured Notes due 2017 Guarantee of 11.25% Senior Secured Notes due 2017 ⁽³⁾	\$2,095,000,000	100%	\$2,095,000,000	\$116,901 (4)

(1) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(a) under the Securities Act of 1933, as amended (the Securities Act).

(2) Calculated pursuant to Rule 457(f) of the rules and regulations of the Securities Act.

(3) Harrah's Entertainment, Inc. unconditionally guarantees the 10.00% Second-Priority Senior Secured Notes due 2015, the 10.00% Second-Priority Senior Secured Notes due 2018(1), the 10.00% Second-Priority Senior Secured Notes due 2018(2) on a senior unsecured basis and the 11.25% Senior Secured Notes due 2017 on a senior secured basis.

(4) Pursuant to Rule 457(n) of the rules and regulations under the Securities Act, no separate fee for the guarantee is payable.

The registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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The information in this prospectus is not complete and may be changed. We may not complete the exchange offer and issue these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell securities and it is not soliciting an offer to buy these securities in any state where the offer is not permitted.

Subject to Completion, dated September 24, 2009

PRELIMINARY PROSPECTUS

Harrah's Operating Company, Inc.

OFFERS TO EXCHANGE

\$214,800,000 aggregate principal amount of its 10.00% Second-Priority Senior Secured Notes due 2015, \$847,621,000 aggregate principal amount of its 10.00% Second-Priority Senior Secured Notes due 2018, \$3,705,498,000 aggregate principal amount of its 10.00% Second-Priority Senior Secured Notes due 2018 and \$2,095,000,000 aggregate principal amount of its 11.25% Senior Secured Notes due 2017, the issuance of each of which has been registered under the Securities Act of 1933, as amended,

for

any and all of its outstanding 10.00% Second-Priority Senior Secured Notes due 2015, 10.00% Second-Priority Senior Secured Notes due 2018, 10.00% Second-Priority Senior Secured Notes due 2018 and 11.25% Senior Secured Notes due 2017, respectively.

Harrah's Operating Company, Inc. hereby offers, upon the terms and subject to the conditions set forth in this prospectus and the accompanying letter of transmittal (which together constitute the exchange offers), to exchange up to \$214,800,000 in aggregate principal amount of its registered 10.00% Second-Priority Senior Secured Notes due 2015 (the 2015 Second Lien Exchange Notes) and the guarantee thereof, \$847,621,000 in the aggregate principal amount of its registered 10.00% Second-Priority Senior Secured Notes due 2018 (the 2018(1) Second Lien Exchange Notes), \$3,705,498,000 in the aggregate principal amount of its registered 10.00% Second-Priority Senior Secured Notes due 2018 (the 2018(2) Second Lien Exchange Notes) and, collectively with the 2015 Second Lien Exchange Notes and the 2018(1) Second Lien Exchange Notes, the Second Lien Exchange Notes) and the guarantee thereof, and \$2,095,000,000 in aggregate principal amount of its registered 11.25% Senior Secured Notes due 2017 (the First Lien Exchange Notes) and, collectively with the Second Lien Exchange Notes, the exchange notes) and any guarantees thereof, for a like principal amount of its unregistered 10.00% Second-Priority Senior Secured Notes due 2015 (the Original 2015 Second Lien Notes), 10.00% Second-Priority Senior Secured Notes due 2018 (the Original 2018(1) Second Lien Notes), 10.00% Second-Priority Senior Secured Notes due 2018 (the Original 2018(2) Second Lien Notes) and, collectively with the Original 2015 Second Lien Notes and Original 2018(1) Second Lien Notes, the Original Second Lien Notes) and 11.25% Senior Secured Notes due 2017 (the Original First Lien Notes) and, collectively with the Original Second Lien Notes, the original notes). We refer to the original First Lien Notes and the First Lien Exchange Notes collectively as the First Lien Notes, and we refer to the Original Second Lien Notes and the Second Lien Exchange Notes as the Second Lien Notes. We refer to the original notes and exchange notes collectively as the notes. The terms of the exchange notes and the guarantee thereof are identical to the terms of the related original notes and the guarantees thereof in all material respects, except for the elimination of some transfer restrictions, registration rights and additional interest provisions relating to the original notes. The notes are irrevocably and unconditionally guaranteed by Harrah's Entertainment, Inc. The notes will be exchanged in denominations of \$2,000 and in integral multiples of \$1,000.

We will exchange any and all original notes that are validly tendered and not validly withdrawn prior to 5:00 p.m., New York City time, on _____, 2009, unless extended.

We have not applied, and do not intend to apply, for listing of the notes on any national securities exchange or automated quotation system.

See **Risk Factors** beginning on page 29 of this prospectus for a discussion of certain risks that you should consider before participating in these exchange offers.

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Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is _____, 2009.

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We have not authorized anyone to give you any information or to make any representations about us or the transactions we discuss in this prospectus other than those contained in this prospectus. If you are given any information or representations about these matters that is not discussed in this prospectus, you must not rely on that information. This prospectus is not an offer to sell or a solicitation of an offer to buy securities anywhere or to anyone where or to whom we are not permitted to offer or sell securities under applicable law. The delivery of this prospectus does not, under any circumstances, mean that there has not been a change in our affairs since the date of this prospectus. Subject to our obligation to amend or supplement this prospectus as required by law and the rules of the Securities and Exchange Commission (the "SEC") the information contained in this prospectus is correct only as of the date of this prospectus, regardless of the time of delivery of this prospectus or any sale of these securities.

The notes may not be offered or sold in or into the United Kingdom by means of any document except in circumstances that do not constitute an offer to the public within the meaning of the Public Offers of Securities Regulations 1995. All applicable provisions of the Financial Services and Markets Act 2000 must be complied with in respect of anything done in relation to the notes in, from or otherwise involving or having an effect in the United Kingdom.

The notes have not been and will not be qualified under the securities laws of any province or territory of Canada. The notes are not being offered or sold, directly or indirectly, in Canada or to or for the account of any resident of Canada in contravention of the securities laws of any province or territory thereof.

Until _____, 2009 (90 days after the date of this prospectus), all dealers effecting transactions in the exchange notes, whether or not participating in the exchange offers, may be required to deliver a prospectus.

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PROSPECTUS SUMMARY

The following summary contains information about Harrah's Entertainment, Inc., Harrah's Operating Company, Inc. and the notes. It does not contain all of the information that may be important to you in making a decision to participate in the offering. For a more complete understanding of Harrah's Entertainment, Inc., Harrah's Operating and the notes, we urge you to read this prospectus carefully, including the sections entitled Risk Factors, Forward Looking Statements and Where You Can Find More Information. Unless otherwise noted or indicated by the context, the terms Harrah's, HET and Harrah's Entertainment refer to Harrah's Entertainment, Inc., and we, us and our refer to Harrah's Entertainment, Inc. and its consolidated subsidiaries, and Harrah's Operating or HOC refers to Harrah's Operating Company, Inc.

As of June 30, 2009, Harrah's Entertainment owned or managed 52 casinos through its subsidiaries. In connection with the financing of the Acquisition described under The Acquisition Transactions, six casinos were spun or transferred out of HOC to entities that are side-by-side with HOC. See The Acquisition Transactions CMBS Transactions. In addition, in connection with the Acquisition Transactions, London Clubs and its subsidiaries became subsidiaries of HOC. See The Acquisition Transactions London Clubs Transfer. HOC has remained a direct, wholly owned subsidiary of Harrah's Entertainment and as of June 30, 2009 owned or managed 46 of our 52 casinos. Notwithstanding these spin-offs and transfers, management of Harrah's Entertainment continues to manage all of the properties of HOC and those held by its sister subsidiaries as one company, but HOC is not entitled to receive any direct contribution or proceeds from its sister subsidiaries operations. Harrah's Entertainment will guarantee the exchange notes; the CMBS Borrowers (as defined) will not. As a result, you should see the financial and pro forma financial information of Harrah's Entertainment as well as pro forma financial information of HOC to give a meaningful and complete presentation of the CMBS Transactions and the London Clubs Transfer, among others.

