

Harrah's (Grand Casino) First Phase of Reopening

by Staff

Harrah's Announces First Phase of Biloxi Reopening; Grand Casino Expected to Reopen Summer 2006; Resort Destination To Follow

LAS VEGAS--(BUSINESS WIRE)--March 21, 2006--Harrah's Entertainment, Inc. (NYSE:HET) today announced plans to reopen Grand Casino Biloxi this summer, in the first phase of plans to create a destination resort on the Mississippi Gulf Coast.

Pending regulatory approval, Grand Casino Biloxi is expected to reopen in mid- to late summer 2006, following an extensive renovation project. The property's existing land-based facilities, including the Bayview Hotel tower and the convention center, will be completely redesigned and rebuilt into a casino and a 500-room hotel, featuring a steakhouse, a 300-seat buffet, a swimming pool, and a 16,000-square-foot full-service spa. The resort is expected to initially employ more than 1,000 people.

"We're excited to begin the process of rebuilding on the Mississippi Gulf Coast," said Gary Loveman, chairman, chief executive officer and president of Harrah's Entertainment. "The Grand will return with the kind of high-quality casino entertainment experience our customers have come to expect. We look forward to contributing to the restoration of the Gulf Coast's tourism industry, and to getting our employees back on the job as quickly as possible."

Karen Sock, formerly assistant general manager of Grand Casino Gulfport, will be named senior vice president and general manager of Grand Casino Biloxi, subject to regulatory approvals. Sock, with more than 20 years of experience in the gaming and hospitality industries, served as vice president of human resources at Harrah's New Orleans before joining Grand Casino Gulfport in June 2005. She will report to Tom O'Donnell, Harrah's Gulf Coast regional president.

The summer reopening will be the first step toward Harrah's development of a world-class resort in the Biloxi market. The project is in the design phase, focusing on the opportunities provided by the introduction of shore-based gaming. Harrah's expects to announce preliminary plans for this development in mid-2006.

"In the coming months and years we will develop our property in Biloxi into a true destination resort, building on the Mississippi Gulf Coast's position as a must-visit vacation spot," said Anthony Sanfilippo, president of Harrah's Central Division.

Harrah's Entertainment, Inc. is the world's largest provider of branded casino entertainment through its operating subsidiaries. Since its beginning in Reno, Nevada 68 years ago, Harrah's has grown through development of new properties, expansions and acquisitions. Harrah's Entertainment is focused on building loyalty and value with its customers through a unique combination of great service, excellent products, unsurpassed distribution, operational excellence and technology leadership.

More information about Harrah's is available at its Web site -- www.harrahs.com.

This release includes "forward-looking statements" intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. You can identify these statements by the fact that they do not relate strictly to historical or current facts. These statements contain words such as "may," "will," "project," "might," "expect," "believe," "anticipate," "intend," "could," "would," "estimate," "continue" or "pursue," or the negative or other variations thereof or comparable terminology. In particular, they include statements relating to, among other things, future actions, new projects, strategies, future performance, the outcomes of contingencies and future financial results of Harrah's. These forward-looking statements are based on current expectations and projections about future events.

Investors are cautioned that forward-looking statements are not guarantees of future performance or results and involve risks and uncertainties that cannot be predicted or quantified and, consequently, the actual performance of Harrah's may differ materially from those expressed or implied by such forward-looking statements. Such risks and uncertainties include, but are not limited to, the following factors, as well as other

factors described from time to time in our reports filed with the Securities and Exchange Commission (including the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained therein): the effects of local and national economic, credit and capital market conditions on the economy in general, and on the gaming and hotel industries in particular; construction factors, including delays, increased costs for labor and materials, availability of labor and materials, zoning issues, environmental restrictions, soil and water conditions, weather and other hazards, site access matters and building permit issues; the effects of environmental and structural building conditions relating to our properties; access to available and reasonable financing on a timely basis; the ability to timely and cost-effectively integrate into Caesars into our operations; changes in laws, including increased tax rates, regulations or accounting standards, third-party relations and approvals, and decisions of courts, regulators and governmental bodies; litigation outcomes and judicial actions, including gaming legislative action, referenda and taxation; the ability of our customer-tracking, customer loyalty and yield-management programs to continue to increase customer loyalty and same store sales or hotel sales; our ability to recoup costs of capital investments through higher revenues; acts of war or terrorist incidents or natural disasters; abnormal gaming holds; and the effects of competition, including locations of competitors and operating and market competition.

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

CONTACT: Harrah's Entertainment, Inc., Las Vegas

Dan Foley, 702-407-6370 (Investors)

Alberto Lopez, 702-407-6344 (Media)

SOURCE: Harrah's Entertainment, Inc.

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