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Our Company

Harrah's Entertainment, Inc., a Delaware corporation, is one of the largest casino entertainment providers in the world. As of June 30, 2009, we owned or managed, through various subsidiaries, 52 casinos in six countries, but primarily in the United States and the United Kingdom. HOC owned or managed 46 of these casinos. Our casino entertainment facilities operate primarily under the Harrah's, Caesars and Horseshoe brand names in the United States, and include land-based casinos, casino clubs, riverboat or dockside casinos, casinos on Indian reservations, a combination greyhound racing facility and casino and combination thoroughbred racetrack and a harness racetrack and slot facility. As of June 30, 2009, our facilities have an aggregate of approximately three million square feet of gaming space and approximately 39,000 hotel rooms. We have a customer loyalty program, Total Rewards, which has over 40 million members, that we use for marketing promotions and to generate play by our customers when they travel among our markets in the United States and Canada. We also own and operate the World Series of Poker tournament and brand.

Our History

Harrah's Entertainment commenced its casino operations in 1937 and became a publicly listed company in 1971. Two years later, it became the first gaming company to be listed on the New York Stock Exchange (NYSE). In 1980, Harrah's Entertainment was acquired by Holiday Inns, Inc. and was delisted from the NYSE. In 1995, Harrah's Entertainment again became a stand-alone company and resumed trading on the NYSE.

Harrah's Entertainment has grown through a series of strategic acquisitions that have strengthened its scale, geographic diversity and leading market positions. In 1998, it completed its acquisition of Showboat, Inc. and in 1999, it purchased Rio Hotel & Casino, Inc. In 2000, it completed the purchase of Players International. During the next five years, Harrah's Entertainment acquired Harveys Casino Resorts (2001), Horseshoe Gaming Holding Corp (2004), the rights to the World Series of Poker (2004) and the Imperial Palace Hotel & Casino in Las Vegas (2005). Harrah's Entertainment also acquired Caesars Entertainment, Inc. in 2005, which, at \$9.3 billion, was the largest merger in the history of the gaming industry and secured Harrah's Entertainment's position as the world's largest casino company. Additionally, Harrah's Entertainment has expanded internationally, completing the acquisitions of London Clubs International plc (London Clubs) in 2006 and Macau Orient Golf in 2007.

In order to generate same store gaming revenue growth (defined as annual gaming revenue growth for properties held by us throughout the year) and cross-market play (defined as play by a guest in a property outside the home market of their primary gaming property) among its casinos, in 1997, Harrah's Entertainment launched the Total Rewards program, which allows customers to earn benefits by playing at most Harrah's Entertainment casinos, as well as WINet (Winner's Information Network), the industry's first sophisticated nationwide customer database. Total Rewards was the first technology-based customer relationship management strategy implemented in the gaming industry and has been an effective tool used by management to enhance overall operating results.

The Acquisition

On December 19, 2006, Harrah's Entertainment entered into a definitive merger agreement with Hamlet Holdings LLC, a Delaware limited liability company (Hamlet Holdings), and Hamlet Acquisition Inc., a Delaware corporation and a wholly owned subsidiary of Hamlet Holdings (Merger Sub). Hamlet Holdings and Merger Sub were formed and are controlled by affiliates of Apollo Global Management, LLC (Apollo) and TPG Capital, LP (TPG) and, together with Apollo, the Sponsors). Pursuant to the merger agreement, on January 28, 2008, Merger Sub merged with and into Harrah's Entertainment, and each share of Harrah's

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Entertainment's common stock issued and outstanding immediately prior to the effective time of the merger, was converted into the right to receive \$90.00 in cash, which, when taken together with the net settlement of outstanding options, stock appreciation rights, restricted stock and restricted stock units, represents merger consideration of \$17,375 million in the aggregate. We refer to the merger and payment of merger consideration as the Acquisition.

Upon completion of the Acquisition, Hamlet Holdings, funds affiliated with and controlled by the Sponsors, certain co-investors and certain members of management became the owners of all of the outstanding equity interests of Harrah's Entertainment. Hamlet Holdings, the members of which are comprised of an equal number of individuals affiliated with each of the Sponsors, holds all of the voting common stock of Harrah's Entertainment. The voting common stock does not have any economic rights. Funds affiliated with and controlled by the Sponsors, their co-investors and members of management each hold non-voting common stock and non-voting preferred stock.

For more information regarding the Acquisition, including the financing thereof, see The Acquisition Transactions.

Recent Events

Chester Transaction

In August 2009, Chester Downs and Marina, LLC (Chester Downs), a majority-owned subsidiary of HOC, entered into an agreement to borrow under a senior secured term loan in the amount of \$230 million and borrowed such amount. Chester Downs is not a Subsidiary Pledgor, and the term loan is nonrecourse to HOC or any of its other subsidiaries. The proceeds of the term loan were used to repay intercompany debt owed to HOC and to repurchase equity interests from certain minority partners of Chester Downs. We refer to this transaction as the Chester Transaction.

Additional First Lien Notes Offering

On September 11, 2009, HOC completed a private offering (the Additional First Lien Notes Offering) of \$720 million aggregate principal amount of Original First Lien Notes (the Additional First Lien Notes). Harrah's Entertainment used the net proceeds from the private offering to repay a portion of Harrah's Entertainment's existing term loan and revolving credit indebtedness under HOC's senior secured credit facilities.

Open Market Purchases

In August and September 2009, HOC completed open market purchases of certain debt (the Open Market Purchases), paying \$200.1 million of cash for the following: (i) \$11.1 million in aggregate principal amount at maturity of 5.50% Senior Notes due 2010; (ii) \$75.9 million in aggregate principal amount a maturity of 7.875% Senior Subordinated Notes due 2010; (iii) \$0.1 million in aggregate principal amount at maturity of 8.0% Senior Notes due 2011; and (iv) \$121.3 million in aggregate principal amount at maturity of 8.125% Senior Subordinated Notes due 2011.

Thistledown Racetrack Acquisition

On September 15, 2009, a Delaware bankruptcy court judge approved a bid by HOC to acquire the Thistledown Racetrack located near Cleveland, Ohio. HOC will pay \$42 million in cash if the transaction is completed, and may pay an additional \$47.5 million in contingency payments pending the outcome of (i) certain

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legal challenges to Ohio law regarding implementation of video lottery terminals at Thistledown Racetrack and (ii) a referendum to permit casinos in locations in Cleveland, Columbus, Cincinnati and Toledo, Ohio.

Tender Offers and Incremental Loans

On September 22, 2009, HOC commenced cash tender offers (the 2010/2011 Tender Offers) for certain of its outstanding debt securities with maturities in 2010 and 2011 (collectively, the Tender Notes). The maximum aggregate amount of consideration that may be paid for the Tender Notes validly tendered and accepted for purchase pursuant to the 2010/2011 Tender Offers may not exceed \$160 million. Concurrently with the commencement of the 2010/2011 Tender Offers, HOC intends to seek \$1 billion of new term loans under its senior secured credit facilities pursuant to an incremental amendment (the Incremental Loans). A portion of the net proceeds of the Incremental Loans will be used to purchase the Tender Notes validly tendered and not validly withdrawn pursuant to the 2010/2011 Tender Offers.

The Sponsors

Apollo

Apollo is a leading global alternative asset manager with offices in New York, Los Angeles, London, Singapore, Frankfurt, Luxembourg and Mumbai. As of June 30, 2009, Apollo has assets under management in excess of \$41 billion in private equity, hedge funds, distressed debt and mezzanine funds invested across a core group of industries where Apollo has considerable knowledge and resources.

TPG

TPG manages one of the world's leading private investment firms with approximately \$45 billion of assets under management as of June 30, 2009. The firm was founded in 1992 and is led by David Bonderman and James G. Coulter. Through its global buyout platform, TPG Capital, the firm generally makes significant investments in companies through acquisitions and restructurings across a broad range of industries throughout North America, Europe, Asia and Australia.

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Organizational Structure

The chart below is a summary of the organizational structure of Harrah's Entertainment and HOC and illustrates the long-term debt that will be outstanding following the exchange offers.

Corporate Structure

- (1) The members of Hamlet Holdings are Leon Black, Joshua Harris and Marc Rowan, each of whom is affiliated with Apollo, and David Bonderman, James Coulter and Jonathan Coslet, each of whom is affiliated with TPG. Each member holds approximately 17% of the limited liability company interests of Hamlet Holdings.
- (2) HET currently guarantees all of the debt securities set forth above and the senior secured credit facilities. In addition, it has provided a payment guarantee of the operating leases under the CMBS Facilities (as defined in The Acquisition Transactions). The guarantee by HET of the obligations under all of the debt of HOC set forth above and the notes is structurally subordinated to the CMBS Facilities.
- (3) Includes captive insurance subsidiaries and Harrah's BC, Inc. (HBC).
- (4) Includes \$1,375 million of Original First Lien Notes issued on June 10, 2009 and \$720 million of Original First Lien Notes issued on September 11, 2009.
- (5) Upon the closing of the Acquisition, we entered into the senior secured credit facilities, which include a \$2,000 million revolving credit facility that was reduced to \$1,630 million due to debt retirements subsequent to the closing of the Acquisition. At June 30, 2009, on an as adjusted basis after giving effect to the Additional First Lien Notes Offering and the Chester Transaction, \$555 million of additional borrowing

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- capacity is available under our revolving credit facility, with an additional \$172 million committed to back letters of credit, all of which is secured on a first priority basis.
- (6) The CMBS Borrowers and their respective subsidiaries do not guarantee, or pledge their assets as security for, the notes, the senior secured credit facilities or any other indebtedness of HOC and are not directly liable for any obligations thereunder.
 - (7) Each of the wholly owned domestic subsidiaries of HOC that pledged its assets to secure the senior secured credit facilities has also pledged its assets to secure the notes. The equity interests of HOC and of HOC's subsidiaries that have been pledged to secure HOC's obligations under its senior secured credit facilities and the First Lien Notes have not been pledged to secure HOC's obligations under the Second Lien Notes.
 - (8) Includes \$230 million senior secured term loan entered into in August 2009 for the Chester Transaction.

Table of Contents**Summary of the Terms of the Exchange Offers**

In connection with the issuance of the original notes, Harrah's Operating entered into registration rights agreements with the dealer managers for the offerings of the Original Second Lien Notes and the initial purchasers of the Original First Lien Notes. Under those agreements, Harrah's Operating agreed to deliver to you this prospectus and to consummate the exchange offers.

Original Notes

Original 2015 Second Lien Notes	\$214,800,000 aggregate principal amount of 10.00% Second-Priority Senior Secured Notes due 2015 (the Original 2015 Second Lien Notes);
Original 2018(1) Second Lien Notes	\$847,621,000 aggregate principal amount of 10.00% Second-Priority Senior Secured Notes due 2018 (the Original 2018(1) Second Lien Notes).
Original 2018(2) Second Lien Notes	\$3,705,498,000 aggregate principal amount of 10.00% Second-Priority Senior Secured Notes due 2018 (the Original 2018(2) Second Lien Notes). We refer to the Original 2015 Second Lien Notes, the Original 2018(1) Second Lien Notes and the Original 2018(2) Second Lien Notes collectively as the Original Second Lien Notes.
Original First Lien Notes	\$2,095,000,000 aggregate principal amount of 11.25% Senior Secured Notes due 2017 consisting of \$1,375,000,000 11.25% Senior Secured Notes due 2017 issued on June 10, 2009 and \$720,000,000 11.25% Senior Secured Notes due 2017 issued on September 11, 2009 (collectively, the Original First Lien Notes). We refer to the Original Second Lien Notes and the Original First Lien Notes collectively as the original notes.

Notes Offered

2015 Second Lien Exchange Notes	10.00% Second-Priority Senior Secured Notes due 2015 (the 2015 Second Lien Exchange Notes). The terms of the 2015 Second Lien Exchange Notes are substantially identical to those terms of the Original 2015 Second Lien Notes, except that the transfer restrictions, registration rights and provisions for additional interest relating to the Original 2015 Second Lien Notes do not apply to the 2015 Second Lien Exchange Notes.
2018(1) Second Lien Exchange Notes	10.00% Second-Priority Senior Secured Notes due 2018 (the 2018 Second Lien Exchange Notes). The terms of the 2018 Second Lien Exchange Notes are substantially identical to those terms of the Original 2018(1) Second Lien Notes, except that the transfer restrictions, registration rights and provisions for additional interest relating to the original notes do not apply to the exchange notes.
2018(2) Second Lien Exchange Notes	10.00% Second-Priority Senior Secured Notes due 2018 (the 2018 Second Lien Exchange Notes). The terms of the 2018 Second Lien Exchange Notes are substantially identical to those terms of the

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Original 2018(2) Second Lien Notes, except that the transfer restrictions, registration rights and provisions for additional interest relating to the original notes do not apply to the exchange notes. We refer to the 2015 Second Lien Exchange Notes, the 2018(1) Second Lien Exchange Notes and the 2018(2) Second Lien Exchange Notes collectively as the Second Lien Exchange Notes. We refer to the Original Second Lien Notes and the Second Lien Exchange Notes collectively as the Second Lien Notes.

First Lien Exchange Notes

11.25% Senior Secured Notes due 2017 (the First Lien Exchange Notes). The terms of the First Lien Exchange Notes are substantially identical to those terms of the Original First Lien Notes, except that the transfer restrictions, registration rights and provisions for additional interest relating to the Original First Lien Notes do not apply to the First Lien Exchange Notes. We refer to the Original First Lien Notes and the First Lien Exchange Notes collectively as the First Lien Notes. We refer to the 2015 Second Lien Exchange Notes, the 2018 Second Lien Exchange Notes and the First Lien Exchange Notes as the exchange notes.

Exchange Offers

Harrah's Operating is offering to exchange:

up to \$214,800,000 aggregate principal amount of its 2015 Second Lien Exchange Notes, which have been registered under the Securities Act, for an equal amount of its Original 2015 Second Lien Notes;

up to \$847,621,000 aggregate principal amount of its 2018(1) Second Lien Exchange Notes, which have been registered under the Securities Act, for an equal amount of its Original 2018(1) Second Lien Notes;

up to \$3,705,498,000 aggregate principal amount of its 2018(2) Second Lien Exchange Notes, which have been registered under the Securities Act, for an equal amount of its Original 2018(2) Second Lien Notes; and

up to \$2,095,000,000 aggregate principal amount of its First Lien Exchange Notes, which have been registered under the Securities Act, for an equal amount of its Original First Lien Notes.

Harrah's Operating is also offering to satisfy certain of its obligations under the registration rights agreements that Harrah's Operating entered into when it issued the original notes in transactions exempt from registration under the Securities Act.

Expiration Date; Withdrawal of Tenders

The exchange offers will expire at 5:00 p.m., New York City time, on _____, 2009, or such later date and time to which Harrah's Operating extends it. Harrah's Operating does not currently intend to extend the expiration date. A tender of original notes pursuant to the exchange offers may be withdrawn at any time prior to the expiration

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date. Any original notes not accepted for exchange for any reason will be returned without expense to the tendering holder promptly after the expiration or termination of the exchange offers.

Conditions to the Exchange Offers

The exchange offers are subject to customary conditions, some of which Harrah's Operating may waive. For more information, see The Exchange Offers Certain Conditions to the Exchange Offers.

Procedures for Tendering Original Notes

If you wish to accept the exchange offers, you must complete, sign and date the accompanying letter of transmittal, or a copy of the letter of transmittal, according to the instructions contained in this prospectus and the letter of transmittal. You must also mail or otherwise deliver the letter of transmittal, or the copy, together with the original notes and any other required documents, to the exchange agent at the address set forth on the cover of the letter of transmittal. If you hold original notes through The Depository Trust Company (DTC) and wish to participate in the exchange offers, you must comply with the Automated Tender Offer Program procedures of DTC, by which you will agree to be bound by the letter of transmittal.

By signing or agreeing to be bound by the letter of transmittal, you will represent to us that, among other things:

any exchange notes that you receive will be acquired in the ordinary course of your business;

you have no arrangement or understanding with any person or entity, including any of our affiliates, to participate in the distribution of the exchange notes;

if you are a broker-dealer that will receive exchange notes for your own account in exchange for original notes that were acquired as a result of market-making activities, that you will deliver a prospectus, as required by law, in connection with any resale of the exchange notes; and

you are not our affiliate as defined in Rule 405 under the Securities Act, or, if you are an affiliate, you will comply with any applicable registration and prospectus delivery requirements of the Securities Act.

Guaranteed Delivery Procedures

If you wish to tender your original notes and your original notes are not immediately available or you cannot deliver your original notes, the letter of transmittal or any other documents required by the letter of transmittal or comply with the applicable procedures under DTC's Automated Tender Offer Program prior to the expiration date, you must tender your original notes according to the guaranteed delivery procedures set forth in this prospectus under The Exchange Offers Guaranteed Delivery Procedures.

Effect on Holders of Original Notes

As a result of the making of, and upon acceptance for exchange of all validly tendered original notes pursuant to the terms of, the exchange offers, Harrah's Operating will have fulfilled a covenant contained in

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each of the registration rights agreements for the original notes and, accordingly, Harrah's Operating will not be obligated to pay additional interest as described in each of the registration rights agreements. If you are a holder of original notes and do not tender your original notes in the exchange offers, you will continue to hold such original notes and you will be entitled to all the rights and limitations applicable to the original notes in the indenture, except for any rights under the registration rights agreements that, by their terms, terminate upon the consummation of the exchange offers.

Consequences of Failure to Exchange

All untendered original notes will continue to be subject to the restrictions on transfer provided for in the original notes and in the indenture. In general, the original notes may not be offered or sold unless registered under the Securities Act, except pursuant to an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities laws. Other than in connection with the exchange offers, Harrah's Operating does not currently anticipate that it will register the original notes under the Securities Act.

Resale of the Exchange Notes

Based on an interpretation by the staff of the SEC set forth in no-action letters issued to third parties, we believe that the exchange notes issued pursuant to the exchange offers in exchange for original notes may be offered for resale, resold and otherwise transferred by you (unless you are our affiliate within the meaning of Rule 405 under the Securities Act) without compliance with the registration and prospectus delivery provisions of the Securities Act, provided that you:

are acquiring the exchange notes in the ordinary course of business; and

have not engaged in, do not intend to engage in, and have no arrangement or understanding with any person or entity, including any of Harrah's Entertainment's affiliates, to participate in, a distribution of the exchange notes.

In addition, each participating broker-dealer that receives exchange notes for its own account pursuant to the exchange offers in exchange for original notes that were acquired as a result of market-making or other trading activity must also acknowledge that it will deliver a prospectus in connection with any resale of the exchange notes. For more information, see Plan of Distribution. Any holder of original notes, including any broker-dealer, who:

is our affiliate,

does not acquire the exchange notes in the ordinary course of its business, or

tenders in the exchange offers with the intention to participate, or for the purpose of participating, in a distribution of exchange notes,

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cannot rely on the position of the staff of the Commission expressed in Exxon Capital Holdings Corporation, Morgan Stanley & Co., Incorporated or similar no-action letters and, in the absence of an exemption, must comply with the registration and prospectus delivery requirements of the Securities Act in connection with the resale of the exchange notes.

Material Tax Consequences

The exchange of original notes for exchange notes in the exchange offers will not be a taxable event for U.S. federal income tax purposes. For more information, see Certain U.S. Federal Tax Considerations.

Use of Proceeds

We will not receive any cash proceeds from the issuance of the exchange notes in the exchange offers.

Exchange Agent

U.S. Bank National Association is the exchange agent for the exchange offers. The address and telephone number of the exchange agent are set forth in the section captioned The Exchange Offers Exchange Agent.

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Summary of the Terms of the Exchange Notes

The following summary highlights the material information regarding the exchange notes contained elsewhere in this prospectus. We urge you to read this entire prospectus, including the Risk Factors section and the consolidated financial statements and related notes.

Issuer	Harrah's Operating Company, Inc.
<u>2015 Second Lien Exchange Notes</u>	\$214,800,000 aggregate principal amount of our 10.00% Second-Priority Senior Secured Notes due 2015.
Maturity Date	The 2015 Second Lien Exchange Notes will mature on December 15, 2015.
Interest Rate	Interest on the 2015 Second Lien Exchange Notes will be payable in cash and will accrue from the issue date of the 2015 Second Lien Exchange Notes at a rate of 10.00% per annum.
Interest Payment Date	June 15 and December 15, commencing on June 15, 2009
Collateral	<p>The 2015 Second Lien Exchange Notes will be secured by a second priority security interest in the collateral granted to the collateral agent for the benefit of the holders of the Second Lien Notes and other future parity lien debt that may be issued in compliance with the terms of the indenture governing the 2015 Second Lien Exchange Notes. These liens will be junior in priority to the liens on substantially the same collateral securing the senior secured credit facilities and the First Lien Notes and to all other permitted prior liens, including liens securing certain hedging obligations and cash management obligations. The liens securing first priority lien obligations will be held by the collateral agent under the senior secured credit facilities.</p> <p>The collateral securing the 2015 Second Lien Exchange Notes will be substantially all of Harrah's Operating's and the Subsidiary Pledgor's property and assets that secure the senior secured credit facilities, which excludes: (i) any property or assets owned by any foreign subsidiaries, (ii) certain real property and vessels, (iii) any vehicles, (iv) cash, deposit accounts and securities accounts (to the extent that a lien thereon must be perfected by any action other than the filing of customary financing statements), (v) subject to limited exceptions, any assets or any right, title or interest in any license, contract or agreement to the extent that taking a security interest in any of them would violate any applicable law or regulation (including gaming regulations) or any enforceable contractual obligation binding on the assets or would violate the terms of any such license, contract or agreement, and (vi) certain other limited exclusions. While the collateral securing the senior secured credit facilities and the First Lien Notes includes the equity interests of Harrah's Operating and substantially all of Harrah's Operating's domestic subsidiaries and</p>

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first-tier foreign subsidiaries, the collateral securing the 2015 Second Lien Exchange Notes will not include securities and other equity interests of Harrah's Operating or its subsidiaries. For more information, see Description of 2015 Second Lien Exchange Notes and 2018(1) Second Lien Exchange Notes Security for the Notes.

Intercreditor Agreement

The trustee and the collateral agent under the indenture governing the 2015 Second Lien Exchange Notes and representatives of the first priority lien obligations are parties to an intercreditor agreement as to the relative priorities of their respective security interests in Harrah's Operating's and Subsidiary Pledgors' assets securing the 2015 Second Lien Exchange Notes and first priority lien obligations and certain other matters relating to the administration of security interests. The terms of the intercreditor agreement are set forth under Description of 2015 Second Lien Exchange Notes and 2018(1) Second Lien Exchange Notes Security for the Notes.

Ranking

The 2015 Second Lien Exchange Notes:

will be senior indebtedness of Harrah's Operating;

will rank pari passu in right of payment with all existing and future senior indebtedness of Harrah's Operating;

will be senior in right of payment to all existing and future subordinated indebtedness of Harrah's Operating; and

will be effectively subordinated in right of payment to all existing and future indebtedness and liabilities of subsidiaries of Harrah's Operating that are not Subsidiary Pledgors.

The 2015 Second Lien Exchange Notes will have the benefit of a security interest in the collateral that will be second in priority behind the senior secured credit facilities and the First Lien Notes, subject to permitted prior liens and exceptions described under Description of 2015 Second Lien Exchange Notes and 2018(1) Second Lien Exchange Notes Security for the Notes. Although none of HOC's subsidiaries will guarantee the Second Lien Exchange Notes, all of HOC's domestic wholly owned subsidiaries that pledge their assets and property to secure the loans under the senior secured credit facilities, the First Lien Notes and other first priority lien obligations, if any, will become Subsidiary Pledgors with respect to the 2015 Second Lien Exchange Notes, and their assets and property will secure the 2015 Second Lien Exchange Notes to the extent described under Description of 2015 Second Lien Exchange Notes and 2018(1) Second Lien Exchange Notes Security for the Notes.

Guarantee

The 2015 Second Lien Exchange Notes are irrevocably and unconditionally guaranteed by Harrah's Entertainment.

Optional Redemption

Harrah's Operating may redeem the 2015 Second Lien Exchange Notes, in whole or part, at any time prior to December 15, 2012 at a price equal to 100% of the principal amount of the 2015 Second Lien

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Exchange Notes redeemed plus accrued and unpaid interest to the redemption date and a make-whole premium, as described in Description of 2015 Second Lien Exchange Notes and 2018(1) Second Lien Exchange Notes Optional Redemption.

Harrah's Operating may redeem the 2015 Second Lien Exchange Notes, in whole or in part, on or after December 15, 2012 at the redemption prices set forth under Description of 2015 Second Lien Exchange Notes and 2018(1) Second Lien Exchange Notes Optional Redemption.

Optional Redemption After Certain Equity Offerings At any time (which may be more than once) before December 15, 2011, Harrah's Operating may choose to redeem up to 35% of the principal amount of the 2015 Second Lien Exchange Notes at a redemption price equal to 110.00% of the face amount thereof with the net proceeds of one or more equity offerings to the extent such net cash proceeds are received by or contributed to Harrah's Operating and so long as at least 50% of the aggregate principal amount of the 2015 Second Lien Exchange Notes issued remains outstanding afterwards. See Description of 2015 Second Lien Exchange Notes and 2018(1) Second Lien Exchange Notes Optional Redemption.

Mandatory Redemption If the 2015 Second Lien Exchange Notes would otherwise constitute applicable high yield discount obligations within the meaning of Section 163(i)(1) of the Internal Revenue Code of 1986, as amended (the Code), at the end of each accrual period ending after the fifth anniversary of the 2015 Second Lien Exchange Notes issuance (each an AHYDO redemption date), we will be required to redeem for cash a portion of each applicable 2015 Second Lien Exchange Note then outstanding equal to the Mandatory Principal Redemption Amount (such redemption, a Mandatory Principal Redemption). The redemption price for the portion of each 2015 Exchange Second Lien Note redeemed pursuant to a Mandatory Principal Redemption will be 100% of the principal amount of such portion plus any accrued interest thereon on the date of redemption. The Mandatory Principal Redemption Amount means the portion of a 2015 Second Lien Exchange Note that must be required to be redeemed to prevent such 2015 Second Lien Exchange Note from being treated as an applicable high yield discount obligation within the meaning of Section 163(i)(1) of the Code. No partial redemption or repurchase of the 2015 Second Lien Exchange Notes prior to the AHYDO redemption date pursuant to any other provision of the indenture will alter our obligation to make the Mandatory Principal Redemption with respect to any 2015 Second Lien Exchange Notes that remain outstanding on an AHYDO redemption date.

Change of Control If Harrah's Operating experiences a change of control (as defined in the indentures governing the exchange notes), Harrah's Operating will be required to make an offer to repurchase the exchange notes at

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a price equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of repurchase. See Description of 2015 Second Lien Exchange Notes and 2018(1) Second Lien Exchange Notes Change of Control.

Certain Covenants

We issued the 2015 Second Lien Exchange Notes and the 2018(1) Second Lien Exchange Notes under a single indenture, which contains covenants limiting Harrah's Operating's ability and the ability of its subsidiaries to:

incur additional debt or issue certain preferred shares;

pay dividends on or make distributions in respect of its capital stock or make other restricted payments;

make certain investments;

sell certain assets;

create liens on certain assets to secure debt;

consolidate, merge, sell or otherwise dispose of all or substantially all of its assets;

enter into certain transactions with its affiliates; and

designate its subsidiaries as unrestricted subsidiaries.

The covenants are subject to a number of important limitations and exceptions. In addition, the restrictive covenants do not apply to Harrah's Entertainment. See Description of 2015 Second Lien Exchange Notes and 2018(1) Second Lien Exchange Notes. Certain covenants will cease to apply to the 2015 Second Lien Exchange Notes for so long as such notes have investment grade ratings from both Moody's Investors Service, Inc. and Standard & Poor's.

2018(1) Second Lien Exchange Notes

\$847,621,000 aggregate principal amount of 10.00% Second-Priority Senior Secured Notes due 2018.

Maturity Date

The 2018(1) Second Lien Exchange Notes will mature on December 15, 2018.

Interest Rate

Interest on the 2018(1) Second Lien Exchange Notes will be payable in cash and will accrue from the issue date of the 2018(1) Second Lien Exchange Notes at a rate of 10.00% per annum.

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Interest Payment Date

June 15 and December 15, commencing on June 15, 2009

Collateral

The 2018(1) Second Lien Exchange Notes will be secured by a second priority security interest in the collateral granted to the collateral agent for the benefit of the holders of the Second Lien Notes and other future parity lien debt that may be issued in compliance with the terms of the indenture governing the 2018(1)

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Second Lien Exchange Notes. These liens will be junior in priority to the liens on substantially the same collateral securing the senior secured credit facilities and the First Lien Notes and to all other permitted prior liens, including liens securing certain hedging obligations and cash management obligations. The liens securing first priority lien obligations will be held by the collateral agent under the senior secured credit facilities.

The collateral securing the 2018(1) Second Lien Exchange Notes will be substantially all of Harrah's Operating's and the Subsidiary Pledgor's property and assets that secure the senior secured credit facilities, which excludes: (i) any property or assets owned by any foreign subsidiaries, (ii) certain real property and vessels, (iii) any vehicles, (iv) cash, deposit accounts and securities accounts (to the extent that a lien thereon must be perfected by any action other than the filing of customary financing statements), (v) subject to limited exceptions, any assets or any right, title or interest in any license, contract or agreement to the extent that taking a security interest in any of them would violate any applicable law or regulation (including gaming regulations) or any enforceable contractual obligation binding on the assets or would violate the terms of any such license, contract or agreement, and (vi) certain other limited exclusions. While the collateral securing the senior secured credit facilities and the First Lien Notes includes the equity interests of Harrah's Operating and substantially all of Harrah's Operating's domestic subsidiaries and first-tier foreign subsidiaries, the collateral securing the 2018(1) Second Lien Exchange Notes will not include securities and other equity interests of Harrah's Operating or its subsidiaries. For more information, see Description of 2015 Second Lien Exchange Notes and 2018(1) Second Lien Exchange Notes Security for the Notes.

Intercreditor Agreement

The trustee and the collateral agent under the indenture governing the 2015 Second Lien Exchange Notes and the representatives of the first priority lien obligations entered into an intercreditor agreement as to the relative priorities of their respective security interests in Harrah's Operating's and Subsidiary Pledgor's assets securing the 2015 Second Lien Exchange Notes and the first priority lien obligations facilities and certain other matters relating to the administration of security interests. The terms of the intercreditor agreement are set forth under Description of 2015 Second Lien Exchange Notes and 2018(1) Second Lien Exchange Notes Security for the Notes.

Ranking

The 2018(1) Second Lien Exchange Notes:

will be senior indebtedness of Harrah's Operating;

will rank pari passu in right of payment with all existing and future senior indebtedness of Harrah's Operating;

will be senior in right of payment to all existing and future subordinated indebtedness of Harrah's Operating; and

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will be effectively subordinated in right of payment to all existing and future indebtedness and liabilities of subsidiaries of Harrah's Operating that are not Subsidiary Pledgors.

The 2018(1) Second Lien Exchange Notes will have the benefit of a security interest in the collateral that will be second in priority behind the senior secured credit facilities and the First Lien Notes, subject to permitted prior liens and exceptions described under Description of 2015 Second Lien Exchange Notes and 2018(1) Second Lien Exchange Notes Security for the Notes. Although none of HOC's subsidiaries will guarantee the Second Lien Exchange Notes, all of HOC's domestic wholly owned subsidiaries that pledge their assets and property to secure the loans under the senior secured credit facilities, the First Lien Notes and other first priority lien obligations, if any, will become Subsidiary Pledgors with respect to the 2018(1) Second Lien Exchange Notes, and their assets and property will secure the 2018(1) Second Lien Exchange Notes to the extent described under Description of 2015 Second Lien Exchange Notes and 2018(1) Second Lien Exchange Notes Security for the Notes.

Guarantee The 2018(1) Second Lien Exchange Notes are irrevocably and unconditionally guaranteed by Harrah's Entertainment.

Optional Redemption Harrah's Operating may redeem the 2018(1) Second Lien Exchange Notes, in whole or part, at any time prior to December 15, 2013 at a price equal to 100% of the principal amount of the 2018(1) Second Lien Exchange Notes redeemed plus accrued and unpaid interest to the redemption date and a make-whole premium, as described in Description of 2015 Second Lien Exchange Notes and 2018(1) Second Lien Exchange Notes Optional Redemption.

Harrah's Operating may redeem the 2018(1) Second Lien Exchange Notes, in whole or in part, on or after December 15, 2013 at the redemption prices set forth under Description of 2015 Second Lien Exchange Notes and 2018(1) Second Lien Exchange Notes Optional Redemption.

Optional Redemption After Certain Equity Offerings At any time (which may be more than once) before December 15, 2011, Harrah's Operating may choose to redeem up to 35% of the principal amount of the 2018(1) Second Lien Exchange Notes at a redemption price equal to 110.00% of the face amount thereof with the net proceeds of one or more equity offerings to the extent such net cash proceeds are received by or contributed to Harrah's Operating and so long as at least 50% of the aggregate principal amount of the 2018(1) Second Lien Exchange Notes issued remains outstanding afterwards. See Description of 2015 Second Lien Exchange Notes and 2018(1) Second Lien Exchange Notes Optional Redemption.

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Mandatory Redemption

If the 2018(1) Second Lien Exchange Notes would otherwise constitute applicable high yield discount obligations within the meaning of Section 163(i)(1) of the Internal Revenue Code of 1986, as amended (the Code), at the end of each accrual period ending after the fifth anniversary of the 2018(1) Second Lien Exchange Notes issuance (each an AHYDO redemption date), we will be required to redeem for cash a portion of each applicable 2018(1) Second Lien Exchange Note then outstanding equal to the Mandatory Principal Redemption Amount (such redemption, a Mandatory Principal Redemption). The redemption price for the portion of each 2018(1) Exchange Second Lien Note redeemed pursuant to a Mandatory Principal Redemption will be 100% of the principal amount of such portion plus any accrued interest thereon on the date of redemption. The Mandatory Principal Redemption Amount means the portion of a 2018(1) Second Lien Exchange Note that must be required to be redeemed to prevent such 2018(1) Second Lien Exchange Note from being treated as an applicable high yield discount obligation within the meaning of Section 163(i)(1) of the Code. No partial redemption or repurchase of the 2018(1) Second Lien Exchange Notes prior to the AHYDO redemption date pursuant to any other provision of the indenture will alter our obligation to make the Mandatory Principal Redemption with respect to any 2018(1) Second Lien Exchange Notes that remain outstanding on an AHYDO redemption date.

Change of Control

If Harrah's Operating experiences a change of control (as defined in the indentures governing the exchange notes), Harrah's Operating will be required to make an offer to repurchase the exchange notes at a price equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of repurchase. See Description of 2015 Second Lien Exchange Notes and 2018(1) Second Lien Exchange Notes Change of Control.

Certain Covenants

We issued the 2015 Second Lien Exchange Notes and the 2018(1) Second Lien Exchange Notes under a single indenture, which contains covenants limiting Harrah's Operating ability and the ability of its subsidiaries to:

incur additional debt or issue certain preferred shares;

pay dividends on or make distributions in respect of its capital stock or make other restricted payments;

make certain investments;

sell certain assets;

create liens on certain assets to secure debt;

consolidate, merge, sell or otherwise dispose of all or substantially all of its assets;

enter into certain transactions with its affiliates; and

designate its subsidiaries as unrestricted subsidiaries.

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The covenants are subject to a number of important limitations and exceptions. In addition, the restrictive covenants do not apply to Harrah's Entertainment. See Description of 2015 Second Lien Exchange Notes and 2018(1) Second Lien Exchange Notes. Certain covenants will cease to apply to the 2015 Second Lien Exchange Notes for so long as such notes have investment grade ratings from both Moody's Investors Service, Inc. and Standard & Poor's.

<u>2018(2) Second Lien Exchange Notes</u>	\$3,705,498,000 aggregate principal amount of 10.00% Second-Priority Senior Secured Notes due 2018.
Maturity Date	The 2018(2) Second Lien Exchange Notes will mature on December 15, 2018.
Interest Rate	Interest on the 2018(2) Second Lien Exchange Notes will be payable in cash and will accrue from the issue date of the 2018(2) Second Lien Exchange Notes at a rate of 10.00% per annum.
Interest Payment Date	June 15 and December 15, commencing on June 15, 2009.
Collateral	<p>The 2018(2) Second Lien Exchange Notes will be secured by a second priority security interest in the collateral granted to the collateral agent for the benefit of the holders of the Second Lien Notes and other future parity lien debt that may be issued in compliance with the terms of the indenture governing the 2018(2) Second Lien Exchange Notes. These liens will be junior in priority to the liens on substantially the same collateral securing the senior secured credit facilities and the First Lien Notes and to all other permitted prior liens, including liens securing certain hedging obligations and cash management obligations. The liens securing first priority lien obligations will be held by the collateral agent under the senior secured credit facilities.</p> <p>The collateral securing the 2018(2) Second Lien Exchange Notes will be substantially all of Harrah's Operating's and the Subsidiary Pledgor's property and assets that secure the senior secured credit facilities, which excludes: (i) any property or assets owned by any foreign subsidiaries, (ii) certain real property and vessels, (iii) any vehicles, (iv) cash, deposit accounts and securities accounts (to the extent that a lien thereon must be perfected by any action other than the filing of customary financing statements), (v) subject to limited exceptions, any assets or any right, title or interest in any license, contract or agreement to the extent that taking a security interest in any of them would violate any applicable law or regulation (including gaming regulations) or any enforceable contractual obligation binding on the assets or would violate the terms of any such license, contract or agreement, and (vi) certain other limited exclusions. While the collateral securing the senior secured credit facilities and the First Lien Notes includes the equity interests of Harrah's Operating and</p>

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substantially all of Harrah's Operating's domestic subsidiaries and first-tier foreign subsidiaries, the collateral securing the 2018(2) Second Lien Exchange Notes will not include securities and other equity interests of Harrah's Operating or its subsidiaries. For more information, see Description of 2018(2) Second Lien Exchange Notes Security for the Notes.

Intercreditor Agreement

The trustee and the collateral agent under the indenture governing the 2018(2) Second Lien Exchange Notes and representatives of the first priority lien obligations entered into a joinder to the intercreditor agreement, dated as of December 24, 2008, as to the relative priorities of their respective security interests in Harrah's Operating's and Subsidiary Pledgors' assets securing the 2018(2) Second Lien Exchange Notes and the first priority lien obligations and certain other matters relating to the administration of security interests. The terms of the intercreditor agreement are set forth under Description of 2018(2) Second Lien Exchange Notes Security Documents and Intercreditor Agreement.

Ranking

The 2018(2) Second Lien Exchange Notes:

will be senior indebtedness of Harrah's Operating;

will rank pari passu in right of payment with all existing and future senior indebtedness of Harrah's Operating;

will be senior in right of payment to all existing and future subordinated indebtedness of Harrah's Operating; and

will be effectively subordinated in right of payment to all existing and future indebtedness and liabilities of subsidiaries of Harrah's Operating that are not Subsidiary Pledgors.

The 2018(2) Second Lien Exchange Notes will have the benefit of a security interest in the collateral that will be second in priority behind the senior secured credit facilities and the First Lien Notes, subject to permitted prior liens and exceptions described under Description of 2018(2) Second Lien Exchange Notes Security for the Notes. Although none of HOC's subsidiaries will guarantee the Second Lien Exchange Notes, all of HOC's domestic wholly owned subsidiaries that pledge their assets and property to secure the loans under the senior secured credit facilities, the First Lien Notes and other first priority lien obligations, if any, will become Subsidiary Pledgors with respect to the 2018(2) Second Lien Exchange Notes, and their assets and property will secure the 2018(2) Second Lien Exchange Notes to the extent described under Description of 2018(2) Second Lien Exchange Notes Security for the Notes.

Guarantee

The 2018(2) Second Lien Exchange Notes are irrevocably and unconditionally guaranteed by Harrah's Entertainment, subject to certain limitations. See Description of 2018(2) Second Lien Exchange Notes Parent Guarantee.

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Optional Redemption	Harrah's Operating may redeem the 2018(2) Second Lien Exchange Notes, in whole or part, at any time prior to December 15, 2013 at a price equal to 100% of the principal amount of the Second Lien Exchange Notes redeemed plus accrued and unpaid interest to the redemption date and a make-whole premium, as described in Description of 2018(2) Second Lien Exchange Notes Optional Redemption. Harrah's Operating may redeem the 2018(2) Second Lien Exchange Notes, in whole or in part, on or after December 15, 2013 at the redemption prices set forth under Description of 2018(2) Second Lien Exchange Notes Optional Redemption.
Optional Redemption after Certain Equity Offerings and Mandatory Redemption	At any time (which may be more than once) before December 15, 2011, Harrah's Operating may choose to redeem up to 35% of the principal amount of 2018(2) Second Lien Exchange Notes at a redemption price equal to 110.00% of the face amount thereof with the net proceeds of one or more equity offerings to the extent such net cash proceeds are received by or contributed to Harrah's Operating and so long as at least 50% of the aggregate principal amount of the 2018(2) Second Lien Exchange Notes is outstanding afterwards. See Description of 2018(2) Second Lien Exchange Notes Optional Redemption.
Change of Control	If Harrah's Operating experiences a change of control (as defined in the indentures governing the exchange notes), Harrah's Operating will be required to make an offer to repurchase the exchange notes at a price equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of repurchase. See Description of 2018(2) Second Lien Exchange Notes Change of Control.
Certain Covenants	<p>We issued the 2018(2) Second Lien Exchange Notes under an indenture that contains covenants limiting Harrah's Operating's ability and the ability of its subsidiaries to:</p> <ul style="list-style-type: none"> incur additional debt or issue certain preferred shares; pay dividends on or make distributions in respect of its capital stock or make other restricted payments; make certain investments; sell certain assets; create liens on certain assets to secure debt; consolidate, merge, sell or otherwise dispose of all or substantially all of its assets; enter into certain transactions with its affiliates; and

designate its subsidiaries as unrestricted subsidiaries.

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The covenants are subject to a number of important limitations and exceptions. In addition, the restrictive covenants do not apply to Harrah's Entertainment. See Description of 2018(2) Second Lien Exchange Notes. Certain covenants will cease to apply to 2018(2) Second Lien Exchange Notes for so long as such notes have investment grade ratings from both Moody's Investors Service, Inc. and Standard & Poor's.

First Lien Exchange Notes

\$2,095,000,000 aggregate principal amount 11.25% notes due 2017.

Maturity Date

The First Lien Exchange Notes will mature on June 1, 2017.

Interest Rate

Interest on the First Lien Exchange Notes will be payable in cash and will accrue from the issue date of the First Lien Exchange Notes at a rate of 11.25% per annum.

Interest Payment Date

June 1 and December 1 of each year after the date of issuance of the First Lien Exchange Notes commencing December 1, 2009

Ranking

The First Lien Exchange Notes:

will be senior indebtedness of Harrah's Operating;

will rank pari passu in right of payment with all existing and future senior indebtedness of Harrah's Operating;

will be senior in right of payment to all existing and future subordinated indebtedness of Harrah's Operating; and

will be effectively subordinated in right of payment to all existing and future indebtedness and liabilities of subsidiaries of Harrah's Operating that are not Subsidiary Pledgors.

The First Lien Exchange Notes will have the benefit of a security interest in the collateral that will be first in priority and pari passu with the senior secured credit facilities, subject to permitted liens and exceptions described under Description of First Lien Exchange Notes Security for the Notes. While the First Lien Exchange Notes will initially be secured by the pledge of HOC's capital stock and the capital stock of the Subsidiary Pledgors, these pledges will be released to the extent that separate financial statements pursuant to Rule 3-16 of Regulation S-X would be required in connection with the filing of a registration statement related to the First Lien Exchange Notes. See Description of First Lien Exchange Notes Security for the Notes. All of HOC's domestic wholly owned subsidiaries that pledge their assets and property to secure the loans under the senior secured credit facilities and other first priority lien obligations, if any, will become Subsidiary Pledgors with respect to the First Lien Exchange Notes, and their assets and property will secure the notes to the extent described under Description of First Lien Exchange Notes Security for the Notes.

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Collateral

The First Lien Exchange Notes will be secured by a first priority security interest in the collateral granted to the collateral agent for the benefit of the holders of the notes and other future parity lien debt that may be issued in compliance with the terms of the indenture governing the First Lien Exchange Notes. The collateral securing the First Lien Exchange Notes is the same as the collateral securing the senior secured credit facilities. The liens securing the First Lien Exchange Notes are pari passu in priority to the liens on the collateral securing the senior secured credit facilities. The liens securing the First Lien Exchange Notes and other first priority lien obligations will be held by the collateral agent under the senior secured credit facilities.

While the First Lien Exchange Notes will initially be secured by the pledge of HOC's capital stock and the capital stock of the Subsidiary Pledgors, these pledges will be released to the extent that separate financial statements pursuant to Rule 3-16 of Regulation S-X would be required in connection with the filing of a registration statement related to the First Lien Exchange Notes. See Description of First Lien Exchange Notes Security for the Notes.

Except as set forth above, the collateral securing the First Lien Exchange Notes will be substantially all of HOC's and the Subsidiary Pledgor's property and assets that secure the senior secured credit facilities, which excludes: (i) any property or assets owned by any foreign subsidiaries, (ii) certain real property and vessels, (iii) any vehicles, (iv) cash, deposit accounts and securities accounts (to the extent that a lien thereon must be perfected by any action other than the filing of customary financing statements), (v) subject to limited exceptions, any assets or any right, title or interest in any license, contract or agreement to the extent that taking a security interest in any of them would violate any applicable law or regulation (including gaming regulations) or any enforceable contractual obligation binding on the assets or would violate the terms of any such license, contract or agreement, and (vi) certain other limited exclusions. For more information, see Description of First Lien Exchange Notes Security for the Notes.

Guarantee

The notes are irrevocably and unconditionally guaranteed by Harrah's Entertainment, subject to certain limitations. See Description of First Lien Exchange Notes Parent Guarantee.

Optional Redemption

HOC may redeem the First Lien Exchange Notes, in whole or in part, at any time prior to June 1, 2013, at a price equal to 100% of the principal amount of the First Lien Exchange Notes plus accrued and unpaid interest and an applicable make-whole premium. Thereafter, the First Lien Exchange Notes may be redeemed at the option of HOC on the redemption dates and at the redemption prices specified under Description of First Lien Exchange Notes Optional Redemption.

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Optional Redemption After Certain Equity Offerings On or prior to June 1, 2012, HOC may redeem up to 35% of the aggregate principal amount of First Lien Exchange Notes with the net cash proceeds of one or more equity offerings at the redemption prices specified under Description of First Lien Exchange Notes Optional Redemption.

Change of Control If Harrah's Operating experiences a change of control (as defined in the indenture governing the exchange notes), Harrah's Operating will be required to make an offer to repurchase the First Lien Exchange Notes at a price equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of repurchase. See Description of First Lien Exchange Notes Change of Control.

Certain Covenants We issued the First Lien Exchange Notes under an indenture that contains covenants limiting Harrah's Operating's ability and the ability of its subsidiaries to:

incur additional debt or issue certain preferred shares;

pay dividends on or make distributions in respect of its capital stock or make other restricted payments;

make certain investments;

sell certain assets;

create liens on certain assets to secure debt;

consolidate, merge, sell or otherwise dispose of all or substantially all of its assets;

enter into certain transactions with its affiliates; and

designate its subsidiaries as unrestricted subsidiaries.

The covenants are subject to a number of important limitations and exceptions. In addition, the restrictive covenants do not apply to Harrah's Entertainment. See Description of First Lien Exchange Notes. Certain covenants will cease to apply to the First Lien Exchange Notes for so long as such notes have investment grade ratings from both Moody's Investors Service, Inc. and Standard & Poor's.

Risk Factors

See Risk Factors and the other information in this prospectus for a discussion of the factors you should carefully consider before deciding to invest in the notes.

Additional Information

Our principal executive offices are located at One Caesars Palace Drive, Las Vegas, Nevada 89109, and our telephone number is (702) 407-6000. The address of our internet site is <http://www.harrahs.com>. This internet address is provided for informational purposes only

and is not intended to be a hyperlink. Accordingly, no information in this internet address is included or incorporated herein.

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**Summary Historical Consolidated
and Unaudited Pro Forma Consolidated Financial Data
of Harrah's Entertainment, Inc.**

The following table presents our summary historical and pro forma financial information as of and for the periods presented. The summary historical financial information as of December 31, 2006, 2007 and 2008 and for each of the years in the two-year period ended December 31, 2007, and the periods from January 1, 2008 through January 27, 2008 and from January 28, 2008 through December 31, 2008, have been derived from, and should be read in conjunction with, our audited consolidated financial statements included elsewhere in this prospectus. The summary historical financial information as of June 30, 2009 and for the six months ended June 30, 2009 and the period from January 28, 2008 through June 30, 2008 are derived from, and should be read in conjunction with, our unaudited condensed consolidated financial statements included elsewhere in this prospectus, and, except as otherwise described herein, have been prepared on a basis consistent with our annual audited financial statements and, in the opinion of management, include all adjustments consisting of normal recurring accruals considered necessary for a fair presentation of such data.

The summary unaudited pro forma consolidated financial data for the year ended December 31, 2008 is based on our audited financial statements appearing elsewhere in this prospectus and gives effect to the Transactions as if they had occurred on January 1, 2008. See The Acquisition Transactions. The pro forma adjustments are based upon available information and certain assumptions that are factually supportable and that we believe are reasonable. The summary unaudited pro forma consolidated financial data are for informational purposes only and do not purport to represent what the actual consolidated results of operations or the consolidated financial position of Harrah's Operating or Harrah's Entertainment actually would have been if the CMBS Transactions, the London Clubs Transfer or the other Transactions had occurred at any given date, nor are they necessarily indicative of future consolidated results of operations or consolidated financial position.

Please refer to Unaudited Pro Forma Condensed Consolidated Financial Information of Harrah's Entertainment, Inc., Selected Historical Consolidated Financial Data, Management's Discussion and Analysis of Financial Condition and Results of Operations and our financial statements and notes thereto included elsewhere in this prospectus. The audited consolidated financial statements as of December 31, 2008 and 2007 and for each of the years in the two-year period ended December 31, 2007, and the periods from January 1, 2008 through January 27, 2008, and from January 28, 2008 through December 31, 2008, have been audited by Deloitte & Touche LLP, an independent registered public accounting firm.

Effective January 1, 2009, we adopted Statement of Financial Accounting Standards (SFAS) No. 160, Non-controlling Interests in Consolidated Financial Statements an amendment of ARB No. 51. The adoption of SFAS No. 160 did not have a material impact on our financial condition, results of operations or cash flows. However, it did impact the presentation and disclosure of non-controlling (minority) interests in our consolidated financial statements. As a result of the retrospective presentation and disclosure requirements of SFAS No. 160, we are required to reflect the change in presentation and disclosure for all periods presented in future filings.

Table of Contents**Harrah's Entertainment, Inc.****Summary Historical Consolidated Financial Information**

	Predecessor		Historical			Successor		Pro Forma ⁽¹⁾
	2006	2007	Jan. 1, 2008 through Jan. 27, 2008	Jan. 28, 2008 through Jun. 30, 2008	Jan. 28, 2008 through Dec. 31, 2008	Six Months Ended Jun. 30, 2009	Year Ended Dec. 31, 2008	
(Dollars in millions)								
							(unaudited)	
Revenues								
Casino	\$ 7,868.6	\$ 8,831.0	\$ 614.6	\$ 3,523.1	\$ 7,476.9	\$ 3,622.8	\$ 8,091.5	
Food and beverage	1,577.7	1,698.8	118.4	732.6	1,530.2	747.8	1,648.6	
Rooms	1,240.7	1,353.6	96.4	577.5	1,174.5	546.3	1,270.9	
Management fees	89.1	81.5	5.0	29.2	59.1	28.6	64.1	
Other	611.0	695.9	42.7	280.5	624.8	288.4	667.5	
Less: casino promotional allowances	(1,713.2)	(1,835.6)	(117.0)	(700.3)	(1,498.6)	(707.8)	(1,615.6)	
Net revenues	9,673.9	10,825.2	760.1	4,442.6	9,366.9	4,526.1	10,127.0	
Operating Expenses								
Direct								
Casino	3,902.6	4,595.2	340.6	1,907.7	4,102.8	1,970.4	4,443.4	
Food and beverage	697.6	716.5	50.5	308.0	639.5	298.2	690.0	
Rooms	256.6	266.3	19.6	114.5	236.7	106.1	256.3	
Property general and administrative and other	2,206.8	2,421.7	178.2	987.2	2,143.0	1,004.6	2,321.2	
Depreciation and amortization	667.9	817.2	63.5	300.4	626.9	341.2	690.4	
Write-downs, reserves and recoveries	62.6	(59.9)	4.7	(108.7)	16.2	54.3	20.9	
Impairment of intangible assets	20.7	169.6			5,489.6	297.1	5,489.6	
Project opening costs	20.9	25.5	0.7	10.0	28.9	2.6	29.6	
Corporate expense	177.5	138.1	8.5	61.3	131.8	72.0	140.3	
Merger and integration costs	37.0	13.4	125.6	22.1				